

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SRES 12678

Consequently, the commission chose the vessel limitation alternative. The commission did not want to assume the risk of visiting on a fishery with critical conservation needs as many as three times the number of vessels that the fishery had ever supported in a particular year.

### **CONCLUSION**

As we have attempted to explain, the legislature helped the commission meet the conservation needs of the two fisheries at issue by providing the commission with a vessel license limitation alternative to the traditional license limitation program designed in 1973 for salmon. The vessel license limitation alternative helped the commission to meet its duty to conserve these fisheries. *Simpson v. State, CFEC*, 101 P.3d 605 (Alaska 2004).

# STATE OF ALASKA

**SARAH PALIN, GOVERNOR**

## **DEPARTMENT OF FISH AND GAME**

### **DIVISION OF COMMERCIAL FISHERIES**

P.O. BOX 115526  
JUNEAU, AK 99811-5526  
PHONE: (907) 465-4210  
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February 5, 2008

The Honorable Donnie Olson  
Alaska State Senate  
State Capitol, Room 514  
Juneau, Alaska 99801

Dear Senator Olson:

I am writing to express the support of the Alaska Department of Fish and Game (ADF&G) for passage of Senate Bill 251, "Vessel Permit System", of which you are the sponsor. As you know, ADF&G has expressed our support for House Bill 16, which does much the same thing as SB 251. The bill is supported by the Commercial Fisheries Entry Commission (CFEC), the North Pacific Fishery Management Council (NPFMC), the United Fishermen of Alaska (UFA) and numerous active participants in the Alaskan fishing industry.

As I have testified regarding HB 16, ADF&G supported the vessel-based limited entry system for scallops and Korean hair crab when it was adopted in 2004 because it provided conservation benefits, both for scallops and for crabs, which were not provided by an individual-based limited entry system. The vessel-based limited entry program works together with the guideline harvest ranges, observer data, other sampling, closed areas, seasons and gear limitations to provide a sustainable management program for scallops.

If SB 251 (or HB 16) fails to pass into law this year, and the vessel-based limited entry system goes away at the end of 2008, there will be no limit on the number of boats that can fish for scallops in state waters, unless the CFEC conducts an additional study and implements a different form of limited entry. It is unclear if such a study would support a different form of limited entry for scallops or how long it would take if such a change were to occur.

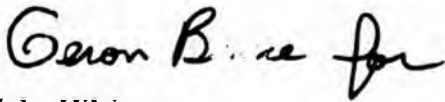
At the current time, we can not make a good estimate of how many vessels may decide to fish for scallops in state waters if those waters are open to entry by any vessel. In anticipation of the possibility that legislation will not be passed to prevent the expiration of the current system, we are developing some proposed approaches to managing these fisheries without limited entry. We intend to present these ideas to the Alaska Board of Fisheries next month.

Based on our analysis so far, we can not be certain whether or not an effective management regime can be developed that adequately provides for a fishery while allowing ADF&G to sustain a healthy population of scallops and minimize bycatch.

The fishery for Korean hair crab in the Bering Sea is currently closed because of poor stock condition. While this fishery is not expected to reopen in the near future, failure of the vessel-based limited entry system will further delay any possible opening.

ADF&G supports SB 251 and the continuation of the current approach to managing these fisheries. Please feel free to contact me if you have questions or need more information on this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Hilsinger".

John Hilsinger  
Director, Commercial Fisheries Division

# ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



ALASKA  
STATE CAPITOL  
ROOM 514  
JUNEAU, ALASKA 99801-1182

(907) 465-3707  
FAX (907) 465-4821

## RECOMMENDED WITNESS LIST

SB 251, Vessel Permit System

In Senate Resources Committee

- |                       |                                       |          |
|-----------------------|---------------------------------------|----------|
| 1. Frank Homan, Chair | Commercial Fisheries Entry Commission | 790-6942 |
| 2. Morgan Crow        | Coastal Villages Region Fund (CDQ)    | 278-5151 |
| 3. Jerry McCune       | United Fishermen of Alaska            | 321-0655 |

## STAFF ASSIGNMENT

Dave Gray 465-3877

## **SB 251 Vessel Permit System**

### **Senate Resources CS**

**Authorizes the Commercial Fisheries Entry Commission to continue administering the vessel-based limited entry system for two fisheries: Bering Sea Korean hair crab and weathervane scallops. Establishes a termination date of this authority of 2018.**

# STATE OF ALASKA

## COMMERCIAL FISHERIES ENTRY COMMISSION

**SARAH PALIN, GOVERNOR**

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P.O. Box 110302

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INTERNET: [www.cfec.state.ak.us](http://www.cfec.state.ak.us)

January 7, 2008

Re: Legislation to Preserve State Limited Entry for the Weathervane Scallop and Bering Sea Hair Crab Vessel Permit Holders

Dear Scallop and Hair Crab Fishermen:

The Alaska legislative session begins on January 15, 2008 for a shortened 90-day session. House Bill 16, extending the sunset date for the state waters scallop and hair crab limited entry programs until December 2013, has failed to move from the House Fisheries Committee. If the bill fails to pass the legislature this session, both of these fisheries will revert to unlimited open access at the end of 2008. In outside waters, the Federal scallop limited entry by the North Pacific Fisheries Management Council (NPFMC) will remain in place. The House Fisheries Committee held hearings on HB16 last year, but the bill did not move out of the committee.

It has come to our attention that some participants in the Alaska scallop fishery are under the impression that, if this bill does not pass, the state waters scallop fishery on-board observer requirement would end. This is not the case. A return to an unlimited open access state waters scallop fishery will not eliminate the observer program for this fishery. In fact, an open access scallop fishery would likely require more management measures from the Board of Fisheries (not fewer).

Please let your legislator know your views on this legislation.

Thank you.

By Direction of the

COMMERCIAL FISHERIES ENTRY COMMISSION



Frank Homan, Chairman

Peter Froehlich, Commissioner

Bruce Twomley, Commissioner

Attachment  
Copy of HB 16  
List of all Legislators and addresses

**Sharon Long**

**From:** Homan, Frank M (CFEC) [frank.homan@alaska.gov]  
**Sent:** Thursday, January 17, 2008 12:03 PM  
**To:** Sharon Long  
**Cc:** Ufa2@ufa-fish.org  
**Subject:** Scallops  
**Attachments:** Mr. Big cases.pdf; Mr. Big New Release.pdf

Hi Sharon,

Thank you for meeting with us yesterday. This is just a follow up on our discussion about the scallop vessel "Mr. Big".

As you recall Mr. Big was fishing without a license in the mid 1990's and caused the entire scallop fishery to be closed for nearly two years. When we (the State) limited the scallop fishery in 2003 Mr. Big applied for a permit and was denied. Through a series of appeals to the Entry Commission he was finally denied by the Commission in July of 2006 as not eligible. Mr. Big has hired an attorney in Anchorage and appealed our denial to the Alaska Court System challenging our decision and the scallop limitation program. His first level of appeal is to the Superior Court and then to the Alaska Supreme Court. Mr. Big is trying to get back into the Alaska scallop fishery by overturning the program requirements. If a sunset extension or a permanent permit program is not passed this session the Alaska scallop fishery in state waters will be unlimited open access and Mr. Big will be able to return to fishing for Alaska scallops.

The attached Commission decisions document our reasons for denying Mr. Big's application. They should be read from the bottom up, in other words starting with the denial by the Commission Hearing Officer first.

The attached press releases from the Governor's Office in 1995 detail the severity of the problem that Mr. Big caused.

Also in one of the reports I left with you entitled "A Brief Overview of the Alaska Weathervane Scallop Fishery and the Vessel Permit Limited Entry Program" on page three the last paragraph is a brief description of the Mr. Big issue.

I hope this helps. As you can see Mr. Big is still a threat to the scallop fishery. (Of course with an open fishery any vessel could come into Alaska waters). Please let me know if you have any questions.

Frank Homan  
Commissioner, CFEC  
8800 Glacier Hwy, #109  
Juneau, AK 99801  
907-790-6942  
907-789-6160

*- likely referred to box not fish on H. Sell*



**Frank M. Homan**  
**Chairman**



STATE OF ALASKA  
Commercial Fisheries Entry Commission  
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frank.homan@alaska.gov

# State of Alaska

*Sarah Palin, Governor*

## Commercial Fisheries Entry Commission

8800 Glacier Hwy, #100

P.O. Box 110302

Juneau, AK 99811-0302

## **MEMORANDUM**

**To:** SENATE RESOURCES COMMITTEE

Senator Charlie Huggins, Chair  
Senator Bert Stedman, Vice-Chair  
Senator Lyda Green  
Senator Gary Stevens  
Senator Lesil McGuire  
Senator Bill Wielechowski  
Senator Thomas Wagoner

**Date:** April 25, 2007

**Phone:** (907) 789-6933 VOICE  
(907) 790-6933 FAX

**From:** Commercial Fisheries Entry Commission

Frank Homan, Chairman  
Peter Froehlich, Commissioner  
Bruce Twomley, Commissioner

**Subject:** Background - Weathervane  
Scallop and Bering Sea Hair Crab  
Fisheries

### **INTRODUCTION**

As an alternative to its traditional license limitation program designed in 1973 for Alaska salmon fisheries, in 2002, the Alaska Legislature provided the Commercial Fisheries Entry Commission (the commission or CFEC) with an alternative vessel permit system which could be applied to only two fisheries: the Bering Sea hair crab fishery and the weathervane scallop fishery. AS 16.43.450(a) authorized the commission to employ the vessel permit system, if (among other things) "limiting the number of participants under [the traditional license limitation program designed for salmon] would not achieve the purposes of [the Limited Entry Act]".

A primary purpose of the Limited Entry Act is to serve conservation of the fisheries. *Simpson v. State, CFEC*, 101 P.3d 605 (Alaska 2004). Consequently, in 2004, for compelling conservation reasons, the Alaska Commercial Fisheries Entry Commission employed a vessel limitation system to limit entry into the Bering Sea hair crab fishery and the weathervane scallop fishery. Conservation needs in both fisheries weighed heavily against employing a limitation system that created a risk of increasing the number of participating vessels even for a limited time. However, the only alternative available to the commission was the traditional license limitation program designed in 1973 for Alaska salmon fisheries.

Over time, the number of licensed vessel operators in each fishery was much greater than the number of vessels. Under the traditional license limitation system, each licensed vessel operator would have been eligible to apply for a permanent entry permit and could have continued to operate a vessel in the fishery until their applications were finally adjudicated. In fact, as explained in more detail below, a traditional license limitation program created the risk of more than doubling the number of vessels in each fishery for some time following limitation.

### **BERING SEA HAIR CRAB FISHERY**

The conservation crisis faced by the Bering Sea hair crab fishery (closed by managers since 2000) made it critical for CFEC to restrict the number of vessels as low as possible.

CFEC employed the Vessel Limited Entry Program authorized by the Alaska Legislature, and the owners of only 20 vessels applied for permanent entry permits.<sup>1</sup> Today, two applications have been finally denied, two remain pending before the commission, and 16 permanent vessel entry permits have been issued.<sup>2</sup>

If CFEC had employed traditional license limitation, each of the estimated 47 licensed vessel operators who had participated in the fishery<sup>3</sup> would have been eligible to apply for permanent entry permits and to operate a vessel in the fishery until a final determination of their claims. Therefore, traditional license limitation created the risk of allowing 47 vessels into the fishery (more than twice the number of vessels that had ever participated in the fishery).<sup>4</sup>

Furthermore, considerable time would have been required to adjudicate the claims of 47 eligible applicants to reach the maximum number of 21. Under the most favorable assumptions, claims by applicants would have required at least one year for commission staff and hearing officers to adjudicate;

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<sup>1</sup> *A Brief Overview of the Bering Sea Hair Crab Fishery and the Vessel Limited Entry Program* (February 2007 CFEC Report No. 07-1N at 5).

<sup>2</sup> *Id.*

<sup>3</sup> *Rationale for Limiting Entry in the Bering Sea Hair Crab Fishery* (CFEC, March 25, 2004 at 6).

<sup>4</sup> For a historic example of this unfortunate effect of the traditional License Limitation Program, in the Northern Southeast Inside sablefish fishery, CFEC established a maximum number of 73 (representing the highest number of vessels to have ever participated in the fishery), but 167 individuals applied for entry permits in the fishery. Consequently, soon after limiting entry, 161 vessels participated in the fishery representing well over twice the number of vessels the fishery had ever supported.

at least an additional year for the commissioners; at least an additional year and one-half before the Alaska Superior Court; and, finally, at least an additional year and one-half before the Alaska Supreme Court. In other words, under the most optimistic estimates, at least five years would have been required to reduce the number of eligible participants to the maximum number of 21. The commission was not willing to assume this risk.

To conserve the fishery, CFEC could not have employed the traditional limited entry program without assuming the risk of violating its constitutional and statutory duty to conserve the fishery. Instead, after research and public hearings, CFEC found that it had a duty to employ the vessel limitation alternative in order to limit promptly the number of participating vessels. As noted, the owners of 20 vessels applied for permanent entry permits.

### **WEATHERVANE SCALLOP FISHERY**

Similar conservation concerns weighed heavily on the weathervane scallop fishery, where managers of the fishery did not want to risk authorizing the operation of additional scallop dredges. By employing the vessel license limitation system over the qualifying years (1991-2003),<sup>5</sup> the commission was promptly able to limit the number of participating vessels to a representative historic level of 9 vessels.<sup>6</sup>

In the alternative, over the shortest possible qualifying period,<sup>7</sup> at least 27 vessel operators would have been eligible to apply for permanent entry permits under the traditional license limitation system. If, instead of this limited four-year period, CFEC had employed the same qualifying years it did for vessels, some 43 vessel operators would have been eligible to apply for permanent entry permits.

As with the hair crab fishery, CFEC again considered the time required to adjudicate these potential claims to reduce them to a maximum number representing the historic level of participation.<sup>8</sup> The adjudication process would have taken at least five years under the most favorable of assumptions. Consequently, the commission chose the vessel limitation alternative. The commission did not want to

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<sup>5</sup> 20 AAC 05.1430.

<sup>6</sup> *A Brief Overview of the Alaska Weathervane Scallop Fishery and the Vessel Permit Limited Entry Program* (February 2007 CFEC Report 07-2N at 7).

<sup>7</sup> The four years immediately preceding the 1997 moratorium. CFEC February 4, 2004 memo to Commissioner of ADF&G at 2 n2.

<sup>8</sup> The maximum number based on vessels would likely have been 12.

assume the risk of visiting on a fishery with critical conservation needs as many as three times the number of vessels that the fishery had ever supported in a particular year.

## **CONCLUSION**

As we have attempted to explain, the legislature helped the commission meet the conservation needs of the two fisheries at issue by providing the commission with a vessel license limitation alternative to the traditional license limitation program designed in 1973 for salmon. The vessel license limitation alternative helped the commission to meet its duty to conserve these fisheries. *Simpson v. State, CFEC, 101 P.3d 605 (Alaska 2004)*.

**HOUSE BILL NO. 16**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

**BY REPRESENTATIVE SEATON**

**Introduced: 1/16/07**

**Referred: House Special Committee on Fisheries, Resources**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act providing for an effective date by delaying the effective date of repeal of the  
2 authority of the Commercial Fisheries Entry Commission to maintain the vessel-based  
3 commercial fisheries limited entry systems for the Bering Sea Korean hair crab and  
4 weathervane scallop fisheries, and the effective date of conforming amendments related  
5 to the repeal of those systems."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* Section 1. Section 28, ch. 137, SLA 2002, is amended to read:

8 Sec. 28. Sections 5, 10, 12, 14, 16, 18, 21, 23, and 27 of this Act take effect  
9 December 30, 2013 [2008].

**State of Alaska  
Commercial Fisheries Entry Commission**

**Statewide Weathervane Scallop Vessel Permit Holders  
December 8, 2008**

<b>Vessel Permit Owner Name</b>	<b>Company Owner/Contact Person</b>	<b>Vessel Name</b>	<b>Skipper</b>
Future Fisheries Inc. 14 Hervey Tichon Ave. New Bedford, MA 02740	Nordic Fisheries Inc. Roy Enoksen, Ron Enokson O'Hara Corp Francis O'Hara, Francis O'Hara, Jr.	F/V Pursuit (100 ft.) ADFG Number: 40312 Vessel Permit: W 2ABV85016Z	None - non-fishing co-op member 5/9/2005 CFEC was notified that vessel was sold. Vessel permit was retained.
Ocean Fisheries LLC 7216 Interlaaken Dr. SW Lakewood, WA 98499	Stone Maritime Inc. Jim Stone (LLC Manager) Mikkelsen Fisheries Inc. Glenn Mikkelsen, Egil Mikkelsen Fastus Fisheries Inc. John Lemar Stein Enterprises Stein Nyhammer	Ocean Hunter (100 ft.) ADFG Number: 40924 Vessel Permit: W 2ABV85007S	John Lemar (W 2AB27374U) 1302 Chambers St Stellecoom, WA 98388 Glenn Mikkelsen (W 2AB28558K) 2 Park Place Edmonds, WA 98028
Provider Inc. 1000 C Street Bellingham, WA 98225	Provider Inc. Mark Kandianis (President, Treasurer) John Doody (Vice-President, Secretary)	Provider (123 ft.) ADFG Number: 58200 Vessel Permit: W 2ABV85008L	Tom Minio (W 2AB26294I) 801 King Valley Dr. Maple Falls, WA 98268
Forum Star LLC 2025 1st Ave #900 Seattle, WA 98121	Forum Star LLC Coastal Villages Pollock LLC American Seafoods LLC Bert O. Bodal Jeffrey W. Davis	Forum Star (98 ft.) ADFG Number: 59887 Vessel Permit: W 2ABV85014O	None - non-fishing co-op member
Carolina Boy Inc. Box 600 Seaford, VA 23698	Carolina Boy Inc. William S. Wells, Jr. William S. Wells, III	Carolina Boy (95 ft.) ADFG Number: 64110 Vessel Permit: W 2ABV85013W	None - non-fishing co-op member
Thomas C. Hogan Box 1648 Homer, AK 99603	Thomas C. Hogan	Kilkenny (75 ft.) ADFG Number: 54988 Vessel Permit: W 2BBV85015J	Thomas C. Hogan (W 2BB27888I) Box 1648 Homer, AK 99603 George M. Milne (W 2BB27776Q) Box 1648 Homer, AK 99603
La Brisa Inc. Box 770881 Eagle River, AK 99577	La Brisa Inc. Max Hulse Robert Hulse	Wayward Wind (79 ft.) ADFG Number: 23574 Vessel Permit: W 2BBV85012H	Scott D. Hulse (W 2BB26790J) Box 770881 Eagle River, AK 99577
Tom Gilmartin, Jr. 46677 Lake St. Kenai, AK 99611	Tom Gilmartin, Jr.	Arctic Storm (58 ft.) ADFG Number: 66700 Vessel Permit: W 2BB85018L	Tom Gilmartin, Jr. 46677 Lake St. Kenai, AK 99611 (no permit for 2008)

# A Brief Overview of the Alaska Weathervane Scallop Fishery and the Vessel Permit Limited Entry Program



CFEC Report 07-2N  
February 2007  
Prepared by Nancy Free-Sloan

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State of Alaska  
Commercial Fisheries Entry Commission  
8800 Glacier Highway, Suite 109  
Juneau, Alaska 99801

## **A Brief Overview of the Alaska Weathervane Scallop Fishery and the Vessel Permit Limited Entry Program**

CFEC Report 07-2N

February 2007

Prepared by Nancy Free-Sloan

Passage of the vessel permit system bill (CSHB206 (RLS) am S) during the 2002 legislative session authorized creation of a vessel-based limited entry program in the statewide weathervane scallop and Bering Sea hair crab fisheries. Under AS 16.43.450-520, the current vessel permit system will expire on December 30, 2008 unless statutory authority is extended. Introduced in the 25<sup>th</sup> Alaska Legislature in January, 2007, House Bill 16 would extend the existing vessel permit system until December 30, 2013.

This briefing report has been prepared for the Alaska Legislature to review the statewide weathervane scallop vessel entry permit program. The report provides a brief history of the fishery. The history includes development of North Pacific Fishery Management Council's Fishery Management Plan for the Scallop Fishery off Alaska, the federal vessel moratorium in the exclusive economic zone, the state vessel moratorium in Alaska waters, the federal permanent license limitation program in the exclusive economic zone and the state vessel permit limited entry program. The report also provides an analysis of vessel participation and harvest figures in both fisheries before restricted access and in the years following restricted access.

**Cover Photo: A typical Alaska scallop dredge. Courtesy of Alaska Department of Fish and Game**

### **EO/ADA Compliance Statement**

The Commission is administratively attached to the Alaska Department of Fish and Game (ADF&G).

The Alaska Department of Fish and Game (ADF&G) administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The department administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

If you believe you have been discriminated against in any program, activity, or facility please write:

- ADF&G ADA Coordinator, P.O. Box 115526, Juneau, AK 99811-5526.  
The department's ADA Coordinator can be reached via phone at the following numbers: (VOICE) 907-485-6077, (Statewide Telecommunication Device for the Deaf) 1-800-478-3648, (Juneau TDD) 907-485-3648, or (FAX) 907-485-6078.
- U.S. Fish and Wildlife Service, 4040 N. Fairfax Drive, Suite 300 Webb, Arlington, VA 22203
- Office of Equal Opportunity, U.S. Department of the Interior, Washington DC 20240.

For information on alternative formats and questions on this publication, please contact the following:

Commercial Fisheries Entry Commission (CFEC)  
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Juneau, Alaska 99811-0302  
(907) 789-6160 phone  
(907) 789-6170 fax  
[research@uo.cfec.state.ak.us](mailto:research@uo.cfec.state.ak.us)

## Alaska Weathervane Scallop Fishery

Alaskan weathervane scallop *Patinopecten caurinus* fishing grounds off Alaska lie in state waters and in waters of the federal Exclusive Economic Zone (EEZ).<sup>1</sup> Weathervane scallops are the largest scallops in the world and currently the only scallop species targeted for commercial harvest in Alaska. Most of the commercial Alaska weathervane scallop resource is sold to domestic markets.

Commercial fishing for weathervane scallops occurs in the Gulf of Alaska, Bering Sea and Aleutian Islands. Scallops are usually found on the continental shelf in elongated sand, silt or clay "beds" at depths of 120 to 750 feet that are oriented in the direction of the prevailing currents. Commercial scallop beds are located in the vicinity of Yakutat, Kayak Island at the southeast end of Prince William Sound, Kamishak Bay in lower Cook Inlet, the east side of Kodiak Island, Shelikof Strait, the south side of the Alaska Peninsula, Umnak Island in the eastern Aleutian Islands and north of Unimak Island in the Bering Sea. The regulatory fishing season runs from July 1 to February 15 in all registration areas except in Cook Inlet, where the season is August 15 to October 31 in the Kamishak district.<sup>2</sup> In all other districts of Cook Inlet, fishing occurs on an exploratory basis only. The season for exploratory fishing within Cook Inlet runs from January 1 through December 31.

### Background

The commercial scallop fishery in Alaska began in 1967 with two vessels harvesting weathervane scallops from fishing grounds off the east side of Kodiak Island. The fishery expanded to the Yakutat area in 1968 with a total of 19 vessels participating. Further expansion to the Alaska Peninsula occurred in 1975, to Cook Inlet in 1983, to the Bering Sea in 1987, and to Prince William Sound in 1992. The rapid expansion of this fishery was due in large part to declining catches of scallops on the east coast of the United States and Canada.

The scallop fishery changed during the early 1990s as vessels converted from icing to freezing of shucked product. The fishery changed from a short trip fishery to a long trip fishery with fewer deliveries. By 1996, all vessels in this fishery had been converted to catcher-processors capable of producing frozen products at sea.<sup>3</sup>

The Alaska Department of Fish and Game (ADF&G) was responsible for management of the fishery, defining specific areas, gear and reporting requirements. Due to the absence of a federal fishery management plan (FMP), ADF&G extended their jurisdiction into the EEZ as allowed by the Magnuson Fishery Conservation and Management Act.<sup>4</sup>

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<sup>1</sup> Waters under state jurisdiction include internal waters and 0 to 3 miles from the baseline of the territorial sea. The EEZ is contiguous to the territorial sea and extends seaward from 3 to 200 miles from the baseline.

<sup>2</sup> ADF&G Special Publication No. 05-09. *Commercial Fisheries of Alaska, Scallop Fishery, June 2005.*

<sup>3</sup> Barnhart, J.P. (2000). *Annual Management Report for the Weathervane Scallop Fisheries of the Westward Region, 1999/00* Pages 262-300. ADF&G, Div. of Commercial Fisheries, Regional Information Report No. 4K00-55, Kodiak.

<sup>4</sup> Major amendments, including the Sustainable Fisheries Act, were enacted on October 11, 1996. The Act was retitled the Magnuson-Stevens Fishery Conservation and Management Act. The Act was recently revised and reauthorized.

From 1967 through mid-May 1993, passive management measures were employed by ADF&G. Crab species and habitat were protected by establishing fishing seasons and closing area waters when necessary to protect stocks. When catches of scallops declined in one area, vessels would move on to other exploitable beds. An influx of larger, more efficient vessels in the early 1990s led to increased harvests and changed the low-intensity nature of the fishery. As a result of increased effort and fleet efficiency, harvest levels nearly tripled from those of years prior to 1990. Amid concerns about crab bycatch and overharvest of the scallop resource, on May 21, 1993, the Commissioner of ADF&G declared the scallop fishery a "high impact emerging fishery". This State of Alaska designation applies to a fishery when at least one of four conditions are met: (1) harvesting effort recently increased beyond a low sporadic level; (2) the resource is harvested by more than one user group; (3) harvests approach levels that may not be sustainable; or (4) the Alaska Board of Fisheries (BOF) has not developed comprehensive regulations to address conservation and allocation issues. In 1993, ADF&G determined the scallop fishery fit the classification. Under 5 AAC 39.210, ADF&G was required to close the fishery and implement an interim management plan with associated regulations prior to reopening.

On June 17, 1993, the commissioner adopted the regulations and opened the fishery. The state fishery interim management plan required 100% observer coverage, a limit of 12 crew members per vessel, a ban on the use of automatic shucking machines, crab bycatch limits, dredge gear specifications and limits on the number of dredges to be deployed per vessel (a maximum of one or two depending on the area). Critical to sustained management of the fishery was the establishment of scallop guideline harvest ranges (GHRs). In March, 1994, the Alaska Scallop Fishery Management Plan (5 AAC 38.076) was adopted by the Alaska Board of Fisheries (BOF).<sup>5</sup>

Until early 1995, all vessels participating in the Alaska weathervane scallop fishery were licensed under the laws of the State of Alaska. The state had jurisdiction over scallop fishing in both state and federal waters for vessels licensed under Alaska laws. In January 1995, the captain of an unlicensed scallop fishing vessel elected to return his scallop interim use permit card to the State of Alaska Commercial Fisheries Entry Commission (CFEC or commission) in Juneau. With an unlicensed vessel and no interim use permit, the skipper proceeded to harvest scallops in the EEZ, ignoring not only harvest limits, but observer coverage and other management regulations as well. The unregulated action by this vessel and skipper resulted in closure of federal waters in the EEZ to scallop fishing by National Marine Fisheries Service (NMFS) emergency order (EO) from February 23, 1995, until May 30, 1995.<sup>6</sup> The initial EO was extended an additional ninety days to August 28, 1995. Prior to the August expiration of the EO, North Pacific Fishery Management Council (NPFMC) submitted a proposed fishery management plan (FMP) under the Magnuson-Stevens Act that would close the EEZ to scallop fishing for a maximum of one year (August 28, 1995-August 28, 1996). The proposed FMP was approved by NMFS on July 26, 1995.

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<sup>5</sup> NPFMC (North Pacific Fishery Management Council) *Stock Assessment and Fishery Evaluation Report for the Weathervane Scallop Fishery Off Alaska*. March 2006.

<sup>6</sup> Although the EEZ was closed to scallop fishing by emergency order during this time, the state waters portion of the fishery remained open. Harvest and earnings from 1995 fish tickets show landings in the EEZ and state waters in January and February, 1995, and landings in state waters only during July and August, 1995.

With the exception of license limitation in the EEZ, the scallop FMP delegated management authority to the State of Alaska. In March 1997, NMFS approved Amendment 2 to the FMP establishing a three-year vessel moratorium in federal waters. Eighteen vessel owners qualified to fish during the federal moratorium. Fourteen owners received endorsements for the statewide area (all waters except those waters defined in the Cook Inlet area), three owners received endorsements for Cook Inlet 'only' and one owner received endorsements for both the statewide and Cook Inlet areas.

### Federal Moratorium and License Limitation Program

By February 1999, the NPFMC recommended replacing the temporary federal moratorium program in the EEZ with a permanent license limitation program (LLP).

This action became Amendment 4 to the scallop FMP. The federal moratorium expired June 30, 2000. The moratorium was replaced by the LLP that became effective on January 16, 2001. Between June 30, 2000, and January 16, 2001, the fishery was temporarily in open access status, although no additional vessels entered the fishery. Initial issuance of scallop LLP (SLLP) licenses by National Marine Fisheries Service occurred in April, 2001. Eight vessels received permanent scallop LLP licenses and two vessels initially received interim licenses pending adjudications. Interim SLLP 002 belonging to Forum Star Inc. was later adjudicated to be eligible for a permanent license. Interim SLLP 001 was eventually denied. A total of nine permanent licenses have been issued in the federal scallop LLP program. Table 1 shows vessel entities associated with the scallop License Limitation Program licenses that were initially issued.

*Table 1. Federal Scallop License Limitation Permits Issued by National Marine Fisheries Service - Restricted Access Management as of April, 2001 (Initial Issuance).*

License	License Holder	MLOA	Transferable	Gear Restrictions
001	Asp, Svend and Maxine	98'	No - Interim	Single 6ft scallop dredge <sup>7</sup>
002	Forum Star, Inc.	98'	No - Interim	None
003	Hogan, Thomas C.	75'	Yes	None
004	Hulse, Max et al.	79'	Yes	Single 6ft scallop dredge
005	Ocean Fisheries LLC	100'	Yes	None
006	Oceanic Research Services, Inc.	70'	Yes	None
007	Pursuit, Inc.	101'	Yes	None
008	Provider, Inc.	124'	Yes	None
009	Carolina Boy, Inc.	95'	Yes	None
010	Carolina Girl II, Inc.	96'	Yes	None

<sup>7</sup> There are two permits in this list with a six-foot dredge restriction. These vessels originally qualified with landings in the Cook Inlet registration area only. To prevent further increases in fishing capacity, these vessels were restricted to a dredge capacity no greater than what was used during the qualifying years. They could fish outside Cook Inlet, but only with a six-foot dredge. All LLPs were restricted by vessel length constraints no greater than what was used during the qualifying years.

**Transfers of Federal Scallop LLP Licenses**

Three transfers of federal scallop LLP licenses have occurred since initial issuance.

- Oceanic Research Services, Inc. (F/V Northern Explorer , ADFG#64572) sold SLLP 006 to Thomas J. Gilmartin (F/V Arctic Storm, ADFG#66700) April 18, 2001.
- Carolina Girl II, Inc. (F/V Carolina Girl, ADFG#64111) transferred SLLP 010 to Alaska Scallop, LLC in an apparent effort to consolidate. On December 23, 2002 Carolina Girl II, Inc. relinquished all eligibility rights to a weathervane scallop state moratorium vessel permit and limited entry vessel permit. SLLP 010 is not being fished.
- Carolina Boy, Inc. (F/V Carolina Boy, ADFG#64110) transferred SLLP 009 to Ocean Fisheries, LLC on August 21, 2003 in an apparent effort to consolidate. SLLP 009 is not being fished.

Table 2 lists federal scallop LLP licenses as of November, 2005.

*Table 2. Federal Scallop License Limitation Permits Issued by National Marine Fisheries Service - Restricted Access Management as of November, 2005.*

License	License Holder	MLOA	Transferable	Gear Restrictions
002	Forum Star, LLC	97	Yes	None
003	Hogan, Thomas C.	75'	Yes	2 Scallop Dredges with a combined width of no more than 20 feet (6.1m)
004	Hulse, Max et al.	79'	Yes	2 Scallop Dredges with a combined width of no more than 20 feet (6.1m)
005	Ocean Fisheries, LLC	100'	Yes	None
006	Gilmartin, Thomas	70'	Yes	None
007	Pursuit, Inc.	101'	Yes	None
008	Provider, Inc.	124'	Yes	None
009	Ocean Fisheries, LLC	95'	Yes	None
010	Alaska Scallop, LLC	96'	Yes	None

**State Moratorium and Vessel Limited Entry Permit Program**

In 1997, a four-year vessel moratorium (AS 16.43.906) was enacted in state waters by the Alaska Legislature. The state moratorium, originally set to expire June 30, 2001, was extended an additional three years by the Alaska Legislature until June 30, 2004.

Both federal and state moratoria established two fishery areas: the Cook Inlet area and a "statewide" area encompassing waters in the Gulf of Alaska and the Bering Sea, except those defined in the Cook Inlet area. Nineteen vessels were originally covered under either the state or federal moratorium. Eighteen vessels were associated with permits at initial issuance under the federal moratorium.

Table 3 lists vessels that qualified for state moratorium permits. Ten vessels qualified under the state moratorium for the statewide area, with three vessels also qualifying for a Cook Inlet permit.

*Table 3. Vessels qualified for state moratorium by fishery area*

Vessel Name	Statewide	Cook Inlet
Alaska Beauty	Yes	Yes
Arctic Queen	Yes	
Carolina Boy	Yes	
Carolina Girl II	Yes	
La Brisa	Yes	Yes
Northern Explorer	Yes	Yes
Provider	Yes	
Pursuit	Yes	
Rush	Yes	
Trade Wind	Yes	

Nine vessels were associated with permits for both the federal and state moratoria. In 1997, two unique vessels obtained vessel permits under the state's moratorium for the Cook Inlet registration area as defined in AS 16.43.906 (o) (1). The Cook Inlet registration area included both state waters and EEZ waters. In 1998, only one vessel obtained a Cook Inlet moratorium vessel permit. From the 1999 license year through expiration of the state moratorium in 2004, no permits were issued for the Cook Inlet area.

According to commission license data, from 1997-2000, eight unique vessels obtained vessel permits under the State's moratorium for the statewide registration area as defined in AS 16.43.906 (o) (3). Based on CFEC license data, the eight vessels ranged in size from 63 feet to 124 feet in overall length. The statewide registration area included state waters and EEZ waters. Under the State moratorium, vessels eligible for permits in the Cook Inlet registration area were also eligible for permits in the statewide registration area, although no vessels obtained permits for both areas in the same year.

## State Limited Entry Vessel Permit Program

Passage of the vessel permit system bill (CSHB206 (RLS) am S) during the 2002 legislative session resulted in significant changes to the state's limited entry statutes. The changes authorized creation of a vessel-based limited entry program in the state's weathervane scallop and hair crab fisheries (AS 16.43.450-520). However, a sunset provision was included in the legislation. The vessel entry permits issued for the statewide weathervane scallop and hair crab fisheries will expire on December 30, 2008, unless statutory authority is extended.

On May 6, 2004, the Commission adopted regulations 20 AAC 05.1425 – 20 AAC 05.1444 establishing a vessel permit system for the statewide weathervane scallop fishery.

Based on those regulations, the nine vessels listed in Table 4 below were eligible for a state limited entry vessel permit. All nine vessels are associated with initial or current holders of federal scallop LLP licenses. However, one of the nine vessels had already relinquished its eligibility rights by request. Owners of the eight remaining vessels applied for and received weathervane scallop limited entry vessel permits.

Table 4. Vessels Eligible to Apply for a Limited Entry Vessel Permit

Vessel Name	ADFG#	Federal Scallop LLP License	State Waters Vessel Limited Entry Permit
F/V Carolina Boy	64110	Initial Issue of SLLP license 009 (sold 8/21/2003)	Initial Issue of State Vessel LEP W 2ABV 85013W (12/3/2004)
F/V Forum Star	59687	Initial Issue of SLLP license 002 (still holds)	Initial Issue of State Vessel LEP W 2ABV 85014O (12/6/2004)
F/V Kilkenny	54966	Initial Issue of SLLP license 003 (still holds)	Initial Issue of State Vessel LEP W 2BBV 85015J (12/6/2004)
F/V La Brisa	23574	Initial Issue of SLLP license 004 (still holds)	Initial Issue of State Vessel LEP W 2BBV 85012H (9/23/2004) (Permanent vessel substitution from 60773 (La Brisa)9/23/2004)
F/V Carolina Girl II	64111	Initial Issue of SLLP license 010 (sold 12/23/2002)	(relinquished moratorium/limited entry eligibility rights, 1/2003)
F/V Arctic Storm	66700	Purchased SLLP license 006 (4/18/01) (still holds)	Initial Issue of State Vessel LEP W 2BBV 85018L (1/6/2005)
F/V Ocean Hunter	40924	Initial Issue of SLLP license 005 (still holds plus SLLP 009)	Initial Issue of State Vessel LEP W 2ABV 85007S (6/17/2004)
F/V Provider	58200	Initial Issue of SLLP license 008 (still holds plus SLLP 010)	Initial Issue of State Vessel LEP W 2ABV 85008L (6/28/2004)
F/V Pursuit	40312	Initial Issue of SLLP license 007 (still holds)	Initial Issue of State Vessel LEP W 2ABV 85016Z (12/6/2004)

CFEC regulations established two length categories for vessel entry permit issuance based on the maximum length overall (LOA) of the vessel initially used to qualify for the fishery.

W2ABV vessel entry permits were issued to owners of vessels greater than 80 feet. W2BBV vessel entry permits were issued to owners of vessels 80 feet or less. The F/V Arctic Storm, F/V Kilkenny and F/V La Brisa were issued W2BBV permits based on a vessel length of 80 feet or less. The owners of all three W2BBV vessel entry permits list Alaska mailing addresses. The F/V Carolina Boy, F/V Forum Star, F/V Ocean Hunter, F/V Provider and F/V Pursuit were issued W2ABV permits based on a vessel length greater than 80 feet. The current owners of all W2ABV vessel entry permits list non-Alaska mailing addresses. However, one W2ABV limited entry vessel permit is in the process of being transferred as of this writing to an entity with an Alaskan mailing address. One W2BBV vessel permit, vessel and federal scallop LLP has been advertised for sale. At initial issuance on September 23, 2004, the owners of La Brisa, Inc.

requested and were granted a permanent vessel substitution from the F/V La Brisa to the F/V Billy D. On May 6, 2005, the owners of La Brisa, Inc. requested and were granted a vessel name change from the F/V Billy D to the F/V Wayward Wind.

### **Fishery Description**

Alaska weathervane scallops are harvested using 'New Bedford' style scallop dredges (Figure 1). State regulations limit all vessels fishing inside the Cook Inlet Registration Area to the use of a single dredge not more than 6 feet wide. Unless restricted by federal LLP permit endorsements, vessels fishing outside of Cook Inlet and elsewhere in state and federal waters are allowed two dredges, each not more than 15 feet wide. Vessel lengths in this fishery range from 58 feet to 124 feet LOA. An average 15-foot dredge weighs about 2,600 pounds, while a 6-foot dredge weighs about 900 pounds.<sup>8</sup> In addition to any restrictions due to state regulations and/or federal endorsements, vessel length, horsepower and available deck space may also be factored into determining an optimum dredge size for a particular vessel to use.

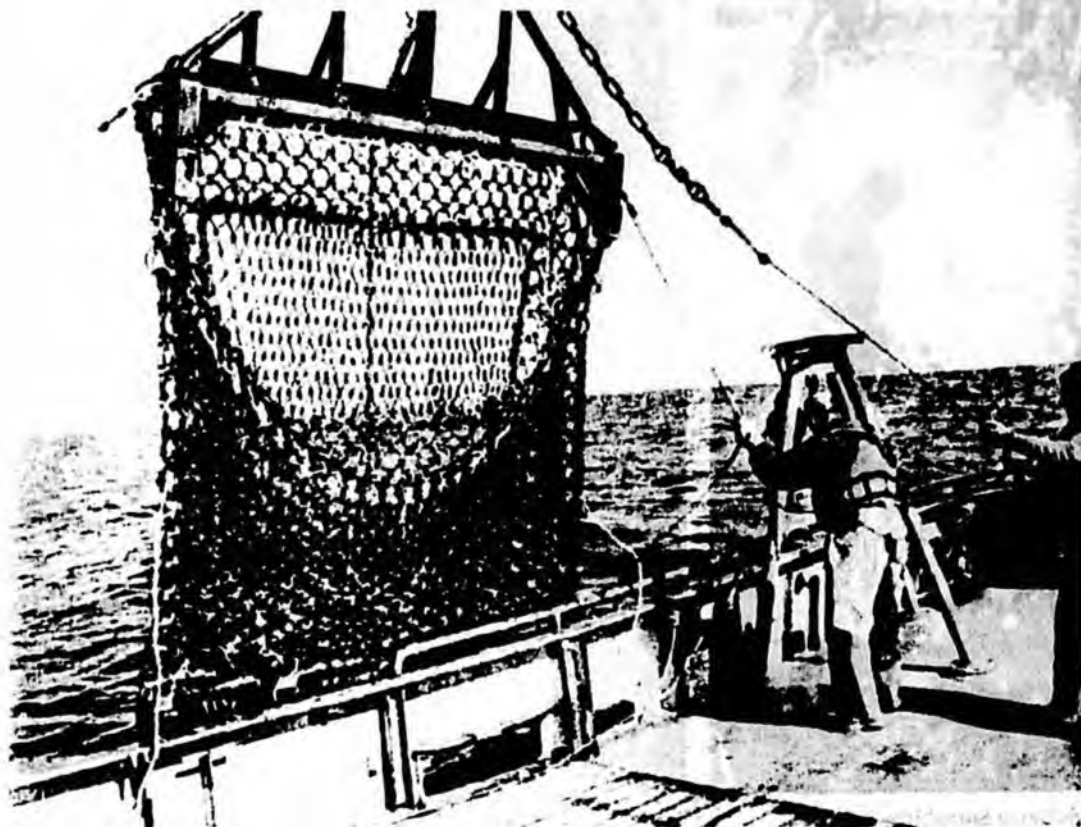


Figure 1. New Bedford Style Scallop Dredge (Courtesy of Alaska Department of Fish & Game)

<sup>8</sup> NPFMC. *Stock Assessment and Fishery Evaluation Report*, 2006.

The Alaska weathervane scallop fishery is executed using the following steps:<sup>4</sup>

- dredge is prepared and deployed (set)
- dredge is towed slowly (avg. 5 mph) on the ocean bottom for 50 to 60 minutes
- dredge is retrieved
- dredge contents are emptied on the deck
- scallops are sorted into baskets and bycatch is discarded overboard (Figure 2)
- baskets of scallops are moved from the deck to the shucking area on board the vessel
- dredge gear is prepared for the next set and deployed
- scallops are hand-shucked, washed, graded as to size, packaged and frozen (Figure 3)



Figure 2. Scallops Being Sorted Into Baskets



Figure 3. Scallops Being Hand Shucked

(photos courtesy of Saltwater Inc., Anchorage, Alaska)

<sup>4</sup> NPFMC, *Stock Assessment and Fishery Evaluation Report*, 2006

## **Onboard Observer Program**

Under the Alaska Scallop Fishery Management Plan (5 AAC 38.076 (g)), all vessels participating in this fishery are required to carry an onboard observer. Onboard observers are tasked with collecting biological and fishery-based data, monitoring bycatch and providing regulatory enforcement. This oversight is especially important in fisheries like the scallop fishery, where vessels operate as catcher-processors. Specific information collected includes data on crab and halibut bycatch (both prohibited species), discarded scallop catch, retained scallop catch, catch composition, weight of scallop meat recovered, location and general area of catch, dredge depth and amount of catch per tow (catch per unit effort or CPUE).

Observers report information to local ADF&G offices during the season. Amount of scallops harvested, number of tows, area fished and crab bycatch are examples of data reported to ADF&G up to three times weekly. These data are used to help manage the inseason fishery. Based on observer reporting, areas may be closed by emergency order (EO) at any time during the season when established crab bycatch limits have been met or exceeded. Observer data are also used to help set guideline harvest ranges (GHRs) for future seasons. ADF&G does not conduct scallop stock assessments in most areas of the state, so observer collected data are essential to fishery resource management.<sup>10</sup>

Onboard observer coverage is funded at vessel owners' expense through direct payments to independent contracting agents. These independent agents provide the onboard observers who are trained at the University of Alaska's North Pacific Fisheries Observer Training Center in Anchorage, Alaska. Onboard observer coverage is paid for by industry. Observer training is funded by a federal grant. Federal assistance is provided to the State of Alaska by a NOAA grant award to cover additional costs incurred to meet federal oversight.<sup>11</sup>

## **Crab Bycatch**

Under the federal scallop FMP, most management measures have been delegated to the State of Alaska for implementation. Setting of prohibited species and crab bycatch limits are included in the management measures delegated to the State.

Specific concerns about overfishing and bycatch have directed State management of the scallop fishery to be intentionally conservative. In response to concerns about damage done to habitat by dredging, ADF&G has intentionally closed known scallop beds in critical crab or juvenile fish habitats to protect the nurseries. Some of these areas have remained closed for upwards of thirty years.

Bycatch of crab in the scallop fishery is controlled through the implementation of crab bycatch limits. First instituted by the state in July 1993, crab bycatch limits are based on individual crab stock abundance information. Bycatch limits can be set to a specific number of crabs or as a percentage of the estimated available stock abundance, depending on district and/or registration area.

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<sup>10</sup> NPFMC, *Stock Assessment and Fishery Evaluation Report*, 2006.

<sup>11</sup> *Ibid.*

A number of vessel owners formed a private cooperative in May, 2000.<sup>12</sup> The cooperative hired an independent consulting firm to review data provided by participating co-op vessel skippers on bycatch, amounts of scallop harvest and locations. The consulting firm, Sea State Inc. of Vashon, WA, reports back to the cooperative on areas of high bycatch concentrations.<sup>13</sup> The co-op can then direct its vessels away from those areas.

Crab bycatch limit-based closures have decreased over the years since 1993. Factors that may have contributed to this positive development include a reduction in the number of fishing vessels, input from the observer program and consulting firms and decreased crab abundance in general. During the 1993 season, four statewide areas were closed due to crab bycatch. Since the 2000 season, only one area has been closed due to crab bycatch.<sup>14</sup>

### **Historic Scallop Harvests**

Table 5 lists Alaska weathervane scallop harvests from 1980 through the 2005 and preliminary 2006 harvest figures. Year 1980 through 1996 show harvest figures prior to federal and state waters moratoria. The state waters moratorium was in effect from July 1, 1997 through June 30, 2004. The three year federal waters moratorium was adopted in March, 1997 and expired June 30, 2000. The moratorium was replaced by the LLP that became effective on January 16, 2001. Between June 30, 2000 and January 16, 2001 the fishery in the EEZ was temporarily in open access status, although no additional vessels entered the fishery. Initial issuance of federal scallop LLP licenses by NMFS occurred in April, 2001. The state waters moratorium was replaced by the limited entry vessel permit program beginning in September, 2004.

Participation, harvest and earnings in this fishery trended upwards from 1980 until 1983 when a sharp downturn occurred. From 1984 through the mid 1990s, an upward trend in participation, harvest and earnings occurred. Participation in the fishery since 1997 has been limited by moratorium programs in both state and federal waters, followed by limitation. In the years since 1997, harvest figures have ranged between 420,000 and 840,000 pounds of shucked meat.

Earnings figures in this time period have ranged between 1.8 and 4.4 million dollars annually. It has been suggested that market prices in the Alaska scallop fishery are influenced by U.S. east coast and Canadian scallop stock conditions and related market prices.<sup>15</sup> Regardless, revenues in this fishery as well as harvest and participation have varied widely over the years.

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<sup>12</sup> North Pacific Scallop Cooperative, formed in May 2000 just prior to initial issuance of federal scallop license limitation permits by six of the licensed vessel owners.

<sup>13</sup> Personal communication with Jeffrey P. Barnhart, statewide scallop observer program coordinator and biologist for the Alaska Department of Fish and Game, Division of Commercial Fisheries, Kodiak, Alaska.

<sup>14</sup> NPFMC, *Stock Assessment and Fishery Evaluation Report*, 2006.

<sup>15</sup> *Ibid.*

Table 5. Weathervane Scallop Harvests 1980 – 2006

Year	State Waters						Federal Waters						All Waters				
	Vessels	Pounds	%	Estimated Earnings	%	#NUPs	Vessels	Pounds	%	Estimated Earnings	%	#NUPs	Unique Vessels	Total Pounds	Total Est. Earnings	Unique NUPs	Average Price/lb
1980	4	113,193	20.7	\$433,618	21.4	7	6	432,741	79.3	\$1,590,864	78.6	10	6	545,934	\$2,024,482	11	\$3.71
1981	12	354,770	42.2	\$1,481,395	42.1	14	16	486,610	57.8	\$2,039,585	57.9	19	17	841,380	\$3,520,980	22	\$4.18
1982	10	288,706	31.6	\$890,371	28.0	13	11	623,590	68.4	\$2,293,017	72.0	17	12	912,296	\$3,183,388	18	\$3.49
1983	4	***	***	***	***	5	3	***	***	***	***	3	6	194,116	\$900,837	7	\$4.64
1984	5	145,089	38.2	\$641,803	38.1	6	8	235,134	61.8	\$1,042,179	61.9	9	8	380,223	\$1,683,983	9	\$4.43
1985	7	439,600	67.0	\$1,576,598	66.9	9	4	216,989	33.0	\$778,995	33.1	6	8	656,589	\$2,355,592	10	\$3.59
1986	5	293,782	41.9	\$1,045,749	43.7	9	7	407,337	58.1	\$1,345,163	56.3	11	8	701,119	\$2,390,912	14	\$3.41
1987	4	334,700	57.4	\$1,240,684	59.0	4	4	248,343	42.6	\$862,635	41.0	6	4	583,043	\$2,103,319	6	\$3.61
1988	1	***	***	***	***	2	4	***	***	***	***	5	4	341,070	\$1,201,201	5	\$3.52
1989	5	80,057	15.0	\$313,783	15.6	7	7	454,706	85.0	\$1,696,768	84.4	10	7	534,763	\$2,010,551	10	\$3.76
1990	9	596,254	40.1	\$2,020,051	39.8	12	9	892,483	59.9	\$3,053,521	60.2	13	9	1,488,737	\$5,073,572	15	\$3.41
1991	6	274,453	24.1	\$979,297	22.9	6	5	862,196	75.9	\$3,299,903	77.1	6	6	1,136,649	\$4,279,200	7	\$3.76
1992	7	227,920	13.0	\$886,890	13.0	8	7	1,525,953	87.0	\$5,909,809	87.0	11	8	1,753,873	\$6,796,699	12	\$3.88
1993	10	100,226	6.6	\$455,502	6.5	10	15	1,411,313	93.4	\$6,525,913	93.5	22	15	1,511,539	\$6,981,415	22	\$4.62
1994	12	204,746	16.3	\$1,156,258	16.4	14	16	1,051,990	83.7	\$5,883,004	83.6	20	17	1,256,736	\$7,039,263	22	\$5.60
1995*	9	114,821	32.7	\$617,290	33.4	9	9	238,202	67.3	\$1,230,376	66.6	9	10	351,023	\$1,847,667	10	\$5.26
1996	4	198,886	27.3	\$1,250,207	26.8	5	9	529,538	72.7	\$3,420,308	73.2	9	9	728,424	\$4,670,516	10	\$6.41
1997	7	253,134	31.5	\$1,348,634	31.1	7	9	549,249	68.5	\$2,981,118	68.9	11	9	802,383	\$4,329,752	11	\$5.40
1998	6	210,547	25.3	\$937,959	23.7	6	8	622,834	74.7	\$3,013,051	76.3	10	8	833,381	\$3,951,010	10	\$4.74
1999	6	145,588	17.4	\$502,454	16.8	6	10	692,226	82.6	\$2,479,880	83.2	11	10	837,814	\$2,982,334	11	\$3.56
2000	3	***	***	***	***	3	8	***	***	***	***	10	8	714,285	\$2,814,997	10	\$3.94
2001	2	***	***	***	***	2	6	***	***	***	***	6	6	552,240	\$2,153,876	6	\$3.90
2002	1	***	***	***	***	1	6	***	***	***	***	6	6	492,287	\$3,144,237	6	\$6.39
2003	1	***	***	***	***	1	4	***	***	***	***	4	4	526,262	\$1,849,214	4	\$3.51
2004	2	***	***	***	***	2	5	***	***	***	***	5	5	424,543	\$2,004,504	5	\$4.72
2005	3	***	***	***	***	5	5	***	***	***	***	7	5	525,086	\$4,212,304	7	\$8.02
2006**	3	***	***	***	***	5	3	***	***	***	***	5	3	***	***	5	\$7.78

Note: \* From February 23, 1995, until August, 1996, the EEZ was closed to fishing. 1995 federal waters harvest and earnings occurred in January and February prior to closure.

\*\* 2006 harvest and earnings figures are preliminary and incomplete.

\*\*\* Data are masked to preserve confidentiality under AS 16.05.815

## **Expiration of the State Vessel Limited Entry Permit Program**

20 AAC 05.1425 – 20 AAC 05.1444 (adopted May 6, 2004) established a vessel permit system for the statewide weathervane scallop fishery. However, a sunset provision was added to the legislation. Under 20 AAC 05.1443, vessel entry permits issued for this fishery will expire on December 30, 2008, unless statutory authority is extended. Could the state of Alaska be faced with potential management and conservation issues if the state waters fishery was again opened to unrestricted fishing capacity?

Implementation of the federal scallop license limitation program and state waters vessel limited entry permit systems created a reduction in the number of participants in this fishery. Combined with the onboard observer program, gear and crew restrictions, vessel length restrictions and establishment of conservative guideline harvest ranges, scallop stocks in general appear to be healthy and not overfished.<sup>16</sup> Formation of the voluntary scallop cooperative and removal of some co-op boats from active participation has further reduced effort.

The state waters vessel limited entry permit system has established two vessel length categories. Permits are issued to owners of vessels 80 feet and less and to owners of vessels greater than 80 feet. If vessel size were not restricted, it is likely that permit owners with smaller boats would upgrade to larger boats and larger dredges and fish in areas previously restricted by their size. Greater or unrestricted fishing capacity could lead to shorter seasons, exceeding guideline harvest ranges and potentially causing early area closures due to reaching or exceeding crab bycatch limits. Because of the onboard observer program in this fishery, however, the risk of exceeding guideline harvest ranges and bycatch limits is low.

Many scallop beds straddle the three-mile state waters boundary, with a larger portion of the bed located in federal waters and a smaller portion in state waters. The federal license limitation program has no sunset clause associated with it and will therefore remain in place. If access was not limited on the state waters side and a number of vessels with unrestricted capacity began harvesting in state waters only, localized depletion of beds on the state waters side could occur. The fishery is managed as a single fishery with respect to establishment of guideline harvest ranges. Guideline harvest ranges are established by management areas irrespective of whether they lie within state and/or federal waters. In the example just mentioned where localized depletion might occur in state waters, the entire bed and surrounding area could potentially be closed indefinitely to protect the resource. This scenario would impact not only the state waters portion of the fishery, but also the federal fishery. Since implementation of the federal LLP program in 2001 and the state waters vessel limited entry permit system in 2004, a closure of this nature has not occurred.<sup>17</sup>

<sup>16</sup> Kevin Duffy, Commissioner ADF&G, Response to CFEC information request on scallop fishery, Feb. 23, 2004.

<sup>17</sup> Personal communication with Jeffrey P. Barnhart



## ALASKA DEPARTMENT OF FISH AND GAME

### MEMORANDUM

**TO:** Mary McDowell  
Commissioner  
Commercial Fisheries Entry Commission  
Juneau

**DATE:** February 23, 2004

**PHONE:** (907) 486-1842  
**FAX:** (907) 486-1824

**FROM:** Kevin Duffy  
Commissioner  
Alaska Department of Fish & Game  
Juneau

**SUBJECT:** Response to CFEC  
information request  
on scallop fishery

In response to your request, dated February 4, 2004, following are responses to specific questions regarding potential limited entry for the weathervane scallop fishery. This memo reiterates each CFEC question, followed by the ADF&G response in italics.

1. ADF&G was actively involved in the development of the legislation for the temporary moratorium, and supported the legislation authorizing a permanent vessel-based limited entry program. ADF&G also took an active role in supporting and developing the federal license limitation program for scallops, citing concerns for scallop overharvest and harm to crab stocks through bycatch.

Under a permanent vessel-based limited entry program in state waters, the number of vessel licenses issued could be similar to the number of licenses currently allowed under the federal LLP (9). Although the number of licenses may be similar between the state and federal programs, the total number of vessels fishing in a management area could increase if the list of state-permitted vessels differs from the list of federal LLP vessels.

If the Commission were to implement the traditional operator-based program, we would be obligated to issue permits to individuals who have made landings on CFEC interim-use permits. It is currently unclear how many permits the Commission would issue under the traditional program, but it would likely be in the range of 10 to 13 permits<sup>1</sup>. Under the traditional program, CFEC would have to develop a point system to rank eligible applicants for permits. CFEC estimates there would be approximately 27 eligible applicants under the

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<sup>1</sup> This assumes the number of permits would be determined from the highest number of units of gear that recorded landing in state waters in any of the four years immediately preceding the 1997 state waters vessel moratorium. Commission records indicate there were maximums of 10 vessels and 13 permit holders with state waters landings over the 4-year period from 1993 to 1996.

traditional program<sup>2</sup>. Until these persons' individual rankings are determined by the point system, they would continue to fish scallops in state waters.

Perhaps most importantly, individuals who would qualify for permits under the traditional program are likely to be different than those who qualified for licenses in the federal LLP. In this scenario, with a federal LLP in place in federal waters and the traditional CFEC program in state waters, the total number of operations in state and federal waters may be considerably larger than it has been in recent years.

With these considerations, and with the knowledge and experience ADF&G has with the scallop fishery:

- a) Does ADF&G support some form of limited access in the Alaska scallop fishery, in both state and federal waters?

*ADF&G supports limited access in Alaska's weathervane scallop fishery in both state and federal waters due to the limited size of the weathervane scallop resource and concerns about crab bycatch.*

- b) If so, does ADF&G support implementation of a permanent vessel-based limited entry program in state waters to help manage this fishery in the future, or would the department prefer a traditional operator-based limited entry program?

*ADF&G supports implementation of a vessel-based limited entry program in state waters because it would result in fewer participants than a traditional operator-based limited entry program. Fewer participants would likely reduce crab bycatch. However, vessel limited entry permits issued for the statewide weathervane scallop fishery will expire as of December 31, 2008 unless statutory authority is extended.*

- c) Would either of the two limited entry programs described herein – the traditional operator-based program or the vessel-based program – better enable the state to retain management authority in federal waters?

*Adoption of either type of CFEC limitation program would not jeopardize the state's management authority in federal waters. In the exclusive economic zone (EEZ) NMFS has retained the authority to limit participation and fishing capacity. A state-waters vessel-based limited entry system would be similar to the federal-waters vessel-based limited access system.*

2. It is our understanding that ADF&G estimates scallop abundance using a variety of techniques, including harvest and observer data, biological observations on scallop size, age, and sex, and scallop dredge surveys (in Cook Inlet and Prince William Sound). In your professional judgement:

- a) What is the status of scallop stocks statewide?

<sup>2</sup> Again, this assumes qualified applicants would be individuals who made scallop landings in state waters during the four most recent years prior to the 1997 moratorium.

*In general, scallop stocks are healthy and not overfished. Statewide harvest levels have been well below MSY. However, the department has closed specific registration areas or portions of registration areas due to poor fishery performance and has also reduced allowable harvest in several registration areas as a precautionary measure. Additionally, there are many locations where state and federal waters are closed to scallop dredging to protect habitats important to scallops and other species. Based on historic fishing effort, department marine surveys, and other data sources, many of the closed areas are known to contain populations of weathervane scallops. These unfished populations are thought to contribute to the enhancement of the commercially fished beds.*

*In Amendment 6 to the Fishery Management Plan for the Scallop Fishery off Alaska, Maximum Sustainable Yield (MSY) is defined as 1.24 million pounds of scallop meats. MSY is based on the average catch from 1990-1997, excluding 1995 when the fishery was closed. Optimum Yield (OY) is defined as 0 to 1.24 million pounds, and the overfishing control rule is defined as a fishing rate in excess of the natural mortality rate, which has been estimated as  $M=0.13$  (12% per year) statewide. At this time, abundance is estimated for two of the nine registration areas. The fishery is managed conservatively with harvest levels well below MSY (39 to 66% of MSY since establishment of MSY).*

- b) Does ADF&G think any new areas with substantial numbers of scallops will open to fishing?

*In the recent past, commercially viable scallop beds have been discovered within registration areas open to commercial scallop fishing and it is likely in the future that similar discoveries will be made. In addition, there are areas known to have populations of weathervane scallops that are closed to scallop fishing by regulation to protect habitat and other marine resources. For example, the area in the vicinity of Chirikof Island, south of Kodiak Island is known to have a population of weathervane scallops that could be of commercial quantity; however, it was closed to scallop fishing over 30 years ago to protect red king crab. It is unknown if these areas, closed by the Board of Fisheries, would reopen in the future.*

- c) Will populations and corresponding harvest likely increase or decrease substantially in the foreseeable future?

*Wild populations of marine bivalves, including weathervane scallops, rise and fall depending to a large degree on environmental conditions. Barring an unfavorable change in environmental conditions or disease outbreak the department would expect the statewide weathervane scallop population to remain stable or perhaps increase slightly in the foreseeable future.*

*Since the formation of the voluntary scallop cooperative and voluntary removal of vessels from the fishery, the harvesting capacity of the remaining fleet has decreased. For example, in the Yakutat Registration Area (Area D and D16), approximately 110,000 pounds of scallop meats were left unharvested annually in both the 2001/02 and 2002/03*

*regulatory seasons. Changes to the number of participants in the weathervane scallop fishery, economic conditions, fishing behavior, or other factors would likely increase or decrease the scallop harvest independent of annual scallop guideline harvest ranges.*

3. As mentioned, there are currently 9 licenses qualified to fish in federal waters under the NMFS license limitations program. Under the state vessel moratorium, 10 vessels are qualified to fish in state waters. Before access was limited through state and federal moratoriums in 1997, as many as 17 vessels participated in the statewide federal and state-waters fishery. Does the department believe improved management and conservation of the resource results from the number of vessels limited by the moratorium?

*Yes. From inception of the weathervane scallop fishery in 1967 through mid May 1993, the scallop fishery was passively managed employing minimal management measures such as a minimum ring size, season dates, and closed waters to protect crabs and crab habitat. As catches declined in one bed, vessels moved to better grounds. While this serial harvest pattern may have been generally acceptable for a sporadic low intensity fishery, increased participation led to boom and bust cycles experienced from 1967-1992.*

*After the boom cycle in the early 1980s when as many as 18 vessels fished outside of Cook Inlet, annual participation has ranged from four to nine vessels until 1994, when the number of vessels increased to 15 outside of Cook Inlet. This increase prompted concerns from the department and scallop industry about weathervane scallop resource conservation and impacts on depressed stocks of red king crab and Tanner crab. The resulting State of Alaska Scallop Fishery Management Plan (5 AAC 38.076) combined with the state vessel moratorium and the Federal Scallop Fishery Management Plan and amendments including a license limitation program, have contributed to the elimination of the boom and bust cycles in both state and federal waters. A reduction in the number of participants in the fishery combined with the onboard observer program, gear and crew restrictions, and guideline harvest ranges (GHR), has been key to the success of the management plans.*

4. The Commission is concerned that the purposes and benefits of limiting the weathervane scallop fishery could be diminished if there are no restrictions on the expansion of fishing capacity for individual fishing operations. Under both the traditional program and the new vessel permit law, the Commission has the authority to issue permits with fishing capacity constraints if it serves the statutory purposes of limited entry. These could include gear restrictions, or restrictions on the length of the vessel that may be used in the fishery. The constraints would continue to apply upon transfer of the permit or, in the case of vessel permits, upon substitution of a vessel.
- a) Licenses issued in the federal scallop LLP have maximum vessel lengths attached to them. The license must be used on a vessel that is no greater in length than the vessel used to qualify under the program. In the current proposal for state waters, CFEC suggests similar capacity constraints based upon vessel lengths.
- i) In the absence of any fishing capacity constraints, does the department believe that fishing effort and capacity may grow in the weathervane scallop fishery after limited entry is implemented?

*In the absence of fishing capacity constraints, fishing capacity would likely increase in state waters outside of Cook Inlet. If vessel size were unrestricted, it is likely that participants with small boats would upgrade to larger boats and be able to use larger size dredges. By Board of Fisheries regulation, all vessels fishing in Registration Area H, Cook Inlet, are limited to a single six foot dredge. Furthermore, two vessels are limited by the LLP to a single six foot dredge in federal waters, inside or outside of Cook Inlet.*

- ii) Could unrestricted fishing capacity in the weathervane scallop fishery produce management or conservation concerns, such as short seasons with a higher risk of exceeding guideline harvests or high levels of bycatch?

*The department has the authority to require 100% onboard observer coverage. So long as this coverage is required, the risk of exceeding the scallop GHR or crab bycatch limits (CBLs) is small. Data collected by observers are key to successful inseason management.*

*If access was not limited and numerous vessels with unrestricted fishing capacity targeted state waters only, a conservation concern could arise because weathervane scallop beds typically straddle the three-mile boundary with generally a smaller portion of the scallop bed in state waters and a larger portion in federal waters. Therefore localized depletion could occur in the state-waters portion of management areas. The department lacks information necessary to set harvest levels for portions of a scallop bed.*

- iii) Would vessel length constraints attached to permits be a meaningful way to limit the expansion of fishing effort and capacity (premised on the original lengths of qualifying vessels)?

*It would be appropriate to use vessel length constraints to limit expansion of the fishery in state waters. If small vessels were allowed to participate unrestricted in the statewide areas, these vessels would be expected to increase in size to handle larger gear, crew size and weather. Similarly, the Federal LLP utilizes vessel length constraints to limit expansion of the fishery in federal waters.*

- b) The limited federal scallop licenses are valid for all federal waters off of Alaska. However, some licenses have specific gear endorsements for only a single 6-foot scallop dredge if the license was issued based upon a fishing history in Cook Inlet, where this gear restriction applies.

CFEC's proposed regulation for a vessel permit program in state waters also contains a single statewide area and a capacity restriction of a single 6-foot dredge for any permits issued to vessels that have a fishing history only in the Cook Inlet registration area.

- i) Is ADF&G comfortable with CFEC defining a single statewide administrative area for limited entry permits in the weathervane scallop fishery? If not, what CFEC administrative areas would ADF&G advocate?

*A single statewide administrative area is an appropriate approach. This single administrative area should encompass the nine scallop registration areas described in 5 AAC 38 076 Alaska Scallop Management Plan. Also, a single administrative area is consistent with provisions of the plan that apply statewide, the only exception being the dredge gear requirements specific to the Cook Inlet Registration Area.*

- ii) Does ADF&G believe it is necessary for CFEC to constrain vessel permits for vessels that have fished only in Cook Inlet to a single 6-foot dredge, given that the Board of Fisheries already has a regulation for 6-foot dredges in Cook Inlet and that the Commission has proposed a vessel length constraint for vessel permits?

*Regulation 5 AAC 38.322 limits scallop gear in Registration Area H (Cook Inlet) in both state and federal waters to a single 6-foot dredge. The federal LLP also limits two vessels to a single 6' dredge, statewide.*

*No, it would not be necessary to restrict those vessels already limited by regulation to a single 6-foot dredge in Cook Inlet while fishing in state waters outside of Cook Inlet. Currently two vessels that fish primarily in Registration Area H are restricted under the federal LLP, to a single 6-foot dredge while fishing in federal waters outside of area H. If there are no gear restrictions in state waters outside of area H, those two vessels could fish up to the legal limit of two, 15-foot dredges in state waters but only a single 6-foot dredge in federal waters. This situation currently exists with a single scallop vessel.*

*Vessel length and width, more than other factors such as horsepower, limit fishing capacity in the weathervane scallop fishery. Small vessels in the 58 to 78 feet LOA range that typically fish Cook Inlet with a single six foot dredge, potentially have the capacity to fish two dredges. However, due to vessel size constraints it would be very difficult for vessels in that size range to fish two 15 foot dredges, which is the maximum allowed in the Alaska Scallop Management Plan. Deck space is very limited on the small processor vessels. Some vessels could however, fish two smaller sized dredges. Small scallop vessels are also limited by weather and sea conditions, which could limit their participation in the state water fishery outside of Cook Inlet, to a few summer months each year.*

Kurt S

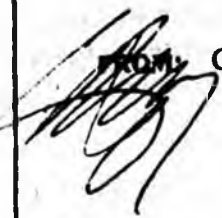
# MEMORANDUM

## STATE OF ALASKA COMMERCIAL FISHERIES ENTRY COMMISSION

**TO:** Kevin Duffy, Commissioner  
Dept. of Fish and Game  
M/S: 1100

**DATE:** February 4, 2004

**PHONE:** (907) 789-6160 VOICE  
(907) 789-6170 FAX



**FROM:** Commercial Fisheries Entry Commission  
Bruce Twomley, Chairman  
Mary McDowell, Commissioner  
Frank Homan, Commissioner

**SUBJECT:** State waters scallop fishery limitation

In 1997, the Alaska legislature enacted a temporary moratorium on vessels for the state waters and Area H weathervane scallop fisheries. In 2001, the legislature authorized a 3-year extension of the moratorium; it is due to expire on July 1, 2004. During the 2002 legislative session, passage of CSHB206(RLS) am S resulted in changes to the limited entry statutes, authorizing use of a permanent vessel-based limited entry program in the weathervane scallop fishery and the Bering Sea hair crab fishery.

Under provisions of Amendment 3 of the Federal Management Plan (FMP) for scallops, the Alaska Department of Fish and Game (ADF&G) manages all aspects of the scallop fishery except for limited access in federal waters of Alaska. The National Marine Fisheries Service has implemented a license limitation program (LLP) for scallop fishing in federal waters; nine licenses have been issued to vessel owners. There is concern that many new vessels could enter state waters in the scallop fishery should the state waters vessel moratorium expire without a limited entry program in place.

Considering this situation, and the characteristics of the fishery, the Commission has decided to propose limited entry using the new authority to issue permits to vessels that have a history of participation in the weathervane scallop fishery. The comment period for the proposal extends from January 23 to February 23. Because ADF&G manages the scallop fishery, the Commercial Fisheries Entry Commission (CFEC or Commission) seeks the department's advice and expert opinion on matters that directly influence decisions on limited entry in the fishery. Any help or guidance ADF&G can provide during the comment period is greatly appreciated.

**Questions:**

- I. ADF&G was actively involved in the development of the legislation for the temporary moratorium, and supported the legislation authorizing a permanent vessel-based limited entry program. ADF&G also took an active role in supporting and developing the federal license limitation program for scallops, citing concerns for scallop overharvest and harm to crab stocks through bycatch.

Under a permanent vessel-based limited entry program in state waters, the number of vessel licenses issued could be similar to the number of licenses currently allowed under the federal LLP (9). Although the number of licenses may be similar between the state and federal programs, the total number of vessels fishing in a management area could increase if the list of state-permitted vessels differs from the list of federal LLP vessels.

If the Commission were to implement the traditional operator-based program, we would be obligated to issue permits to individuals who have made landings on CFEC interim-use permits. It is currently unclear how many permits the Commission would issue under the traditional program, but it would likely be in the range of

10 to 13 permits<sup>1</sup>. Under the traditional program, CFEC would have to develop a point system to rank eligible applicants for permits. CFEC estimates there would be approximately 27 eligible applicants under the traditional program.<sup>2</sup> Until these persons' individual rankings are determined by the point system, they could continue to fish scallops in state waters.

Perhaps most importantly, individuals who would qualify for permits under the traditional program are likely to be different than those who qualified for licenses in the federal LLP. In this scenario, with a federal LLP in place in federal waters and the traditional CFEC program in state waters, the total number of operations in state and federal waters may be considerably larger than it has been in recent years.

With these considerations, and with the knowledge and experience ADF&G has with the scallop fishery:

- a) Does ADF&G support some form of limited access in the Alaska scallop fishery, in both state and federal waters?
  - b) If so, does ADF&G support implementation of a permanent vessel-based limited entry program in state waters to help manage this fishery in the future, or would the department prefer a traditional operator-based limited entry program?
  - c) Would either of the two limited entry programs described herein – the traditional operator-based program or the vessel-based program – better enable the state to retain management authority in federal waters?
2. It is our understanding that ADF&G estimates scallop abundance using a variety of techniques, including harvest and observer data, biological observations on scallop size, age, and sex, and scallop dredge surveys (in Cook Inlet and Prince William Sound). In your professional judgment:
- a) What is the status of scallop stocks statewide?
  - b) Does ADF&G think any new areas with substantial numbers of scallops will open to fishing?
  - c) Will populations and corresponding harvests likely increase or decrease substantially in the foreseeable future?
3. As mentioned, there are currently 9 licenses qualified to fish in federal waters under the NMFS license limitation program. Under the state vessel moratorium, 10 vessels are qualified to fish in state waters. Before access was limited through state and federal moratoriums in 1997, as many as 17 vessels participated in the statewide federal and state-waters fishery. Does the department believe improved management and conservation of the resource results from the number of vessels limited by the moratorium?
4. The Commission is concerned that the purposes and benefits of limiting the weathervane scallop fishery could be diminished if there are no restrictions on the expansion of fishing capacity for individual fishing operations. Under both the traditional program and the new vessel permit law, the Commission has the authority to issue permits with fishing capacity constraints if it serves the statutory purposes of limited entry. These could

<sup>1</sup> This assumes the number of permits would be determined from the highest number of units of gear that recorded landings in state waters in any of the four years immediately preceding the 1997 state waters vessel moratorium. Commission records indicate there were maximums of 10 vessels and 13 permit holders with state waters landings over the 4-year period from 1993 to 1996.

<sup>2</sup> Again, this assumes qualified applicants would be individuals who made scallop landings in state waters during the four most recent years prior to the 1997 moratorium.

include gear restrictions, or restrictions on the length of the vessel that may be used in the fishery. The constraints would continue to apply upon transfer of the permit or, in the case of vessel permits, upon substitution of a vessel.

- a) Licenses issued in the federal scallop LLP have maximum vessel lengths attached to them. The license must be used on a vessel that is no greater in length than the vessel used to qualify under the program. In the current proposal for state waters, CFEC suggests similar capacity constraints based upon vessel lengths.
  - i) In the absence of any fishing capacity constraints, does the department believe that fishing effort and capacity may grow in the weathervane scallop fishery after limited entry is implemented?
  - ii) Could unrestricted fishing capacity in the weathervane scallop fishery produce management or conservation concerns, such as short seasons with a higher risk of exceeding guideline harvests or high levels of bycatch?
  - iii) Would vessel length constraints attached to permits be a meaningful way to limit the expansion of fishing effort and capacity (premised on the original lengths of qualifying vessels)?
  
- b) The limited federal scallop licenses are valid for all federal waters off of Alaska. However, some licenses have specific gear endorsements for only a single 6-foot scallop dredge if the license was issued based upon a fishing history in Cook Inlet, where this gear restriction applies.

CFEC's proposed regulation for a vessel permit program in state waters also contains a single statewide area and a capacity restriction of a single 6-foot dredge for any permits issued to vessels that have a fishing history only in the Cook Inlet registration area.

- i) Is ADF&G comfortable with CFEC defining a single statewide administrative area for limited entry permits in the weathervane scallop fishery? If not, what CFEC administrative areas would ADF&G advocate?
- ii) Does ADF&G believe it is necessary for CFEC to constrain vessel permits for vessels that have fished only in Cook Inlet to a single 6-foot dredge, given that the Board of Fisheries already has a regulation for 6-foot dredges in Cook Inlet and that the Commission has proposed a vessel length constraint for vessel permits?

- cc. **Doug Mecum; Director, Division of Commercial Fisheries**  
**Denby Lloyd; Regional Supervisor, Westward Region, Commercial Fisheries Division**  
**Jeff Regnart; Regional Supervisor, Central Region, Commercial Fisheries Division**  
**Andy McGregor; Regional Supervisor, Southeast Region, Commercial Fisheries Division**  
**Earl Krieger, Extended Jurisdiction Coordinator, Commercial Fisheries Division**  
**Wayne Donaldson; Regional Shellfish and Groundfish Management Biologist, Westward Region**  
**James Browning; Regional Finfish, Shellfish, and Groundfish Management Biologist, Central Region**  
**Kyle Hebert; Marine Fisheries Supervisor, Southeast Region**  
**Mike Ruccio; Area Management Biologist, Westward Region**  
**Bob Berceli; Area Management Biologist, Prince William Sound**  
**Charlie Trowbridge, Area Management Biologist, Cook Inlet/Prince William Sound**  
**Gretchen Bishop, Shellfish Project Leader, Southeast**  
**Jeff Barnhart; Statewide Scallop Observer Program Coordinator**

**State of Alaska  
Commercial Fisheries Entry Commission**

**Bering Sea Hair Crab Vessel Permit Holders  
March 27, 2007**

<b>Vessel Permit Holder Name</b>	<b>Company/Contact Person</b>	<b>Vessel Name</b>	<b>Permit</b>
<b>Marwin Inc.</b> PO Box 509 Petersburg, AK 99833	John Winther, President Bert Winther, Vice President	<b>Theresa Marie</b> ADFG# 00034 93 ft.	E 91QV 85001 O Initial permit holder Initial vessel
<b>Mattsen Fisheries Inc.</b> PO Box 2686 Poulsbo, WA 98370	Daniel Mattsen, President John Walsh, Secretary	<b>Shaman</b> ADFG# 00036 110 ft.	E 91QV 85003 Z Initial permit holder Initial vessel
<b>Royal Viking, Inc.</b> 5303 Shilshole Ave NW Seattle, WA 98107	<b>Trident Seafoods</b> Charles H. Bundrant, President	<b>Royal Viking</b> ADFG#03718 108 ft.	E 91QV 85005 J Initial permit holder Initial vessel
<b>American Star &amp; Owners</b> 14010 154th Ave SE Renton, WA 98059	<b>Overa Fisheries</b> Roger and Linda Overa  <b>Hjelle Enterprises, Inc.</b> Mark Hjelle and Karen Clausen	<b>American Star</b> ADFG#08369 154 ft.	Initial permit holder (no serial no. issued) Vessel lost to fire
<b>Pacesetter Mariner, Inc.</b> 3762 S. 349th Pl. Auburn, WA 98001	Pamela Pope, President	<b>Pacesetter</b> ADFG# 21436 127 ft.	Initial permit holder (no serial no. issued) Vessel lost at sea
<b>RSD (Ocean Cape), LLC</b> PO Box 12946 Mill Creek, WA 98052	<b>Robert Resoff, Inc</b> George Steers, President  <b>Estate Trust of Robert Resoff</b> George Steers, Co-Executor Linda Seven, Co-Executor	<b>Ocean Cape</b> ADFG# 29933 100 ft.	E 91QV 85017 Q Permit by transfer Initial vessel
<b>Coastal Villages Region Fund</b> 711 H St. #200 Anchorage, AK 99501	<b>Coastal Villages Region Fund (CDQ)</b> C. Morgan Crow, Agent	<b>Arctic Sea</b> ADFG# 33696 134 ft.	E 91QV 85010 U Permit by transfer Initial vessel

**State of Alaska  
Commercial Fisheries Entry Commission**

**Bering Sea Hair Crab Vessel Permit Holders  
March 27, 2007**

<b>Vessel Permit Holder Name</b>	<b>Company/Contact Person</b>	<b>Vessel Name</b>	<b>Permit</b>
<b>Coastal Villages Region Fund</b> 711 H St. #200 Anchorage, AK 99501	<b>Coastal Villages Region Fund (CDQ)</b> C. Morgan Crow, Agent	<b>North Sea</b> ADFG# 36047 126 ft.	<b>E 91QV 85011 M</b> Permit by transfer Initial vessel
<b>MGF Fisheries</b> 1216 NW Blakely CT. Seattle, WA 98177	<b>Mason Williams, President</b> Gary Stewart, VP	<b>Polar Lady</b> ADFG# 36822 105 ft.	<b>E 91QV 85002 H</b> Initial permit holder Initial vessel
<b>F/V Maverick, LLC</b> 1645 SW 14th St. Warrenton, OR 97146	<b>Richard Quashnick, President</b> Donna Quashnick, VP	<b>Maverick</b> ADFG# 45706 92 ft.	<b>E 91QV 85004 Q</b> Initial permit holder Initial vessel
<b>American Eagle LLC</b> 1212 NW Culbertson Dr. Seattle, WA 98177	<b>Tynes Enterprises, Inc</b> Reidar and Linda Tynes  <b>Wabey Enterprises, Inc.</b> Joseph Wabey  <b>Hjelle Enterprises, Inc</b> Mark Hjelle and Karen Clausen	<b>American Eagle</b> ADFG# 00039 118 ft.	<b>E 91QV 85000 W</b> Permit by transfer Vessel by substitution
<b>Tamarack Ventures, LLC</b> PO Box 7899 Kent, WA 98042	<b>Kale Garcia</b>	<b>Aquila</b> ADFG# 62505 155 ft.	<b>E 91QV 85009 E</b> Initial permit holder Initial vessel
<b>Time Bandit, LLC</b> PO Box 3843 Homer, AK 99603	<b>Phillip Hillstrand, President</b>	<b>Time Bandit</b> ADFG# 65577 110 ft.	<b>E 91QV 85006 B</b> Initial permit holder Initial vessel

**State of Alaska  
Commercial Fisheries Entry Commission**

**Bering Sea Hair Crab Vessel Permit Holders  
March 27, 2007**

<b>Vessel Permit Holder Name</b>	<b>Company/Contact Person</b>	<b>Vessel Name</b>	<b>Permit</b>
<b>North Pacific LLC</b> 620 8th St. S Kirkland, WA 98033	<b>AK Beauty J/V Partners</b> <b>North Pacific Enterprises</b> <b>Ocean Olympic Fisheries, Inc.</b> <b>Norton Sound Investment Co. LLC</b>  Russel Moore, contact person	<b>North Pacific</b> <b>ADFG# 06205</b> 97.5 ft.	<b>E 91QV 85019 B</b> Initial permit holder Initial vessel
<b>Ocean Olympic LLC</b> 620 8th St. S Kirkland, WA 98033	<b>AK Beauty J/V Partners</b> <b>North Pacific Enterprises</b> <b>Ocean Olympic Fisheries, Inc.</b> <b>Norton Sound Investment Co. LLC</b>  Russel Moore, contact person	<b>Ocean Olympic</b> <b>ADFG# 56111</b> 166 ft.	<b>E 91QV 85020 R</b> Initial permit holder Initial vessel
<b>Zolotoi Partnership</b> PO Box 1064 Sitka, AK 99835	<b>Zolotoi Management Inc</b> <b>Gordon Blue</b> <b>Orca Fisheries, Inc.</b> Jon Jorgenson <b>AK Offshore LLC</b> <b>PBS Vessel Manage - CDQ</b> <b>CBSFC-CDQ</b>	<b>Zolotoi</b> <b>ADFG# 40917</b> 102 ft.	Former owner of vessel Initial Permit Holder (No serial no. issued) Initial vessel
<b>Ocean Ventures, LLC</b> PO Box 12946 Mill Creek, WA 98082-0946	Mike Sheiford, contact person	<b>Zolotoi</b> <b>ADFG# 40917</b> 102 ft.	Current owner of vessel (No serial no. issued) Initial vessel

# **A Brief Overview of the Bering Sea Hair Crab Fishery and the Vessel Limited Entry Program**

**CFEC Report No. 07-1N  
February 2007**

**Prepared by  
Cathy Tide**

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**State of Alaska  
Commercial Fisheries Entry Commission  
8800 Glacier Hwy, Suite 109  
P.O. Box 110302  
Juneau, Alaska 99811-0302**

A Brief Overview of the Bering Sea Halibut Fishery  
and the Vessel Limited Entry Program

**OEO/ADA Compliance Statement**

The Commission is administratively attached to the Alaska Department of Fish and Game (ADF&G).

The Alaska Department of Fish and Game (ADF&G) administers all programs and activities free from discrimination based on race, color, national origin, age, sex, religion, marital status, pregnancy, parenthood, or disability. The department administers all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, and Title IX of the Education Amendments of 1972.

If you believe you have been discriminated against in any program, activity, or facility please write:

- ADF&G ADA Coordinator, P.O. Box 115526, Juneau, AK 99811-5526.  
The department's ADA Coordinator can be reached via phone at the following numbers: (VOICE) 907-465-6077, (Statewide Telecommunication Device for the Deaf) 1-800-478-3648, (Juneau TDD) 907-465-3648, or (FAX) 907-465-6078.
- U.S. Fish and Wildlife Service, 4040 N. Fairfax Drive, Suite 300 Webb, Arlington, VA 22203
- Office of Equal Opportunity, U.S. Department of the Interior, Washington DC 20240.

For information on alternative formats and questions on this publication, please contact the following:

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## **Abstract**

In 2002 the Alaska State Legislature passed a law authorizing CFEC to implement a vessel-based limitation. CFEC adopted regulations establishing a vessel-based limited entry program in the Bering Sea hair crab fishery in 2003. The law, which allows the vessel-based limitation, expires on December 30, 2008. House Bill 16 was introduced in January 2007 in the 25<sup>th</sup> Alaska Legislature. The bill would delay the sunset date for the vessel permit program until December 30, 2013. This report provides the Alaska Legislature with a brief overview of the Bering Sea hair crab fishery, the vessel moratorium, and the vessel-based limitation.

## Table of Contents

Abstract.....	iii
1.0 Introduction.....	1
2.0 The Bering Sea Hair Crab Fishery.....	2
3.0 The Moratorium and Development of a Vessel-Based Limitation.....	4
4.0 Bering Sea Hair Crab Vessel Limitation.....	5
5.0 Current Status of the Hair Crab Resource and Fishery.....	7
6.0 Current Status of Permit Holders.....	10
7.0 Conclusion.....	11
8.0 References.....	12

## List of Tables

Table 1. Qualifying Vessels for Bering Sea Hair Crab Vessel Entry Permits and Their Owners.....	6
Table 2. The Bering Sea Hair Crab Total Harvest and Earnings, and Average and Median Harvest and Earnings Per Person or Vessel With Landings, 1979-2006.....	9
Table 3a. Current Vessel Entry Permit Holders in the Bering Sea Hair Crab Fishery and Their Vessels.....	10
Table 3b. Vessels and Vessel Owners Qualified for a Bering Sea Hair Crab Vessel Entry Permit.....	10

## List of Figures

Figure 1. Bering Sea Hair Crab Fishing Area.....	2
Figure 2. Estimated Abundance of Large Male Hair Crab in the Bering Sea, 1980-2006.....	7

## 1.0 Introduction

In 1979, American vessels began participating in the Bering Sea hair crab fishery. Over the history of the fishery, participation and harvest fluctuated. In 1995 and 1996, the Commercial Fisheries Entry Commission (CFEC or commission) received petitions requesting limited entry in the hair crab fishery. Research into patterns of hair crab participation indicated that limiting the fishery under the state's traditional program would be problematic. Under Alaska's traditional limited entry program, CFEC must award permits only to individuals (permit holders) with a history of landings in the fishery. Limitation under the person-based program could have resulted in increases in participation even after limited entry was implemented, thereby diminishing the benefits and statutory purposes of the program.

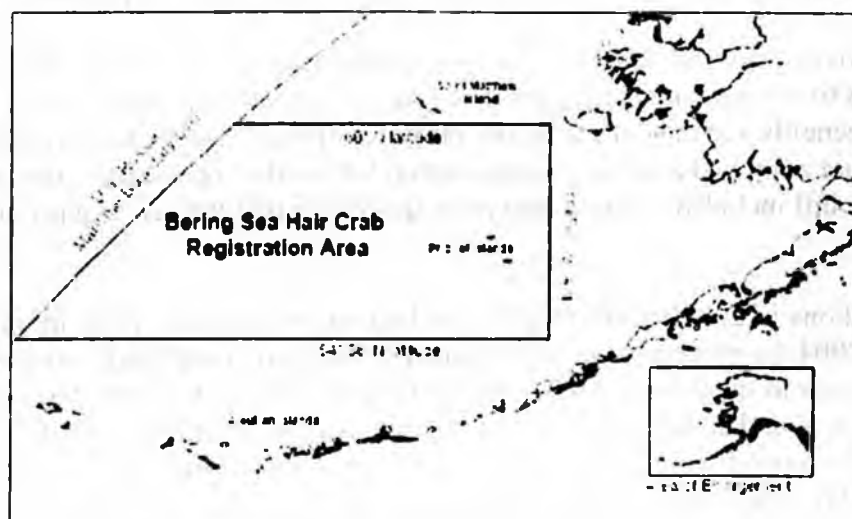
CFEC and representatives from the hair crab fleet pursued legislation that would allow CFEC to issue permits that were tied to vessels rather than persons since a vessel-based limited entry program might provide the intended benefits and meet the statutory purposes of limited entry more readily. In 2002, the Alaska State Legislature approved a vessel-based program for the Bering Sea hair crab and weathervane scallop fisheries. The bill included a sunset provision specifying that the law expires on December 30, 2008.

CFEC adopted regulations in 2003 establishing a vessel-based limited entry program in the Bering Sea hair crab fishery. In 2004 the program was implemented; vessel owners applied for vessel entry permits and CFEC issued permits to qualified vessels. The Bering Sea hair crab fishery has been closed since 2000 due to low stock abundance. It was felt at the time of the limitation that if stock levels rose, limitation might help re-open the hair crab fishery and help avoid future closures of the fishery since fishing pressure would be restricted through a limited fleet size.

House Bill 16 was introduced in January 2007 in the 25<sup>th</sup> Alaska Legislature. The bill would delay the sunset date for the vessel permit program until December 30, 2013. This report provides the Alaska Legislature with a brief overview of the Bering Sea hair crab fishery, the vessel moratorium, and the vessel-based limitation.

## 2.0 The Bering Sea Hair Crab Fishery

The Bering Sea hair crab (*Erimacrus isenbeckii*) fishery is a small fishery that has usually occurred in the Pribilof Islands area of the Bering Sea. The hair crab fishery was originally pioneered by the Japanese during the 1960's and targeted by American vessels beginning in 1979. In 1980 a yearlong permit fishery was established within a three-mile area of the Pribilof Islands, then in 1984 the hair crab fishery was expanded in the Bering Sea District. Figure 1 indicates the area in which the Bering Sea hair crab fishery was prosecuted.<sup>1</sup>



**Figure 1. Bering Sea Hair Crab Fishing Area.** Source: *Annual Management Report for the Commercial and Subsistence Shellfish Fisheries of the Aleutian Islands, Bering Sea and the Westward Region's Shellfish Observer Program, 2003*. ADF&G Regional Information Report No. 4K04-43, September 2004. Figure 2-13.

In December 1995 and January 1996 the Commercial Fisheries Entry Commission (CFEC or commission) received two petitions requesting limited entry in the Bering Sea hair crab fishery. One petition noted a sharp increase in the number of hair crab vessels that participated in the 1995 season. The petitioners claimed this caused a shorter season, with more gear conflicts and higher amounts of wastage due to lost and tangled gear. The petitioners also expressed concern that spillover of vessels from other Bering Sea fisheries, which were experiencing depressed stock levels, could impact the hair crab fishery, adding even more vessels in future years and complicating conservative management of hair crab. The petition indicated the hair crab fishery was not included in a federal fishery management plan, and therefore was not subject to a federal restricted access program.

<sup>1</sup> There is no formal hair crab registration area established in ADF&G regulations, and as such, the fishing area is established using the terms of a commissioner's permit. ADF&G uses king crab management area, district, and section descriptions for in-season management of the fishery. Between 1997 and 2003, CFEC vessel moratorium permits and interim-use permits issued to skippers participating in the fishery were issued for waters north of 54° 36' N. lat., south of 58° 39' N. lat., and east of the United States - Russia Convention line of 1867. From 2004 onward, CFEC interim-use permits issued to skippers participating in the fishery are for waters described in 5 AAC 31.505(e), the Tanner crab Bering Sea District of Area J (Westward Region). Vessel limited entry permits for the Bering Sea hair crab fishery are for waters of the Bering Sea District as described in 5 AAC 35.505(e) that are beyond five miles from shore.

Research into patterns of hair crab participation indicated that limiting the fishery under the state's traditional program might not be appropriate for this fishery. First, many vessels had been operated by more than one person, so the total number of permit holders with landings significantly exceeded the actual number of units of gear in the fishery. Limitation under the person-based program would likely have resulted in a potential increase in fishing effort even after limited entry was implemented, diminishing the benefits and statutory purposes of the program. A vessel-based permit program could achieve the purposes of limited entry in a more efficient manner than a person-based permit program, largely because the number of vessels with landings was considerably less than the number of persons who recorded landings, and fewer permits were likely to be issued under the vessel-based system.

Second, the traditional owner/operator fishing operation, which is characteristic of Alaska's salmon, herring, and other small-boat fisheries in state waters, was the model upon which the person-based limited entry program was designed. The Bering Sea hair crab fishery is characterized by larger boats that fish far offshore, a majority of which is owned by corporations or partnerships. A vessel-based program was thought to better preserve the character of the fishery and the place of all participants in the fishery – for vessel owners, skippers, and crewmen. If vessel permits were issued to vessel owners, qualifying operations could continue to fish in the same manner as they did in the open access and moratorium years.

### **3.0 The Moratorium and Development of a Vessel-Based Limitation**

There was a risk associated with allowing the hair crab fishery to remain under open access while a vessel-based program was analyzed, debated, and potentially passed by the legislature: more boats could enter the fishery during the interim, adding to the existing conservation and economic problems. Recognizing this potential problem, the legislature passed a bill establishing a temporary moratorium for new vessels in the hair crab fishery in 1996. The moratorium went into effect on July 4, 1996 and was scheduled to expire on June 30, 2000.<sup>2</sup> Only vessels that made legal hair crab landings in the directed Bering Sea hair crab fishery from 1993 to 1995 were eligible for permits to fish during the moratorium.

The moratorium law directed the Alaska Department of Law and CFEC to draft legislation that would give CFEC the authority to implement vessel-based limited entry programs in fisheries in which traditional person-based limited entry programs would not effectively fulfill the commission's statutory duties. The proposed bill was introduced and referred to the Senate Resources Committee in 1999 as Senate Bill 143. No hearings were scheduled for the bill; it stayed in the Resources Committee and the legislature took no action on the bill. In 2000, CFEC again asked for the bill to be scheduled for consideration, but again it did not leave the committee. At the end of the 2000 session, SB 143 died. The legislature passed House Bill 429, which extended the moratorium until July 2003, when it became apparent during the 2000 session that legislation for a vessel permit program might not pass.<sup>3</sup>

During the 2002 legislative session, CFEC provided a draft bill to the legislature to authorize a vessel-based limited entry program. The draft bill was reworked by legislative counsel and was significantly amended in the House Resources Committee to allow CFEC to use this authority only in the Bering Sea hair crab and weathervane scallop fisheries. The amended bill passed the state House and was sent to the Senate Resources Committee. After passing through the Senate Resources and Judiciary committees, the bill was amended on the Senate floor to add a sunset provision specifying that the law expire on December 30, 2008.<sup>4</sup>

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<sup>2</sup> See Section 3, ch. 126, SLA 1996.

<sup>1</sup> See Ch. 30, SLA 2000.

<sup>4</sup> See Section 2, ch. 137, SLA 2002.

#### **4.0 Bering Sea Hair Crab Vessel Limitation**

On February 14, 2003, CFEC issued a notice of proposed regulation changes to establish a vessel permit limited entry program for the Bering Sea hair crab pot fishery. The notice invited public comment on the regulations and established a comment period from February 14 through April 2, 2003. Two public hearings were held by teleconference during the public comment period. After reviewing and considering all comments, the commission held a scheduled public meeting on June 5, 2003. At this meeting, the commission could either adopt the regulations as proposed, or adopt an amended form of the regulations, or take no action. The commission voted unanimously to accept several amendments to the original proposal and to adopt the regulations as amended. These regulations became effective on September 21, 2003. Principal elements of the adopted regulations included:

- Limitation of the Bering Sea hair crab fishery with vessel permits issued to vessel owners.
- To qualify for a permit, a vessel must have participated in at least 1 year from 1993 through 1995 and 1 year from 1996 through 2002 *or* at least 2 years from 1993 through 1995.
- No person or entity may hold an ownership interest in more than 2 vessel permits, unless the ownership existed at initial issuance.
- Permanent substitution of vessels is allowed, but the substitute vessel may not exceed the overall length of the original qualifying vessel.
- Vessel permits are transferable.
- The Bering Sea administrative area corresponds to the waters of the ADF&G Bering Sea management district for hair crab that are beyond five miles from shore.

The application period for a vessel entry permit in the Bering Sea hair crab fishery began January 2, 2004 and ended April 15, 2004. During this time the commission received twenty applications from vessel owners. Applications were evaluated, and based on qualification standards outlined in the regulations, sixteen of the vessels qualified for permits, two did not qualify, and two are still pending before the commission. Table 1 indicates the sixteen vessels and their owners that qualified for a Bering Sea hair crab vessel entry permit.<sup>5</sup>

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<sup>5</sup> Between December 13, 2003 and January 19, 2005, NMFS administered a capacity reduction program (buyback) in the Bering Sea/Aleutian Islands crab fisheries. Four vessels that qualified for a Bering Sea hair crab vessel entry permit were bought out under the federal buyback program. This raises the legal question: must a vessel owner who was bought out through this federal program relinquish a state issued permit based on the vessel's fishing history? An additional implication of the buyback is that these four vessels are prohibited from participating in any future commercial fishing activities for any species, including hair crab.

**Table 1. Qualifying Vessels for Bering Sea Hair Crab Vessel Entry Permits and Their Owners.<sup>1</sup>**

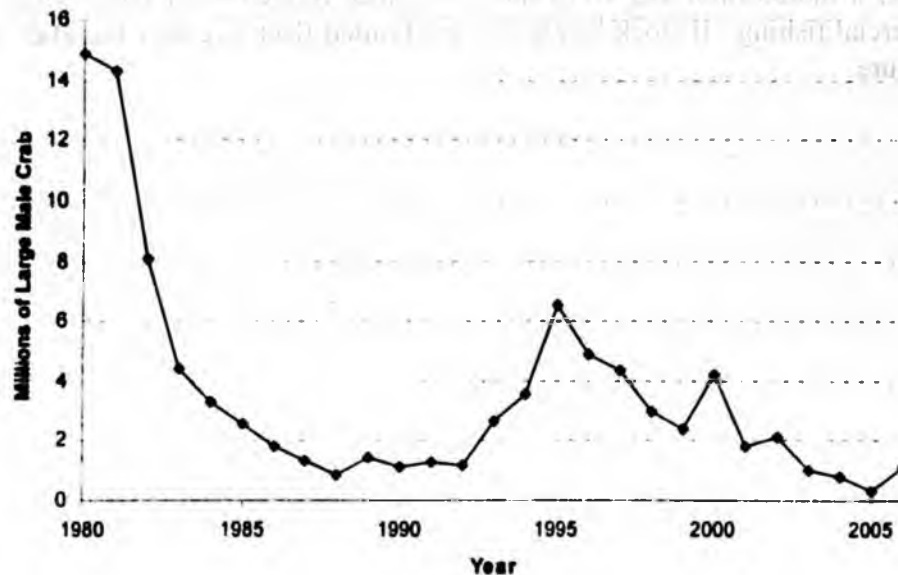
<b>Vessel Name</b>	<b>ADFG Number</b>	<b>Vessel Length</b>	<b>Vessel Owner</b>
American Star	06369	154	American Star & Owners
Aquila	62505	165	Tamarak Ventures LLC
Arctic Eagle	61111	126	Arctic Eagle LLC
Arctic Sea	33696	134	Kristian E. Poulsen Ent. Inc.
Maverick	45706	92	F/V Maverick LLC
North Pacific	06205	96	North Pacific LLC
North Sea	36047	126	Kristian E. Poulsen Ent. Inc.
Ocean Cape	29923	98	Ocean Cape LLC
Ocean Olympic	56111	166	Ocean Olympic LLC
Pacesetter	21436	127	Pacesetter Mariner, Inc.
Polar Lady	36822	105	MGF Fisheries Inc.
Royal Viking	03718	108	Royal Viking Inc.
Shaman	00036	110	Mattsen Fisheries Inc.
Theresa Marie	00034	93	Marwin Inc.
Time Bandit	65577	113	Time Bandit LLC
Zolotoi	40917	102	Zolotoi General Partnership

<sup>1</sup> The vessel owner at the time of the application for a vessel entry permit.

In traditional, person-based limited entry fisheries, permits are only issued to natural persons. Each permit holder is required to declare his or her residency when they are issued a permit, and again each year when they renew their permits. In vessel-based limited entry fisheries, permits are issued to vessel owners regardless of whether they are a natural person or an entity. In many cases the entity reflects a complex structure of natural persons and/or other entities. Because entities do not have residency in the same sense that natural persons do, recipients of vessel entry permits are not required to declare a residency. As a result, CFEC is not able to provide a breakdown of resident and nonresident permit holders, as is typically done for the traditional, person-based limited entry fisheries.

## 5.0 Current Status of the Hair Crab Resource and Fishery

The National Marine Fisheries Service (NMFS) estimates the distribution and abundance of the hair crab resource in the eastern Bering Sea each year when it conducts its annual Eastern Bering Sea Trawl Survey. Figure 2 indicates the estimated abundance of large male hair crab in the Bering Sea from the NMFS survey for 1980 through 2006.<sup>6</sup> Between 1980 and 2006, the hair crab population has seen a dramatic decline. The estimated levels in 2005 were just 2.0% of the 1980 population. A slight increase in large male abundance was detected in the 2006 survey, but overall, the estimated population is a small fraction of initial levels seen for hair crab.



**Figure 2. Estimated Abundance of Large Male Hair Crab in the Bering Sea, 1980-2006.** Source of data: Rugolo, L.J., E.A. Chilton, C.E. Armistead, and J.A. Haaga. 2006. *Report to industry on the 2006 Eastern Bering Sea crab survey*. AFSC Processed Rep. 2006-17, 61 p. Alaska Fish. Sci. Cent., NOAA, Natl. Mar. Fish. Serv., Kodiak Fish. Res. Cent., 301 Research Court, Kodiak, AK 99615-7400 and Stevens, B.G., R.S. Otto, J.A. Haaga, and R.A. MacIntosh. 1998. *Report to industry on the 1997 Eastern Bering Sea crab survey*. AFSC Processed Rep. 98-02, Alaska Fish. Sci. Cent., NOAA, Natl. Mar. Fish. Serv., P.O. Box 1638, Kodiak AK 99615-1638.

Population trends and weak performance in commercial fisheries indicate that the Bering Sea hair crab population is severely depressed. Despite closure of the commercial fishery since 2000, the hair crab resource has not begun to rebuild.<sup>7</sup> Much of the important hair crab habitat near the Pribilof Islands is closed to bottom trawling, so the traditional hair crab fishing grounds are fairly protected. Since 2000 there has been minimal human-caused hair crab mortality and there is very little bycatch of hair crab in other fisheries. It is likely that the population remains low due to poor recruitment, changes in

<sup>6</sup> Abundance estimates were obtained from: Rugolo, L.J., E.A. Chilton, C.E. Armistead, and J.A. Haaga. 2006. *Report to industry on the 2006 Eastern Bering Sea crab survey*. AFSC Processed Rep. 2006-17, 61 p. Alaska Fish. Sci. Cent., NOAA, Natl. Mar. Fish. Serv., Kodiak Fish. Res. Cent., 301 Research Court, Kodiak, AK 99615-7400 and Stevens, B.G., R.S. Otto, J.A. Haaga, and R.A. MacIntosh. 1998. *Report to industry on the 1997 Eastern Bering Sea crab survey*. AFSC Processed Rep. 98-02, Alaska Fish. Sci. Cent., NOAA, Natl. Mar. Fish. Serv., P.O. Box 1638, Kodiak AK 99615-1638.

<sup>7</sup> See Alaska Department of Fish and Game, *Bering Sea Hair Crab Fishery Closed for 2005-2006 Season*, ADF&G News Release, October 20, 2005.

environmental conditions, and predation by other species in the area.<sup>8</sup> Forrest Bowers, ADF&G Area Management Biologist, does not believe the hair crab resource will recover enough in the next five years to warrant opening the commercial fishery.<sup>9</sup> Hair crab appear to be a fragile resource and a conservative management approach is warranted.

Participation, harvest, and earnings in the Bering Sea hair crab fishery have fluctuated greatly over the history of the fishery. Table 2 indicates the total commercial harvest of the Bering Sea hair crab fishery by year, the total earnings, average ex-vessel price, the number of persons and vessels with landings, and the average and median harvest and earnings per person or vessel. Because of low stock abundance, the Bering Sea hair crab fishery has been closed since 2000. As a result, nearly half of the years that the fishery was under a moratorium and all of the years since limited entry has been in effect have been closed to commercial fishing. If stock levels rise, the limited fleet size may facilitate the opening of the fishery in the future.



...the population of hair crabs in the Bering Sea has declined significantly since 1990. This decline is attributed to a combination of factors, including overfishing, environmental changes, and predation by other species. The population is currently at a low level, and it is expected that it will take several years to recover. As a result, the commercial fishery has been closed since 2000. A conservative management approach is warranted to ensure the long-term sustainability of the resource.

<sup>8</sup> Bowers, Forrest. 2006. Personal communication. Alaska Department of Fish and Game; PO Box 920587, Dutch Harbor, AK 99692-0587.  
<sup>9</sup> Ibid.

**Table 2. The Bering Sea Hair Crab Total Harvest and Earnings, and Average and Median Harvest and Earnings Per Person or Vessel With Landings, 1979-2008.<sup>1</sup>**

Year	Fishery Status	Total Harvest <sup>2</sup>	Total Earnings <sup>3</sup>	Average Ex-Vessel Price <sup>3</sup>	Persons With Landings	Harvest <sup>2</sup>		Earnings <sup>3</sup>		Vessels With Landings <sup>4</sup>	Harvest <sup>2</sup>		Earnings <sup>3</sup>	
						Average	Median	Average	Median		Average	Median		
1979		**	**	**	18	**	**	**	**	16	**	**	**	**
1980		69,009	\$50,272	\$0.728	19	3,632	271	\$2,646	\$190	17	4,059	511	\$2,957	\$358
1981		2,128,349	\$1,713,285	\$0.805	96	22,170	1,906	\$17,847	\$1,534	76	28,005	1,805	\$22,543	\$1,452
1982		1,225,098	\$799,250	\$0.652	80	15,314	1,676	\$9,991	\$1,088	69	17,755	2,127	\$11,583	\$1,296
1983		888,447	\$628,556	\$0.707	61	14,565	715	\$10,304	\$685	49	18,132	1,170	\$12,828	\$868
1984		568,717	\$746,654	\$1.313	24	23,697	1,234	\$31,111	\$1,322	24	23,697	666	\$31,111	\$852
1985		**	**	**	5	**	**	**	**	6	**	**	**	**
1986		**	**	**	4	**	**	**	**	3	**	**	**	**
1987	Open Access	23,243	\$43,337	\$1.865	8	2,905	645	\$5,417	\$1,278	8	2,905	645	\$5,417	\$1,278
1988		3,406	\$4,656	\$1.367	12	284	194	\$388	\$229	12	284	194	\$388	\$229
1989		**	**	**	1	**	**	**	**	1	**	**	**	**
1990		0	\$0	\$0	0	0	0	\$0	\$0	0	0	0	\$0	\$0
1991		379,715	\$1,237,491	\$3.259	6	63,286	6,502	\$206,249	\$21,190	6	63,286	6,502	\$206,249	\$21,190
1992		1,338,818	\$2,815,534	\$2.103	18	74,379	42,833	\$156,419	\$90,078	17	78,754	30,119	\$165,620	\$63,340
1993		1,439,155	\$3,109,853	\$2.161	27	53,302	33,881	\$115,180	\$73,217	22	65,416	32,333	\$141,357	\$69,872
1994		1,904,287	\$5,768,782	\$3.029	20	95,214	83,095	\$288,439	\$251,778	14	136,021	95,499	\$412,056	\$289,362
1995		1,986,106	\$5,441,930	\$2.740	25	79,444	69,476	\$217,677	\$190,364	21	94,576	102,373	\$259,140	\$280,502
1996		713,309	\$1,993,699	\$2.795	20	35,665	31,588	\$99,685	\$88,287	19	37,543	32,778	\$104,932	\$91,615
1997		650,240	\$2,078,167	\$3.196	18	36,124	27,756	\$115,454	\$88,707	16	40,640	38,876	\$129,885	\$124,246
1998		**	**	**	12	**	**	**	**	12	**	**	**	**
1999	Moratorium	**	**	**	9	**	**	**	**	8	**	**	**	**
2000		**	**	**	3	**	**	**	**	3	**	**	**	**
2001								-- No Fishery --						
2002								-- No Fishery --						
2003								-- No Fishery --						
2004	Limited Entry							-- No Fishery --						
2005								-- No Fishery --						
2006								-- No Fishery --						

<sup>1</sup> Data is masked for confidentiality where fewer than four participants, vessels, or processors (by ADF&G processor code or Federal ID when available) are indicated on fish ticket data within a year.

<sup>2</sup> Only commercial harvest of Bering Sea hair crab was included in this table. Landings made with invalid permit serial numbers were excluded.

<sup>3</sup> Harvest is in pounds.

<sup>4</sup> In nominal dollars. Earnings and ex-vessel prices have not been adjusted for inflation.

<sup>5</sup> The number of vessels with landings includes unlicensed vessels.

**NOTE:** This table includes both directed commercial hair crab harvests and hair crab bycatch in other crab fisheries. An ADF&G commissioner's permit was required for participation in the directed hair crab fishery and required for eligibility in the hair crab limited entry program. This note was added for clarification purposes following the initial web posting and distribution of this report.

## 6.0 Current Status of Permit Holders

The regulations adopted by CFEC established vessel entry permits in the Bering Sea hair crab fishery that are transferable. The vessel entry permits may be transferred by sale, trade, gift, or through inheritance. There are conditions that must be met for a vessel entry permit to be transferred, however. The recipient of a permit must own the vessel listed on the vessel entry permit or they must substitute a vessel they do own at the time of the permit transfer. The overall length of a substitute vessel must be equal to or less than the length of the original qualifying vessel. And lastly, no transfer may occur which would result in any person or entity holding ownership interest in more than two vessels in the Bering Sea hair crab fishery.

As of February 1, 2007, four Bering Sea hair crab vessel entry permits have been permanently transferred. One of the recipients made a permanent vessel substitution at the same time as the permit transfer. As required, the substitute vessel was of equal or lesser length than the original qualifying vessel. Table 3a indicates the thirteen vessels and their owners that are current holders of Bering Sea hair crab vessel entry permits and Table 3b lists the three vessels and their owners that qualified for a vessel entry permit but have not yet been issued a permit.<sup>10</sup>

**Table 3a. Current Vessel Entry Permit Holders in the Bering Sea Hair Crab Fishery and Their Vessels.**

Current Vessel Name	ADFG Number	Vessel Length	Current Permit Holders
American Eagle	00039	118	American Eagle LLC
Aquila	62505	165	Tamarak Ventures LLC
Arctic Sea	33696	134	Coastal Villages Region Fund
Maverick	45706	92	F/V Maverick LLC
North Pacific	06205	96	North Pacific LLC
North Sea	36047	126	Coastal Villages Region Fund
Ocean Cape	29923	98	RSD (Ocean Cape), LLC
Ocean Olympic	56111	166	Ocean Olympic LLC
Polar Lady	36822	105	MGF Fisheries Inc.
Royal Viking	03718	108	Royal Viking Inc.
Shaman	00036	110	Mattsen Fisheries Inc.
Theresa Marie	00034	93	Marwin Inc.
Time Bandit	65577	113	Time Bandit LLC

**Table 3b. Vessels and Vessel Owners Qualified for a Bering Sea Hair Crab Vessel Entry Permit.<sup>1</sup>**

Qualified Vessel Name	ADFG Number	Vessel Length	Qualified Vessel Owner
American Star	06369	154	American Star & Owners
Pacesetter	21436	127	Pacesetter Mariner, Inc.
Zolotoi	40917	102	Zolotoi General Partnership

<sup>1</sup> Vessels have qualified for a vessel entry permit, but a permit has not yet been issued to the vessel owners, either due to the loss of the vessel or at the request of the vessel owners.

<sup>10</sup> Vessels qualified for a Bering Sea hair crab vessel entry permit but either the vessel was lost and a replacement vessel has not been substituted or the vessel owners have requested that the permit not be issued at this time.

## 7.0 Conclusion

In 2003, CFEC adopted regulations establishing a vessel-based limited entry program in the Bering Sea hair crab fishery. The program was implemented and vessel entry permits issued beginning in 2004. The law authorizing CFEC to administer a vessel-based limited entry program in the Bering Sea hair crab fishery expires on December 30, 2008. If passed, House Bill 16 would delay the sunset date for the vessel entry program until December 30, 2013.

## 8.0 References

*Annual Management Report for the Commercial and Subsistence Shellfish Fisheries of the Aleutian Islands, Bering Sea and the Westward Region's Shellfish Observer Program, 2003.* ADF&G Regional Information Report No. 4K04-43, September 2004.

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