

# **Development of the Individual Fishing Quota Program for Sablefish and Halibut Longline Fisheries off Alaska**

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## **Introduction**

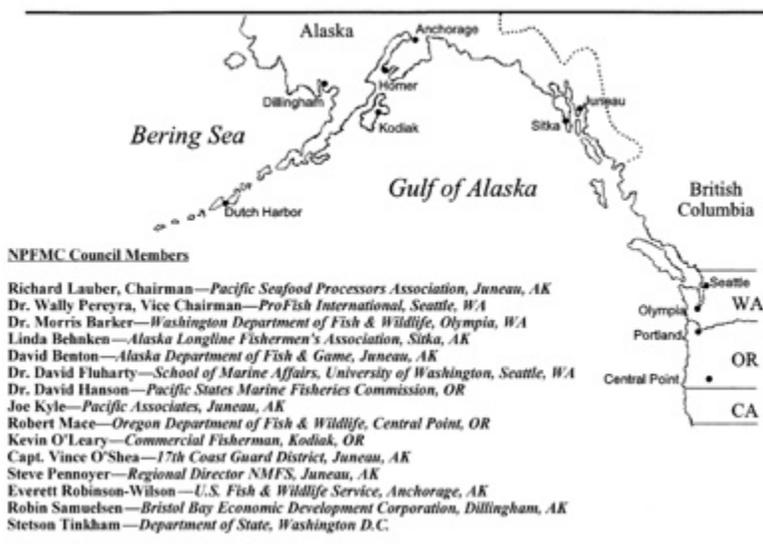
The individual fishing quota (IFQ) program for the sablefish and halibut longline fisheries off Alaska was implemented in 1995. It culminated fourteen years of deliberations of the North Pacific Fishery Management Council (Council) on limited entry. The long gestation clearly attests to the program's gravity and controversy. Development of the program occurred during a period of great change in fisheries off Alaska, the 1980's. Foreign fisheries were replaced by domestic operations, which expanded more rapidly than ever anticipated. Suddenly the Council was faced with overcapitalization, not only in sablefish and halibut, but all major fisheries under its jurisdiction.

Today we will review the policy setting and development of our limited entry programs, emphasizing IFQ systems. We will briefly describe components of the sablefish and halibut programs and the Council's intent, and then discuss the specific issues tasked for consideration of the National Research Council's Committee to Review Individual Fishing Quotas. For your reference, four attachments are included: (1) Chronology of Development of Limited Access Measures and Moratorium for NPFMC Halibut, Sablefish, Groundfish and Crab Fisheries: 1978-1997; (2) original Council motion on the IFQ program from December 1991; (3) materials on groundfish and crab IFQs from the Council's January 1996 meeting notebook; and (4) Twenty Years in Review, excerpted from our 20th anniversary program in December 1996. The last attachment will help place limited entry activities in context of the panoply of other issues considered concurrently by the Council.

## North Pacific Fishery Management Council - A Primer

The North Pacific Fishery Management Council was established in 1976 with passage of the Fishery Conservation and Management Act (now called the Magnuson-Stevens Fishery Conservation and Management Act). Along with seven other regional councils, it was authorized to recommend management measures to the U.S. Secretary of Commerce for fisheries in the U.S. Exclusive Economic Zone from 3 to 200 miles. Unlike the other councils, the North Pacific Council's jurisdiction included the waters off just one state, Alaska. Washington and Oregon state interests, along with those of Alaska, are represented in the eleven voting members of the Council. Washington has three seats, Oregon has one, and Alaska has six. The eleventh seat is held by the federal representative, the Regional Administrator of the National Marine Fisheries Service.

The North Pacific Council meets five or six times each year, mainly in Alaska, but also in Washington and Oregon. It is supported by a staff of eleven, residing in Anchorage, Alaska, as well as federal staff at the NMFS Regional Office in Juneau and the Alaska Fisheries Science Center in Seattle, and staff at the State of Alaska Department of Fish and Game in Juneau and Kodiak. The Council also is advised at each meeting by a 13-member Scientific and Statistical Committee and an industry Advisory Panel of 24 members. Regulations normally take almost a year to be enacted from the time they are initially proposed by industry to the Council. Controversial decisions like limited entry take much longer.



Not all was well with U.S. fisheries in 1976. Indeed, the regional council system was in part a response to the general dishevelment in fisheries management at the time. Three major problems were identified by the U.S. Comptroller General in 1976:

common property resources, fragmented jurisdiction, and imprecise biological data. He found many fish stocks were depleted or threatened with depletion through overfishing by U.S. and foreign fishermen and alteration of habitat, and that domestic fisheries management had been uncoordinated and ineffective, causing excess harvesting capacity and depletion of some stocks. Many of these concerns still resonate today, over twenty years later.

Ten years before U.S. jurisdiction was extended to 200 miles, it was extended to 12 miles by the Bartlett Act of 1966. The federal government was assigned the task of regulating the fisheries in the 3- to 12-mile band outside state waters. Jurisdiction over domestic fishery management and development was largely in the hands of states, with ill-defined lines of authority between states and the federal government. The states had jurisdiction inside three miles but could enforce regulations only against their own citizens, not those of other states, and in some instances had delegated management to local governing units such as cities, towns, and counties. Even legislatures sometimes played a role.

Though there was federal jurisdiction over the 3-12 mile contiguous zone and U.S. vessels, clear authority to manage U.S. fishing activity in the zone had not been assigned to a specific federal agency. Fisheries on the high seas outside 12 miles were open to all nations. In some instances, certain fisheries were managed through international agreements, but membership in such agreements was voluntary and compliance was difficult to enforce. The bilaterals off Alaska with Japan and the Soviet Union on groundfish management beginning in the 1960's were good examples.

Against this backdrop of splintered jurisdiction, and after several other failed attempts at more regional management, the regional council system was born to provide a critical nexus between state and federal fisheries policy making and involve the users of the resources in those decisions. President Ford signed the Act on April 13, 1976, and it took effect in March 1977. A National Conference for Regional Fishery Management Councils was held in Arlington, Virginia in September 1976. Robert White, NOAA Administrator, convened the conference noting that the members had been ". . . assembled to begin one of the most unique natural resource management and conservation tasks in the history of our country . . . The fisheries management principles outlined by the Act are far reaching. They provide the framework for innovative approaches to our management problems. Under these principles, management will be based on science enrooted in conservation. And it is up to. . . all of us. . . to make a new fisheries management system work. By succeeding in this venture we will have done more than pioneer new directions in fisheries conservation and management, we will have set out new directions in federal and state relations, and new concepts of user involvement in governmental decisions."

Senator Warren Magnuson noted: "Also, we in Congress consider the Fisheries Management Council as a pivotal mechanism in our national fisheries management program. And as I said, you are to be the decisions makers, you are the policy planners, you must evaluate past performance and make changes if necessary for the better, but you alone will be responsible to the fishermen and to the nation, all people, all of us, for the proper management of these fisheries resources we said belong to us...That is what you are here for."

The Council began organizing itself at its first meeting in October 1976. When the councils first started business, the philosophy was that they would need a fishery management plan for every commercial species outside three miles. Thus the North Pacific Council considered fishery management plans for groundfish, salmon, herring, king and Tanner crab, shrimp, scallops, and Dungeness crab. It became quickly evident that that would be an overwhelming task, and potentially redundant with state management programs. Because of strong State of Alaska management of many fisheries at the time, and after initial efforts on the plans noted above, the Council gradually narrowed its focus to the groundfish fisheries complex (which included sablefish), king and Tanner crab, and the Southeast troll salmon fishery. The groundfish and Tanner crab fisheries were mainly foreign fisheries in 1976, while King crab and salmon were domestic.

The Council's formal role in halibut management was unsettled in the late 1970's. Halibut long had been managed by the International Pacific Halibut Commission (IPHC), established in 1953. As a result of extended jurisdiction in 1976, the Convention between the U.S. and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea was in process of being renegotiated. Because there was a possibility of abrogation, the Council prepared a draft halibut fishery management plan (FMP) after appointing a plan development team in 1978 and establishing a workgroup to develop management recommendations. The halibut convention was renewed in 1979 and IPHC continued biological management of the resource. Limited entry and allocational decisions, however, were delegated to the Pacific and North Pacific councils by the Northern Pacific Halibut Act of 1982, enacted on May 17, 1982.

### **First Halibut Limited Entry Initiative: 1978-1985**

As the Comptroller General noted in 1976, excess capacity was an underlying problem with many fisheries in the U.S. However, limited entry is not an easy public policy issue to address. Certainly Alaskans were aware of this. There, a limited entry license program for salmon had just been implemented. It culminated a long and heated knock-down, drag-out brawl that started just after statehood in 1959. Two legislated attempts to establish limited entry in Alaska fisheries after 1960 were

overturned in court. In 1972, the state voted to amend the state constitution to allow for limited entry. Within the first three months of 1973, the legislature had crafted a limited entry law, which passed in April 1973, thus establishing the state's Commercial Fisheries Entry Commission. A license system for nineteen salmon fisheries was implemented in 1974. In 1976 an initiative drive to repeal the law failed. The legality of the program was not settled until years later. In 1983, the Alaska Supreme upheld the constitutionality of the limited entry law, a decision allowed to stand by the United States Supreme Court in 1984.

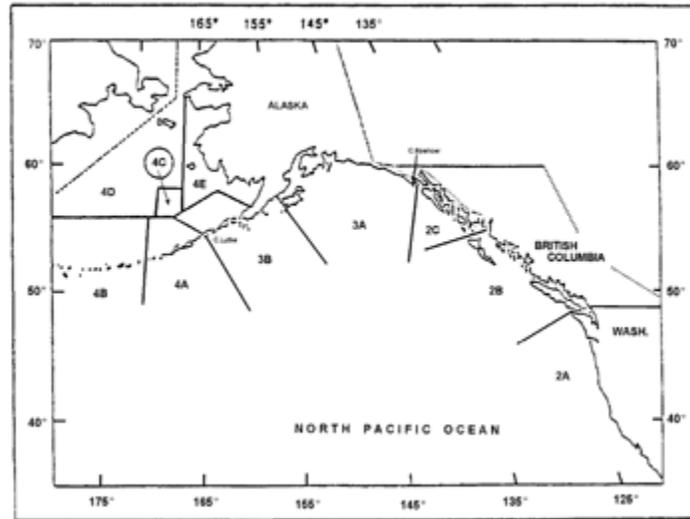
Many of the same individuals involved in State fisheries policy were also involved in the early Council system. Thus there was a keen, immediate awareness of the controversy and heat surrounding limited entry solutions. The Council's first halibut fishery management plan was completed in the summer of 1978. Drafts circulated in August and October 1978 did not mention limited entry, but the final plan dated January 3, 1979, contained a cutoff date of December 31, 1978 for accrual of credit to qualify under any limited entry program that might be developed later. This section was added by formal Council action on November 3, 1978. A chronology of halibut and other limited entry activities by the Council is available in Attachment 1.

During Council consideration of the draft plan, the Fishermen's Union and Fishing Vessel Owners Association (FVOA) in Seattle commented favorably on the limited entry provisions. FVOA commented in October 1978 that the State of Alaska salmon limited entry program barred halibut fishermen from entering the salmon fishery but still allowed salmon fishermen to flood into the halibut fishery. The Fishermen's Marketing Association (Alaska-based) in November 1987, however, sounded a note of caution about moving ahead too quickly with halibut limited entry. They noted that halibut populations were at a low point and the Association's fishermen had not produced much. They believed that most of the fish would go to the Seattle fleet, further concentrating a very valuable resource in the hands of a few fishermen. Their comment was brief but it underscored the divisive nature of limited entry as applied to Alaska fisheries. In general there was polarization between longtime fishermen and newer fishermen, a situation further aggravated by the situation that most longtime fishermen were from Seattle, and many of the newer fishermen came from ports in Alaska.

Development of the halibut plan was dropped when the treaty was renegotiated in 1979, but industry came to the Council to sort out the issue of limited entry since such a measure was not available through IPHC under the terms of the convention. Halibut seasons had shortened dramatically. A season off Kodiak in IPHC Area 3A, for instance, that had once been approximately 150 days in 1970, was down to less than 100 days and declining rapidly. The schooner fleet from Seattle, which had fished halibut as a mainstay since the turn of the century, found itself competing intensely

with a rapidly expanding fleet. The Petersburg Vessel Owners Association and FVOA came to the Council in 1979 renewing the call for limited entry while a Council workgroup examined the need for limited entry for all the domestic fisheries, particularly the Southeast troll salmon fishery in federal waters.

## Pacific Halibut Regulatory Areas



Various workgroups met and studies were performed from 1979 until 1982, when in March the Council voted to recommend a moratorium on the issuance of new halibut licenses while studying limited entry systems for the fishery. The Council then announced that only fishermen who fished in 1981 or before would be able to fish in 1982. This was not an easy decision. Newer entrants to the fishery complained that they needed to be able to fish halibut as part of a complex of fisheries in their annual round to make ends meet. Many of these fishermen were from Kodiak and they vehemently opposed limited entry.

In addition to mustering the courage to approve a moratorium for halibut, the Council had to leap several other policy hurdles. First was explicit authority for the Council to act on halibut limited entry. This explicit authority came in the form of the Northern Pacific Halibut Act of 1982 which was not signed into law until May 1982. Second was the federal position on the use of a moratorium, rather than development of a full scale limited entry program. The Council, of course, is not the sole purveyor of fisheries policy. It can only recommend; the Secretary of Commerce, acting through NOAA and NMFS, must approve. Therefore, federal policies and stances on management approaches come into play during Secretarial review which follows a final Council decision, and precedes publication of proposed federal regulations. As a very controversial decision, limited entry engenders considerable scrutiny by federal reviewers.

Federal regulators recognized by the early 1980's that overcapacity in many of the nation's fisheries had to be addressed. As noted earlier, the issue had been raised emphatically by the Comptroller General in 1976. There was, however, a countervailing philosophy in the federal government that the impacts and burdens of regulations on industry had to be minimized, and regulations could be imposed only when benefits could be shown to outweigh costs. These national policies were embodied in presidential executive orders such as Executive Order 12291, and in national legislation such as the Regulatory Flexibility Act, Paperwork Reduction Act of 1980, NEPA, etc. I would also add that there was a turf battle occurring between federal regulators and the new councils to determine who held sway over fisheries policy making. All these underlying dynamics came into play in the federal review of the North Pacific Council's initiative to establish a moratorium for the halibut fishery.

The jurisdictional issue on who could implement limited entry was not sorted out by the Northern Pacific Halibut Act of 1982 until too late for the moratorium to be in place for the 1982 fishery. In July 1982 the Council once again pressed the Secretary to approve the moratorium, now for 1983. In December 1982, the Council was presented with a statement signed by eight fishermen's organizations and two individuals asking the NOAA Administrator to publish the proposed rule. In January 1983, public hearings and teleconferences were held on the proposed rule in twenty Alaska communities and Seattle. The proposed rule was finally published in the Federal Register in February. In March 1983 after an exhaustive debate, the Council voted to amend the proposed rule by stipulating a 3-year moratorium to begin with the June 15, 1983 season opening. Only those that had made a legal landing during 1978-1982 would be eligible to fish during the moratorium years of 1983-1985. This decision was sent to Washington, D.C. Word came back in May when NMFS informed the Council that an appeals procedure was needed. The Council declined, believing that the minimal landing requirement, i.e., one legal landing in a five-year period, was reasonable and sufficient.

On June 14, 1983, the Office of Management and Budget (OMB) wrote to the Administrator of NOAA that his agency had carefully reviewed the moratorium proposed rule under the terms of E.O. 12291 and concluded that the three-year moratorium would be inconsistent with the principles of the President's order. He concluded that a simple moratorium on new entry would not resolve the excess investment problem without creating additional economic problems. He recognized that speculators had entered the fishery because limited access was under consideration since 1978. The moratorium would bar some participants from the fishery and such a ban on entry by private citizens who believe they can catch and market halibut profitably would surely create new inefficiencies, particularly in the later years of the moratorium. He also was concerned that it would interfere with basic

economic liberties of fishermen employed in the fishing business. OMB suggested that IFQs might be the longer term answer to overcapitalization of the fisheries. Industry reacted one of two ways to the OMB report. The longline groups from Sitka, Petersburg and Seattle were highly critical; the Kodiak Fishermen's group highly commendatory. These regional differences continued to be an important dynamic in further Council consideration of halibut and sablefish limited entry throughout the 1980's and early 1990's.

These details of the Council's early struggle with halibut limited entry are provided to illustrate how enormously complicated and controversial a limited entry decision is. It is hotly contested, first at the local and regional levels by those that will not be allowed into the fisheries, and by those that would be granted access, but are philosophically opposed to closing the door. This results in many hesitations by the decisionmakers. Thus there necessarily is an array of workshops, studies, opportunities for public comment, and hesitant steps until the opportunity arrives when there is sufficient consensus to pass a motion. And then, after that extremely painful decision, the Council's proposal must undergo extreme scrutiny during federal review, at the NMFS, NOAA and finally the Secretarial level. Those against the decision can work at all levels to influence the decision, and have legal recourse thereafter.

This first federal reaction to the proposed halibut moratorium points out a procedural problem that would limit the Council's ability to address overcapitalization in other fisheries during the 1980s. The conundrum is basically as follows: growth in fishing capacity with attendant compression of the seasons and increases in gear conflicts compels the Council to begin considering closing the door on a fishery. The most effective way to curb capacity is through an immediate moratorium on further entrants, with no forewarning. Unfortunately, this does not work in federal fisheries. The executive orders and other laws governing fisheries management require a full analysis of the proposed action and considerable interaction with the public. During this extended analysis period, the industry becomes fully aware that the Council might close the door, so effort pours in to establish a fishing history and rights to what probably will be a permit of considerable value. Because policy makers normally are reticent to use retroactive dates for closing the door, and federal attorneys frown on their legality, the cutoff date is advanced sequentially, typically from the time that overcapacity is identified as a problem, to the date of final Council action some time in the future. During the intervening year or two (or more) of Council consideration, effort pours in, aggravating a problem that was already acute when the Council first considered it. Council development of a full blown limited entry system would take even longer.

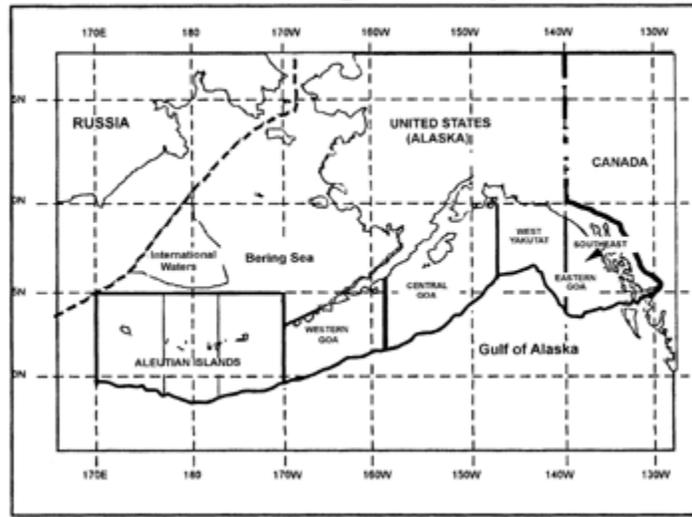
Exacerbating the situation is a basic philosophical stance of federal policymakers that an independent moratorium, without the entire follow-on limited entry program, is all but unacceptable as a stand alone provision. Without consideration of how people will be able to exit and enter the fisheries in the future, and the economic impacts of such provisions, it becomes very difficult for the federal government to approve a simple moratorium, though it would have capped the effort influx effectively and given the Council breathing time to construct a more durable limited entry system. Further, it is clear that many do not believe that a license system, particularly one that allows all the capacity to stay in the fishery, is a fruitful step forward in rationalizing the fishery. Therefore, many regulators are opposed to spending federal funds and personnel to implement and monitor a license system (or moratorium), believing instead that an individual quota system is the only way to allow consolidation of effort and a graceful exit of capacity from the fishery.

In the case of halibut, the Council was so burned out after the moratorium decision, only to have it rejected by the Secretary, that although it established a workgroup to work further on the moratorium from 1983 to 1985, all work was abandoned on limited entry in May 1985 and the words "limited entry" were not spoken in public at Council meetings for two years. The word "rationalization" was used instead, and even then, only sparingly.

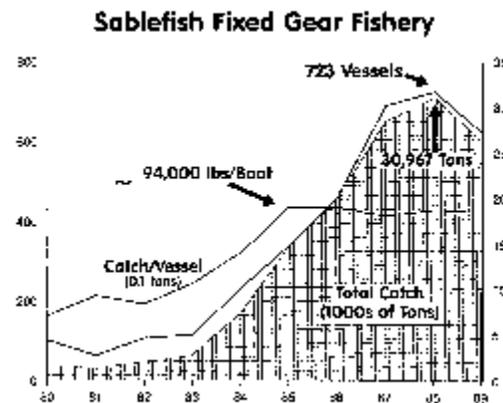
### **Sablefish Limited Entry**

Sablefish had supported a foreign fishery of about 36,000 mt annually since 1968 and still was predominantly foreign harvested in 1976. First managed under a separate preliminary fishery management plan, the species was combined in the groundfish fishery management plan for the Gulf of Alaska in 1978 and the Bering Sea and Aleutians in 1981. After 1976, foreign fisheries for sablefish continued in the range of 8,000 mt to 13,000 mt through 1983, and thereafter declined. Total U.S. catch (trawl and longline) remained below 4,000 mt until 1984. Of that U.S. catch, a fleet of 89 longliners caught 2,000 mt to 3,000 mt annually, mainly in the eastern Gulf of Alaska. The longline fleet grew rapidly from 1983 to 1987, seasons shortened, and the fishery spread westward across the Gulf of Alaska and into the Bering Sea and Aleutians. Foreign harvests stopped by 1987 and domestic catch increased to a record harvest of 37,600 mt in 1988 before declining. Most of the catch was in the Gulf of Alaska where longliners harvested just over 26,000 mt in 1988.

## Sablefish Regulatory Areas



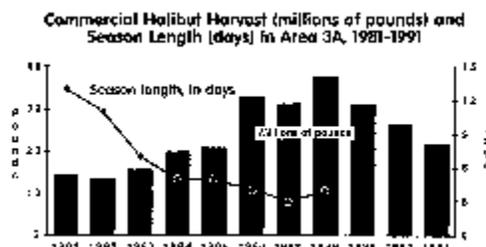
Accompanying the increase in vessel numbers was a doubling of individual fishing power with the appearance of circle hooks. Freezer longliners that could process sablefish at sea first appeared in the fishery in 1986. The freezer longline fleet grew to six in 1987 and nineteen in 1988. In 1992, there were about fifty freezer longliners reporting catch off Alaska. Overall in the nine years, 1981 to 1988, there was a 10-fold growth in vessels over 50 ft, and 14-fold increase in smaller vessels. The fixed gear fleet totaled about 1,000 vessels by 1992. All regions contributed to this growth: the Alaska and non-Alaska fleets experienced similar rates of increase. Seasons rapidly shortened under the increased pressure. The 180-day season of 1984 in the eastern Gulf decreased to 20 days by 1990; the Central Gulf fishery decreased from 254 days in 1984 to 60 days in 1990.



Along with this rapid growth in the 1980's came the first call for gear allocations. In 1985 the Council allocated 95% of the total allowable catch (TAC) to the hook and line fishery in the Eastern Gulf and 80% elsewhere in the Gulf. The remainder went to trawlers; pot gear was phased out of the Gulf. In 1989, the Council allocated 50% of the Bering Sea TAC to fixed gear (including pots) and the rest to trawls. In the Aleutians, 75% was set aside for fixed gear. These gear allocations exist today and provide the basis for establishing the total amount of the sablefish resource that is annually made available to the fixed gear IFQ program.

During 1987-1989, when the sablefish fleet size and catch appeared to be cresting, sablefish fishermen, many of whom were also active in the halibut fishery, saw the same thing happening to sablefish that happened to halibut: an intense race for fish, gear crowding, and short seasons. The Council received a license proposal in 1987 and did several surveys of industry that spring. The Council called for management proposals that summer, and then, in September 1987, adopted a Statement of Commitment which in part declared the Council's intent to pursue alternative management methods to meet its goals. Specifically for the sablefish longline fishery, the Council said it would develop strategies for license limitation or individual transferable quotas. A history of Council treatment of sablefish limited entry is presented in Attachment 1.

Workshops were held in early 1988 and that April the Council directed its staff to develop five management alternatives. In December, the Council declared that the status quo open access fishery was unacceptable for sablefish management off Alaska and narrowed the alternative management systems to individual quotas and licenses. These proposals went to public hearing in the fall of 1989 and during the next two years the Council refined the alternatives and narrowed the options. Halibut, whose fishery was down to three or four short one- or two-day openings each year though the resource was in good shape, was added in 1990. IFQs were chosen as the preferred management method for both fixed gear fisheries in December 1991.



There was some discussion at the time of including two other dominant longline species, Pacific cod and rockfish. However, to develop a share quota system for a species targeted by multiple gears first requires a division of the catch quota between

the gear types. This had been done for halibut (all longline) and sablefish (mostly longline). Because rockfish and cod had not been apportioned between gears, and there was a sense of urgency to address overcapitalization in the sablefish and halibut fisheries, the IFQ system was limited to those latter two species.

### **Features of the Sablefish and Halibut IFQ System**

The individual fishing quota system for sablefish and halibut fixed gear is the most ambitious such system undertaken yet for fisheries in the U.S. Each fisherman has a catch quota that can be used any time during the open season from March 15 to November 15. The remaining months are closed for biological reasons. Individual shares were intended to allow fishermen to set their own pace and adjust their fishing effort. The system was intended to reduce the premium that was traditionally placed on speed, allowing fishermen to pay more attention to efficiency and product quality. General features of the program are described below as passed by the Council in December 1991 (final motion is in Attachment 2).

Area Specific Shares. Halibut and sablefish always have been managed by smaller regulatory areas within the Gulf of Alaska and Bering Sea/Aleutians, with individual harvest quotas assigned to each area. These quotas reflect the biological distribution of the stocks of fish. Retaining these separations was intended to prevent local stock depletion.

Initial Quota Share Assignments. Quota shares were assigned initially to vessel owners or leaseholders who made at least one landing in any one of the years 1988, 1989, or 1990. The intent was to assign initial shares only to those fishermen then currently active in the fisheries. Three years were allowed because various circumstances such as a vessel sinking, or sickness, or the Exxon Valdez oil spill, may have precluded someone from fishing in a particular year. A person's amount of quota shares was based on his documented, historical catch for five out of six years, 1985 through 1990 for sablefish, and for five out of seven years, 1984 through 1990, for halibut. This allowed a person to choose the best five years to calculate his or her assignment. Each person's landings were compared with the total of other high landings to calculate the percentage the person finally received. In general, a person who fished one year received only 20% of his average annual landings, and a person fishing two years - 40%, and so on, up through a person who fished in all five years receiving approximately his average annual catch.

An individual's quota shares are transformed each year into IFQs by first finding their percentage of everyone's quota shares based on five best years, and then multiplying that percentage times the annual harvest limit set for the sablefish or halibut fishery. Quota shares are good indefinitely, but if the Council ever decides to abandon IFQ

management, there will be no compensation to the shareholders. The IFQ poundage equivalence of the quota share fluctuates with total allowable catch set annually by the Council. The Council awarded the quota shares to vessel owners and leaseholders because it was felt that they risked the effort and capital. Bona fide fixed gear crew members do receive priority in further transfers of the shares. Bona fide crew members have to have at least five months on the grounds in any commercial fishery. Any person who received an initial allocation of quota shares was considered a bona fide crew member also.

Vessel Categories. Two types of vessels normally fish in the fixed gear fisheries for sablefish and halibut: freezer longliners and catcher boats that deliver shoreside. Freezer longliners usually are larger vessels, stay out longer, and are relative newcomers to the fishery compared to catcher vessels that have been fishing halibut for years and delivering iced catch to shoreside processors. Quota shares are specific to either freezer longliners or to catcher boats. Catcher boat categories were further subdivided into vessel length (overall) categories with divisions at 60 ft for sablefish shares, and at 35 ft and 60 ft for halibut shares. These quota categories were established to forestall a full scale reorganization of the fleet which might result in larger vessels dominating the quotas at the expense of smaller vessels that operate out of smaller communities around the State of Alaska and the Pacific Northwest. The Council did not want to take the chance that quota shares would become accessible only to more affluent owners of larger vessels.

Leasing and Sale of Shares. For catcher boats, ten percent of any person's catcher boat shares may be leased per year during the first three years following implementation of the IFQ system. Catcher boat shares also may be sold, as long as the recipient is a U.S. citizen, is a crew member, is aboard the vessel during fishing operations, and signs the fish ticket upon landing the fish. Corporations and partnerships can purchase and use catcher boat shares only if they received an initial allocation of shares. Any person owning freezer longliner shares may sell or lease them to any other qualified person for use in the freezer longliner category.

Ownership Limits on Shares. No one can own or control more than 1% of the combined sablefish shares for the Gulf of Alaska and Bering Sea and Aleutians. For halibut, the limit is (1) 0.5% of the total tonnage available for the Gulf of Alaska, (2) 0.5% of the total available in the Bering Sea and Aleutians (since increased to 1.5%), or (3) 0.5% of the total for all areas combined. Someone receiving more than the cap initially can still use it, but cannot buy or lease or control additional shares until that person's quota falls below the limit. There are similar restrictions on the amounts that can be used on any single vessel.

Administration and Enforcement. All sales, transfers, or leases of quota shares must be approved by the U.S. Secretary of Commerce or his designee. All such activities are to be monitored by the U.S. National Marine Fisheries Service through its Restricted Access Management Division (RAM). Fixed gear fishermen must have IFQs to retain halibut and sablefish after the program is implemented. No trawler can purchase quota from a fixed gear fisherman. No high grading is allowed, and a fisherman must stop fishing when he runs out of IFQ. Overages of 10% of the IFQ amount remaining at the beginning of the last trip are allowed and counted against an individual's quota in the following year. There are various penalties for overages above 10%, including confiscation. Sixteen primary ports were to have NMFS enforcement agents to monitor and log all landings. Landings at any other port were to be spot-checked randomly. Whether or not deliveries are to a primary port, NMFS must be radioed ahead of time to inform them of the landing. An individual's catch is logged against his quota using a debit card system. It was anticipated that enforcement would shift shoreside from the fishing grounds. Analysis estimated that it would cost about \$2 million to gear up for the IFQ system, and about \$2.7 million per year to enforce.

Discards. Persons holding quota shares for sablefish and halibut or fishing in the associated community development program must keep all sablefish and legal-sized halibut caught. The only exception to this rule is that freezer longliners may discard halibut if they do not hold halibut QS.

Community Development Program. The Council established as part of the sablefish and halibut IFQ system, a community development program for disadvantaged western Alaska native communities to improve their economic and social well-being. Twenty percent of the sablefish quota in both the Bering Sea and Aleutians management areas is held for the community development program. For halibut, from 20% to 100% of the quota is set aside in several small area in the Bering Sea and Aleutians for western Alaska natives residing in local villages.

### **Anticipated Changes in the Fishery**

It must be noted at this point that there was a considerable divergence of opinion on whether the introduction of IFQs would help or hinder the fisheries. Some Council members were skeptical at the time of final Council action, and remain so today. Others supported the analyst's conclusions. Overall, however, there was agreement on one thing, that the fisheries would change considerably with introduction of IFQs. A basic change would be in the distribution of the catch of halibut and sablefish. Each participant would be receiving quota based on his best five years. Some fishermen would receive way less than they currently were catching, while others would receive their then current average catch and then some. Analysis of projected recipients of

shares showed that about 5,484 halibut vessel owners would be given shares. The annual number of vessel owners who participated in the halibut fishery ranged from 2,479 in 1985 to 3,883 in 1990. The percentage of owners who were Alaska residents ranged from 87% in 1990 to over 89% in 1988, and 87.3% of the share recipients would be Alaska residents.

For sablefish, the annual number of vessel owners ranged from 244 in 1985 to 706 in 1988, but 1,094 vessel owners received shares. The percentage of owners who were Alaska residents ranged from 70% in 1985 to 76.6% in 1988, and 74.4% of the shares would go to Alaska residents. Overall for the combined sablefish and halibut fisheries, there would be a total of 5,626 vessel owners that received quota shares and 86.4% of the recipients would be from Alaska. Some of the other expected changes in the fisheries are described below.

Gear Conflicts. The IFQ program was intended to reduce gear conflicts within the sablefish and halibut fisheries by reducing the intensity of the operations wherein everyone must set and retrieve gear in a short time. Though the halibut grounds are relatively shallow and broad, the same is not true of sablefish grounds which are deep along the edge of the narrow continental shelf in the Gulf of Alaska and out along the Aleutians. Conversely, it was argued that with the lengthening of the seasons for fixed gear, it could be harder for trawlers to avoid the fixed gear because it would be on the grounds for more than the normal 24-hour opening that has been the case for halibut fisheries.

Fishing Mortality Due to Lost Gear. The IFQ program was expected to reduce the amount of gear on the grounds and the intensity of the fisheries, so there should be less gear lost. Fishermen would have the time to be more careful. The International Pacific Halibut Commission estimated that 1,860 skates were lost during 1990 and that this lost gear killed almost 2 million pounds of halibut. Analysts estimated that \$3.2 million to \$4.4 million would be saved in foregone catch and lost gear under an IFQ system.

Safety. Fishing is a high risk occupation, likely higher than any other occupation in the U.S. Partly this risk stems from having to fish under very competitive conditions and intense seasons that are set for the year, regardless of weather conditions. Though managers are required by law to take safety into account when proposing regulations, the overwhelming fishing power engenders a race for fish which goes on regardless of the weather conditions. Halibut seasons used to last 120 days or more until so much fishing capacity entered the fleet that seasons dwindled to several 24-hour period openers each year to catch over 43 million pounds of fish. IFQs were intended to allow fishermen to choose their fishing weather considering the seasons, grounds, and size and sea worthiness of their vessel.

Product Quality and Price. It was likely that product quality would increase under the IFQ system. Fishermen would have more time to ice their fish, come in with smaller loads, decrease their waiting times for delivery to processors and in general, there would be every incentive for fishermen to attempt to bring in the highest quality product per unit catch to maximize the return on his quota share. This already had been demonstrated in the Canadian fishery for halibut under their individual vessel quota system. In fact, Canadians absorbed much of the fresh fish market for halibut on the West Coast. Many restaurants in Washington, Alaska, and elsewhere featured fresh Canadian halibut at high prices. Canadian fresh product commanded a much higher price than the frozen counterpart. In Anchorage, Alaska, for example, the supermarkets sometime featured fresh Canadian halibut and Alaska frozen halibut in the same display. During the off season when the frozen halibut was somewhat aged, the Canadian product sold for \$10.99/pound and the Alaska halibut for \$4.99/pound. People were willing to pay a considerable premium for the extra high quality of fresh halibut available over a longer season in British Columbia waters.

Overall Economic Benefits. The analysts concluded that the benefits of shifting management of the sablefish and halibut fixed gear fisheries to an IFQ system would outweigh the costs and complexities of establishing and monitoring such a data intensive program and causing such a massive change in the way the fisheries were prosecuted. At the time of the Council decision, analysts estimated that the total annual benefits of the IFQ program would range from \$30.1 to \$67.6 million, based on the following estimates:

1. Increased product quality and exvessel value of \$4.8 - \$38.5 million.
2. Additional decreased processing and marketing costs of \$3.1 million due to decreases in the amount of halibut that is frozen and cold storage costs. An additional savings of \$3.1 million for these activities were incorporated in the increased exvessel value under #1 above.
3. Decrease in fishing mortality caused by lost gear resulting in gains of \$1.2 - \$2.0 million of exvessel value of halibut and sablefish landed.
4. Reduction in redundant gear costs by \$3.0 million.
5. Reductions in harvesting costs by \$12.4 to \$13.6 million because of increased flexibility in selecting fishing strategies and the redistribution of catch and effort to lower cost of fishing operations.
6. Decreases in discard mortalities of rockfish and sublegal halibut, which would increase the exvessel value of the fisheries by \$2.2 - \$4.0 million.
7. Decreased prohibited species-related problems of halibut being caught incidentally and discarded in the sablefish fisheries, resulting in an overall benefit of \$3.4 million.

The overall benefits could have been even higher by \$11.0 to \$13.9 million if vessel restrictions that prevented the redistribution of catch to the lowest cost vessel classes had been eliminated. As noted earlier, however, the Council thought it was very important to maintain the approximate size structure of the fleet to allow opportunities for fisheries with smaller vessels. Therefore IFQs were assigned to certain vessel size classes and were not transferable between the classes.

Among the unquantified benefits proposed for the program were increased vessel safety, increased quality and supply of halibut to the consumer, increased flexibility in scheduling landings that would provide more opportunity to use residential labor forces for processing, increased ability to manage the halibut landings within the established harvest limits, and decreased pressures on management to deal with allocational problems in the fisheries.

### **Refinements of the IFQ System**

Even before the sablefish and halibut IFQ system was implemented in 1995, the Council began receiving proposals for adjustments. The Council in January 1996 established an annual management cycle for receiving such proposals, calling for them during each summer, and determining each December, which proposals to analyze further. The Council's IFQ Industry Implementation Workgroup plays a significant role in reviewing proposals and the program in general to develop recommendations for improvements. Some of the more major adjustments to the original program are described below.

**Block Plan.** In September 1993, the Council approved a "block" proposal wherein initial allocations of sablefish and halibut which would result in IFQs of 20,000 pounds or more in the first year of the program (1995) would be issued as regular quota shares. All initial allocations that would result in IFQs less than 20,000 pounds, would be issued as QS blocks. Transfer provisions and ownership caps then were placed on the QS blocks to prevent over-consolidation of QS in the fleet. Blocks of QS representing IFQs of less than 1,000 pounds in the initial allocation, may be combined or "swept up" to form larger blocks, as long as the consolidated block is no greater than 1,000 pounds. A person may own and use up to two blocks in each management area. Final rule became effective for 1995.

**CDQ Compensation.** This regulatory amendment authorized a one-time trade of QS/IFQ received under the CDQ compensation formula between parties in different regulatory areas. The Council subsequently exempted the CDQ compensation "pieces" of QS/IFQ from the provisions of the Block amendment, except for freezer/longline vessels, and allowed for a one-time trade of these pieces exempt from the vessel category designations. Final rule was effective in February 1996.

Catch Sharing Plan. In December 1995 the Council approved a Catch Sharing plan for the IPHC subareas of Area 4 in the Bering Sea and Aleutian Islands. The action allows shifts, without plan or regulatory amendment, in the percentages of halibut distributed to the various areas. Final rule took effect in March 1996.

Multiple Area Fishing. An interim rule effective August 25, 1995, allowed vessels to fish IFQs in multiple areas without offloading, so long as there is an observer on board.

Catcher Vessel QS Use on Freezer Boats. Council reaffirmed in June 1994 that catcher vessel QS/IFQ for sablefish (but not halibut) can be used on freezer vessels so long as no processed IFQ product is on board for that trip. This allowed freezing of non-IFQ species such as Pacific cod and rockfish, while harvesting sablefish catcher vessel QS on a freezer vessel. Final rule became effective on July 26, 1996.

Buydown of QS Blocks. In January 1996, the Council approved a "buydown" amendment (42) wherein catcher vessel QS could be used on vessels of the same size class or smaller. It addresses the need for increased flexibility of halibut and sablefish QS transfers for Category B, C, and D vessels to alleviate a scarcity of large to medium block sizes in some areas. It allows the use of larger vessel category (B and C) QS on smaller category vessels (C and D), except that in halibut area 2C and sablefish southeast area, buydown of B category QS would be allowed only for blocks less than 5,000 lbs (based on 1996 quotas). Final rule became effective August 16, 1996.

Sweep-up of QS Blocks. In April 1996, the Council approved amendment 43 to increase the sweep-up levels of halibut and sablefish QS blocks: 3,000 lbs for halibut and 5,000 lbs for sablefish. The increase in the consolidation of very small, blocked QS was approved to provide economically fishable amounts for small QS holders, crew members, and new entrants to the fishery, without overly increasing consolidation or creating large blocks. This became effective for December 1996.

Slime and Ice Deduction. In December 1996, the Council approved a regulatory amendment to create standard deductions for ice and slime for halibut and sablefish to improve accurate accounting of harvests. The Council recommended standard deductions for halibut and sablefish of 0% (washed) and 2% (for ice and slime). Proposed rule was published June 17, 1997.

Longlining of Pots for Sablefish in Bering Sea. In April 1996, the Council approved a regulatory amendment to allow the use of pot longlines in the Bering Sea for sablefish. Pots would no longer have to be on single buoyed lines, and would be

compatible with the regulations as they exist in the Aleutians. Final rule became effective in September 1996.

Extension of Sablefish Season in Aleutian Islands. In September 1995, the Council approved a regulatory amendment to extend the sablefish fishery in the Aleutian islands year-around for sablefish QS holders who also possess sufficient halibut IFQ to cover their halibut bycatch. This was not implemented by NMFS.

Emergency Transfers to Heirs. In September 1995, the Council approved authorization for immediate transfer of IFQ to a surviving spouse, with leasing provisions for a period of three years. The final rule took effect September 9, 1996. In June 1997 the Council amended the provision to allow transfer of QS upon death of the QS owner to any heir of the deceased's estate under a 3-year emergency provision.

Hired Skipper Requirements. The Council is attempting to address the de facto leasing arrangements made by QS owners who buy nominal ownership of a vessel in order to hire the skipper to fish his or her QS. The Council is concerned that absentee ownership conflicts with its stated goal of having an owner-operated fleet for the IFQ fisheries. However, legitimate partnership arrangements have been made since implementation of the program such that individuals may not be fishing on board the vessel but may be actively involved in its management. It is the Council's strong intent to grandfather levels of ownership of a vessel for hiring a skipper to existing partnership arrangements as of April 17, 1997, the date of Council initial review of the analysis. The Council may require 5%, 20%, 49%, 51% or the percentage of the vessel cap as an ownership requirement for hiring a skipper after the April date. Final action is scheduled by the Council for its September 1997 meeting.

Increased Quota Share Use Level in BSAI. In June 1996, the Council approved a regulatory amendment to increase the BSAI halibut QS use caps to 1.5% from the status quo limit of 0.5% of the total amount of halibut QS for regulatory areas 4A, 4B, 4C, 4D, and 4E, combined. Final rule became effective on March 24, 1997.

### **IFQ Issues in the Magnuson-Stevens Act**

This section is provided in response to the mandate within the revised Magnuson-Stevens Act for the National Academy of Sciences to submit to the Congress a comprehensive final report on individual fishing quotas that includes among other items, an analysis of several specific issues as noted below. The Committee is cautioned that many of the conclusions about Council intent are drawn from our reading of the record of the Council's actions leading up to and including the December 1991 final decision on the sablefish and halibut IFQ program. These

conclusions have not been reviewed by the Council, nor do they necessarily represent their current views.

(A) The Effects of Limiting Transferability. In its original design of the program, the Council discussed transferability at length, even considering an outright prohibition on transferability. They were concerned about consolidation of ownership, divestiture of coastal Alaskans from the fisheries, and the creation of windfall profits from transfers. However, they reasoned that such a prohibition would run counter to the underlying principle of IFQ management, and could impede both new entry and Alaskan ownership. Ultimately, the Council built in several provisions to control transferability, including: (1) limits on the amount which could be owned or controlled by individuals and companies, for example, 1% of the total QS pool for sablefish and 0.5% for halibut, though 'grandfather' provisions allowed some initial recipients to receive more than 1%; (2) establishment of vessel size and vessel operational QS categories which remain inviolate; (3) requirements for certain categories of QS to only be purchased by individual fishermen, with proven sea time, who would also be required to be on the vessel and fish the QS; and, (4) limitations on leasing certain categories of QS (10% maximum lease allowance).

The primary intent of the Council in adopting these provisions was to maintain a diverse, owner-operated fleet and prevent a 'corporate', absentee ownership of the fisheries. The program was later amended to include a 'block' provision, whereby blocks of QS below a certain size could only be transferred as a block, and persons or companies could only own or control two blocks. This provision was designed to further restrict the potential minimum fleet size by guaranteeing that these parcels of QS would remain intact and could not be further consolidated.

(B) Preventing Foreign Ownership and Control. The Council was quite explicit in its design of the program that QS would be issued only to individuals who were U.S. citizens, or to U.S. companies. Though the Council, and NMFS, are somewhat limited in their ability to track foreign investments in vessels and fishing companies, we know of no instance where there was any question of whether a recipient was so qualified. All fishermen and fishing companies receiving, or subsequently purchasing, QS/IFQ are either U.S. citizens or registered/incorporated as U.S. companies. Although it is not possible, with certainty, to ferret out every ownership structure for companies or partnerships which received QS in terms of the level of foreign investment of those companies, it is possible to ascertain that they are U.S. citizens or incorporated under U.S. laws. With or without IFQ management the timing of the harvest of some fish species, particularly sablefish, is somewhat determined by foreign markets for those species. It may be safe to assume that such foreign influences on fish harvesting are beyond the scope of concern for the NAS study; rather the focus is on direct ownership/control of the fisheries by foreign entities. This should be a very interesting

aspect of the NAS study, and one which will likely be the subject of considerable interest. It is a subject which arises periodically in other fisheries management issues, such as allocations of pollock among onshore and offshore processors, independent of any IFQ system.

(C) Limiting the Duration of IFQ Programs. While the Council and Secretary expressly reserved the right to modify or revoke the IFQ program at any time in the future, without compensation, they also recognized the difficulties associated with sunseting such a program. The idea of sunseting an IFQ program is fundamentally inconsistent with the nature of the system, and should be treated very carefully, if at all, in the program design. QS/IFQs indeed take on value, are transferred among fishermen (within certain restrictions noted above), and represent considerable financial investments, certainly by those who were not initial recipients, but bought into the program after its inception. To end the program would mean the loss of this investment to many fishermen. Any IFQ program design which contemplates a sunset date should be very specific about that date so that fishermen could plan their investments and operations accordingly. The long-term (indefinite) value of QS is reflected in its peak price - if the duration of the fishing privilege is known with certainty, then fishermen and loan underwriters can appropriately calculate the relative worth of a QS or IFQ purchase.

(D) Individual Processor Quotas (IPQs). When the Council designed the IFQ program for sablefish and halibut there was considerable debate over who should be allocated these fishing quotas. This debate centered around vessel owners, as opposed to vessel skippers and crew members, and the issue of a corresponding processor quota never really surfaced, though the issue of impacts of an IFQ program to fish processors was considered. In 1993 and 1994, when the Council entered discussions of a more comprehensive IFQ program, for all groundfish and crab, the issue of a corresponding processor quota received serious consideration. As the Council narrowed those discussions to a pollock only IFQ program in 1995, the processor quota, or 'two-pie' system, became an integral part of the discussions and an explicit alternative in our preliminary analyses of a pollock IFQ program. That concept became an issue of hot debate among the academic community of leading economists and IFQ experts. Though the Council has been precluded by the Magnuson-Stevens Act from pursuing the pollock IFQ program further at this time, it will undoubtedly surface in the future and the processor quota issue will undoubtedly be a major aspect of future IFQ programs for pollock or other commercially important species.

(E) Diversity, Socioeconomic/community Impacts, Displaced vessels, and Shifting of Capital Value from Vessels to IFQs. Maintaining diversity in the fleet, and minimizing adverse coastal community impacts, were particularly important considerations for the halibut fisheries since these fisheries have typically been

characterized by small vessel participation by thousands of fishermen, many residing in small coastal communities throughout Alaska and the Pacific Northwest. Most of the transferability restrictions discussed previously were essentially structured to maintain diversity and protect coastal community stewardship of the fisheries. The Council also closely examined the staff analyses which projected the distribution of QS/IFQ ownership, in terms of small vs large vessels, delivery patterns, and distributions between Alaskan and non-Alaskan residents, as well as distribution throughout Alaskan coastal communities. The vast majority of halibut QS recipients were small vessel fishermen from Alaskan coastal communities, a fact which influenced the Council's approval of this program. While the Council built in safeguards for these types of considerations, there still exists debate on whether this program has, collectively, had a positive or negative impact on coastal Alaskan communities and the fishermen residing in those communities. Congress has attempted to address the needs of entry level and small boat fishermen by mandating IFQ fees to support a loan program for such fishermen.

(F) Monitoring and Enforcement, and Bycatch/discard Reduction. Any IFQ program places obvious and significant additional enforcement burdens on the implementing agency, as well as monitoring considerations which shift from collective quota management to individual vessel/operator quota management. This was a major point of discussion by the Council and fishing industry prior to adoption of the Alaska IFQ program. Subsequent studies of the enforcement and monitoring program have concluded that the program is basically working, although the total number of landings actually observed, and the total poundages observed, are well below what the Council, the industry, and the agency would like to see (around 20% observed according to the study commissioned by NMFS Enforcement Division). This report alarmed the Council because enforcement was such a critical consideration in December 1991 when the final decision was made.

After hearing the above enforcement performance review at their April 1997 meeting, the Council sent a strong letter to James Baker, Under Secretary and Administrator for NOAA. Because of the gravity of the Council's concerns, the letter in full is printed below:

May 14, 1997

D. James Baker, Ph.D.  
Under Secretary and Administrator  
National Oceanic & Atmospheric Adm.  
Herbert C. Hoover Building, Room 5128  
Washington, DC 20230

Dear Dr. Baker:

*In April the North Pacific Fishery Management Council received a report from Dayna Matthews evaluating NMFS' enforcement of our sablefish and halibut individual fishing quota (IFQ) program. We commend Mr. Matthews for his thorough reporting, and David McKinney, Chief of Enforcement for NOAA/NMFS, for initiating the study. Unfortunately, the study revealed serious shortcomings in enforcement which threaten to undermine the IFQ program in its infancy and which clearly demonstrate that NOAA and NMFS have not lived up to their earlier commitments to field a rigorous enforcement program.*

*The Council decision in December 1991 to approve the IFQ program was not an easy one. It was in the making for a good four to five years. Many individuals in the public, the industry, and on the Council and its advisory bodies were dead set against any sort of IFQ system. Making the program ironclad in terms of enforcement probably was the number one issue. The Council was given assurances from your agency that a substantial enforcement program would be deployed. With the program not being implemented until 1995, the agency had plenty of lead time to ensure that the necessary funds would become available.*

*The Council was given a clear idea in 1991 of the level of enforcement envisioned by the agency. It was described in a document entitled "Enforcement of Individual Fishery Quotas in the Fixed Gear Halibut and Sablefish Fishery," prepared by the NMFS Alaska Region Enforcement Office. That document was cited extensively in Matthews' report, but I have attached it here for reference. It noted that under an IFQ system, the focus of enforcement would shift to the point of landing. The first enforcement check point would be random boardings at sea and in port. The second check point would be advance notice of landings. There would be a four-tier approach that ". . . provides the ability to detect violations on and off the fishing grounds through patrol and investigative functions, while at the same time creates an adequate level of compliance through the possibility of violation detection. This detection/deterrence balance is a cornerstone (emphasis added) of the IFQ enforcement operations." (p. 6).*

*The report went on to describe the four tiers of a successful program: (1) patrols offshore to detect quota busters, and shoreside to detect and deter unauthorized landings; (2) monitoring of landings and transshipments to ". . . establish an environment conducive to program compliance by elevating the probability of detection and apprehension of illegal activities." (p. 7); (3) auditing to detect any inaccuracies in shipping records and other documents on the IFQ fish received and processed; and (4) investigation to detect fraud, illegal shipments, etc. To complete these tasks, the existing level of 28 staff members would need to be increased to 62, particularly with an expansion in numbers of Fishery Patrol (or Enforcement) Officers by 18, and the addition to the staff of seven new enforcement aides, whose primary duties would include random monitoring of landings and inspections of shipments. The report concluded on p. 8 that the "...proposed program is our best guess at the minimum (emphasis added) amount of enforcement necessary to result in a successful IFQ program . . . The program we have presented has been submitted to our central office and has received tentative approval."*

*Now, three years into the program, we are presented with a most unsettling finding: only 25% of the IFQ landings were monitored in 1995, and less than 20% were monitored in 1996. The 1997 level likely will be even worse, considering that nine Fishery Patrol Officer positions are unfilled and new staff represent 40% of current staffing levels. Further aggravating the problem is the absence of any enforcement aides as were proposed in 1991 to be a first line of monitoring.*

*We want to give all due respect to Steve Meyer, head of Alaska NMFS Enforcement Office in Juneau. He is doing a fine job and likely is being very creative in spreading his enforcement personnel around to provide a presence with fewer FTEs. But he does not have the funding or FTEs to field the minimum necessary program prescribed by your agency for successful enforcement. He reported in April, for example, that the Alaska Enforcement Division is short ten positions for field*

*enforcement of the IFQ program because of funding shortfalls. Apparently, over the past five years, NMFS has requested over a \$5 million increase in its enforcement budget, but Congress has approved only \$1 million. Personnel ceilings also have kept the enforcement program from keeping pace with IFQ program needs.*

*We strongly urge you to review and enhance IFQ program enforcement. Too much is at stake here. The Council approved the sablefish and halibut IFQ program despite heated opposition, and we want it to be successful. Indeed, in 1991 when we made our final decision, the leaders of NOAA and NMFS, Drs. John A. Knauss and William W. Fox, Jr., respectively, strongly urged us and other councils around the nation to move toward IFQ type management in all our fisheries. Further, our IFQ program is the largest such individual quota program in the United States. It is certain to be a centerpiece of the National Research Council's IFQ evaluation mandated in recent revisions to the Magnuson-Stevens Act.*

*Industry and managers alike need your reassurance that there will be no lapses in enforcement and that there will be minimal risk of fish being removed from the ocean, but not counted. We urge you to consider closely the needs of enforcement off Alaska and restore the integrity of our program. Positively or negatively, the sablefish/halibut program will be used during reauthorization in 2000 as an example of progressive fisheries management in the United States, an approach that NOAA and NMFS have endorsed vigorously.*

*Sincerely,*

*Richard B. Lauber  
Chairman*

It is clear that effective enforcement underpins the integrity and viability of not only the halibut and sablefish IFQ program, but any other IFQ program that may be proposed. The Committee's evaluation of enforcement and monitoring of IFQ programs will be one of the most critical and valuable components of your report.

Bycatch reduction was inherent in our program, due to the close interaction between sablefish and halibut fisheries. Much of the longline bycatch of halibut occurred in the sablefish fisheries, and many fishermen fish for both (and received IFQ for both). To the extent sablefish fishermen have halibut IFQ, this halibut is now retained and counted against the target quotas, as opposed to being caught as bycatch and discarded (by regulation it previously had to be discarded). This resulted in an immediate reduction of the Gulf of Alaska halibut PSC cap from 750 metric tons annually to around 150 metric tons annually. There are relatively small sablefish quotas in the Bering Sea, and therefore no significant savings in halibut bycatch there. This was a favorable aspect of our particular program, but was primarily due to the fact that one of the species involved is a prohibited species in all other fisheries.

Economic discards in this context are assumed to refer to discards of the target species. This can be examined from two perspectives: (1) highgrading, for which we had economic studies indicating that this was not expected to be a problem, because the cost associated with 'replacing' discarded (small) fish would exceed the additional value associated with larger, presumably more valuable fish. This was particularly true for halibut where the IFQ program was expected to close the price differential between small and large fish, due to an increased focus on the fresh fish and specialty

markets; and, (2) discards (not necessarily the same as highgrading) of smaller fish, particularly in a factory-type, automated processing line associated with industrial type fisheries, could occur simply due to the economic or practical inefficiencies associated with processing smaller fish. However, any program of IFQs should count all fish caught against the operator's IFQ, in which case discarding of even small fish would likely be an uneconomical proposition.

(G) Criteria for Determining Appropriateness of IFQ Management. Whether explicit or implicit, any sound management would examine several factors in order to determine whether an IFQ program was 'right' for a particular fishery. In addition to factors such as those outlined in the Magnuson-Stevens Act, the sablefish and halibut fisheries were characterized by a derby atmosphere, with short openings often occurring in periods of dangerous weather. Market issues associated with catching an entire year's quota in one or two days was another issue for our Council to consider. The socio-economic characteristics of a fishery, including participation by commercial, charter, and recreational sectors will likely prove more difficult, in terms of defining a set of criteria upon which to determine IFQ management 'appropriateness'. It is not a straightforward exercise to even define the existing socio-economic structures; projecting the impacts to that structure is even more difficult. However, for our current program as well as any future IFQ program, this is probably the most critical set of factors to consider. Certainly it was the center of most of the major debate and discussion in the formation of the sablefish and halibut IFQ program.

While our program focused on the commercial sector only, we undertook extensive analyses and engaged in literally weeks of public testimony and Council discussions to ascertain this socio-economic structure, and to predict the impacts of the program on those structures. A set of guidelines should prove very helpful to future considerations of IFQ programs around the country, but should be flexible enough to accommodate the specific situation involved.

(H) Fair and Equitable Initial Allocations. The language of the Act refers to fair and equitable treatment of not only vessel owners, but skippers, crew members, and processors in an initial IFQ allocation. The sablefish and halibut IFQ program granted QS/IFQ only to vessel owners, based on a person's catch history. The decision to grant QS/IFQ to vessel owners was based on several reasons, including (1) the Council felt generally that the vessel owners had the financial investment and risk in these fisheries, and were therefore the rightful recipients, (2) efforts to ascertain skipper and/or crew member involvement were thwarted by lack of actual, verifiable data on such participation, and (3) allocations to a wider group than the vessel owners would likely have resulted in non-viable (unfishable) amounts of QS going to the majority of recipients. The allocation formula to vessel owners included consideration of both

current and past participation - a person had to have fished in at least one of the most recent three years (as of 1990), and if so, their catch history over the past seven years was factored into the allocation formula.

During Council discussions on our license limitation program for groundfish and crab fisheries (now under review by the Secretary of Commerce), the Council once again decided that license would be granted to vessel owners, though in this case based on the vessel's historical activity. However, they also discussed the possibility of a complementary licensing program for vessel skippers. The current status of that issue is a systematic program of skipper reporting, whereby the participation histories of licensed vessel captains will be tracked for either some type of licensing program, or future, potential allocations of IFQs, if such a program is eventually implemented in the groundfish and crab fisheries.

The consideration of processor allocations, either directly for harvest IFQs or for processor IPQs, has already been mentioned; to reiterate, processor allocations likely would be analyzed in any future IFQ program development for fisheries off Alaska. Mechanisms to ensure that fishermen retain (harvest) IFQ stewardship, as well as mechanisms to allow for new fishermen to enter the fisheries, will be important in any IFQ program. Guidance from the NAS study on these issues should prove helpful to future IFQ considerations.

(I) Social and Economic Costs and Benefits. Economic analyses for the Alaska IFQ program estimated that benefits from the program (primarily through increased harvest efficiencies and price increases) would greatly outweigh the expected costs of implementing the program, on the order of \$30 to \$67 million annually. In this case, though some did argue with the specifics of those projections, the net benefit to the Nation issue was relatively straightforward, and definitely positive. More of an issue were distributional impacts - who gains and who loses within the overall 'net benefit' picture. Social impacts, particularly to small, coastal community fishermen, were also a significant issue of discussion and debate in the development of our IFQ program.

Within the overall debate regarding costs and benefits, the 'windfall profit' issue was perhaps the most significant encountered by our Council. The idea of auctioning off the quota was discussed then, and has been discussed in the context of a potential pollock IFQ program, but never got very far due to, among other things, regulatory restrictions against such an alternative. More focus was directed at the issue of fees, either transfer fees or annual harvest fees, as a means of mitigating the windfall profit gains as well as funding management of a public resource to which the IFQ recipients had been granted exclusive access privileges. Such fees have now been authorized by Congress and the NMFS is now developing a fee system (up to 3% of exvessel value annually) on IFQ holders. Throughout our Council's development of the program,

fishing industry proponents of the program were generally supportive of such a fee. The ability to incorporate fees and other mechanisms in the initial design of IFQ programs will likely be a major plus for future program development.

(J) Creation and Comparisons of Value of IFQs. This is directly related to the issue just discussed - the creation of value for IFQ recipients, particularly value which is above and beyond the value of the fish typically harvested in a given year, in turn creates a sensitive policy issue for managers of public fisheries resources. The value of a QS right (per pound of fish) in perpetuity will greatly exceed the value of that same pound of fish in any given year. QS for sablefish and halibut has traded as high as \$9 per pound, while the annual harvest price (a true IFQ or QS lease for one year) is much closer to the actual exvessel per pound price (\$1.50 per pound, for example). Buying a long term QS is much like playing the stock market, though in this case the underlying value of the QS fluctuates depending on level of the fish stocks, which is what will determine the IFQ poundages of any given QS holding in any given year. Value assessments of QS and IFQs, of course, will depend highly on our ability to project fish biomasses accurately into the future.

It will be interesting to compare the value of IFQs to the value of other, more traditional limited entry programs. The Council has approved, and is patiently awaiting Secretarial approval, of a license limitation program for groundfish and crab fisheries in the North Pacific. This program could evolve into an IFQ type program at sometime in the future. While this program does not guarantee a specific amount of fish to any vessel or individual, it does create a limited pool of vessels licensed to fish off Alaska. It will be interesting to assess the value created by such a license program, in and of itself, but also to evaluate such a value assessment in terms of a potential evolution to an IFQ program, and what the relationship is between those two management programs. Information from the NAS study on this particular aspect of limited entry programs would be extremely beneficial to fisheries managers in their development of either type of program.

### **Next Steps for IFQs off Alaska**

As shown in the chronology in Attachment 1 on limited entry, the Council began consideration of limited access for the groundfish and crab fisheries in 1987. Foreign fisheries had ended in the Gulf of Alaska after 1985 and after 1987 in the Bering Sea and Aleutians. Joint ventures were still vibrant and the totally domestic fishery was growing exponentially. Congress had placed a halt on reflagging of foreign vessels into the U.S. fisheries in 1987, but it was very evident that the U.S. fleet was burgeoning far faster than ever anticipated. The Council appointed a workgroup to examine management options for the groundfish fisheries in late 1987. This was the

Future of Groundfish Committee. It reported back to the Council during 1988 and then disbanded.

Then the Sablefish Management Committee, formed in December 1988, took on groundfish in 1989 and eventually evolved into the Fishery Planning Committee (FPC). The FPC prepared alternatives for a moratorium, and the Council took action in 1989 to set a cut-off date for further entrance into the groundfish and crab fisheries. This eventually led to the Council's final decision in June 1992 to implement a moratorium with a cut-off date of June 24, 1992. The moratorium finally was implemented on January 1, 1996 for three years.

The Council began serious work on a more permanent limited entry system for groundfish and crab in mid-1991. In September 1992, having made the final decision on the moratorium, the Council established the Comprehensive Planning Committee (a Council committee-of-the-whole) to begin developing alternatives for a long-range, comprehensive management plan for the remaining groundfish and crab fisheries. The Committee voted to focus on analysis and development of license limitation and IFQ alternatives to the status quo in January 1993.

After a false start in June 1993 to dismiss groundfish license programs from further consideration in favor of IFQ approaches, the Council went on to develop a comprehensive license program for the groundfish and crab fisheries. Final Council approval was given in June 1995 and the program is awaiting publication of the final rule by the Secretary of Commerce. It is the Council's intent that the license program be implemented as soon as possible, but no later than 1999.

So by 1999, if the license program is approved and implemented by the Secretary, all major fisheries under Council jurisdiction off Alaska will be closed to open access. The number and identity of "stakeholders" will have been established and the stage set for the next step in rationalization. Many in industry believe the next step should be IFQs. However, attempting to develop and analyze a prospective system for all species in the groundfish and/or crab complex would be an almost insurmountable problem, both for staff and the Council. It is more likely that any future consideration will be for one species at a time.

As noted in Attachment 1, in June 1995, having just made the final decision on groundfish and crab licenses, the Council identified Bering Sea and Aleutian (BSAI) pollock IFQs for the next step in comprehensive rationalization. The Council received a staff report on BSAI pollock IFQs in September and an expanded discussion paper in January 1996. It is included here with other materials from the January meeting notebook as Attachment 3. Further work was abandoned in 1996 when the Congress placed a moratorium on using federal funds for work on IFQs, and then in October

1996 passed revisions to the Magnuson-Stevens Act that restricted the councils from submitting any new IFQ programs to the Secretary until October 1, 2000.

The Council in December 1996 decided to cease work on additional IFQ programs for the time being while it worked on other higher priority issues such as inshore-offshore allocations of pollock, individual vessel bycatch accounts, and new mandates of the Magnuson-Stevens Act. It is likely that the Council will not recommence active development of new IFQ systems until sometime in 1999. Assuming that it would take six to eight months to develop draft regulations following a Council final decision, and that those draft regulations and the Council's plan could not be submitted until October 1, 2000, the Council's final decision could be scheduled for February 2000. If we started developing an IFQ program for pollock as early as February 1999, we might be able to reach a final decision by the following February.

**Ex-vessel value of the catch in the commercial fisheries off Alaska by species group, 1982-1996, (\$ millions and percentage of total).**

<b>Year</b>	<b>Shellfish</b>	<b>Salmon</b>	<b>Herring</b>	<b>Halibut</b>	<b>Groundfish</b>	<b>Total</b>
1982	216.5	310.7	19.9	25.7	211.0	783.8
1983	147.7	320.6	29.8	43.0	188.0	729.1
1984	103.4	343.0	20.4	19.6	239.4	725.8
1985	106.9	389.6	36.9	37.5	260.1	831.0
1986	183.0	404.1	38.4	70.1	268.6	964.2
1987	215.2	473.0	41.7	76.3	336.7	1,142.9
1988	235.6	744.9	56.0	66.1	444.6	1,547.1
1989	279.2	503.7	18.7	84.4	425.3	1,314.3
1990	355.1	546.7	24.0	86.9	474.9	1,487.6
1991	301.1	300.1	28.6	91.6	548.3	1,269.7
1992	335.1	544.5	27.0	48.0	656.9	1,611.5
1993	328.5	391.1	14.1	53.6	425.8	1,213.1
1994	321.2	424.4	21.6	84.7	465.2	1,317.1
1995	282.9	495.9	39.1	59.5	593.7	1,471.1
1996	175.2	346.5	44.8	74.2	538.4	1,179.1

This schedule is all highly speculative on our part. Certainly there will be many in industry who will push for earlier consideration so it remains an active issue and there is more time to address it. Others will not want to develop an IFQ system even when the restrictions in the Magnuson-Stevens Act expire. Both sides will vehemently argue their case. Needless to say, considerable wealth is at stake. The latest compilation of ex-vessel values for fisheries off Alaska pegged groundfish at \$538 million for 1996, far surpassing salmon (\$346 million), halibut (\$74 million), herring (\$45 million), and shellfish (\$175 million). If and when the Council moves forward again in considering an IFQ system for groundfish and/or crab, one thing is for certain: the tension will be palpable.

The schedule for the NAS committee report on IFQs will dovetail nicely with the projected schedule above. Your final report is due October 1, 1998, and will provide valuable guidance for the Council. By autumn 1998 we also will have a better idea of how the sablefish and halibut systems are performing. All these sources of information will be invaluable to the Council if and when it decides to move ahead with further comprehensive rationalization of the vast fisheries resources off Alaska.

And one final cautionary note needs to be conveyed to the Committee: It needs to be very clearly understood and emphasized that effective implementation of any future multi-species IFQ program will face major programmatic barriers in terms of funding and personnel in NMFS. As we have seen with the relatively simple sablefish and halibut IFQ program, tremendous energies have been expended by NMFS in implementing the system and in its monitoring and enforcement. Fine-tuning of the regulations has consumed considerable Council time also. With limitations on personnel and funding, these concentrated efforts on the IFQ program have tended to detract from the needs of other ongoing management programs. While experience with the multi-species CDQ program over the next few years will help identify the true scope of complexities of staging an IFQ program for many species, multi-species IFQs will present a daunting task for government and industry alike, and additional resources will be critically needed to handle the increased load on management and enforcement agencies.

Attachments:

- (1) Chronology of Development of Limited Access Measures and Moratorium for NPFMC Halibut, Sablefish, Groundfish and Crab Fisheries: 1978-1997;
- (2) original Council [motion on the IFQ program from December 1991](#);
- (3) [materials on groundfish and crab IFQs](#) from the Council's January 1996 meeting notebook; and
- (4) Twenty Years in Review, excerpted from our 20th anniversary program in December 1996.

**Chronology of Development of Limited Access Measures and Moratorium  
for NPFMC  
Halibut, Sablefish, Groundfish and Crab Fisheries:  
1978-1997**

Prefatory Note. The North Pacific Fishery Management Council (Council) was established in 1976 as authorized by the Magnuson-Stevens Fishery Conservation and Management Act. Halibut and king crab were domestic fisheries then. Sablefish, groundfish and Tanner crab were the basis for foreign fisheries. The halibut fisheries were the first to be considered for limited entry. Halibut long had been managed by the International Pacific Halibut Commission (IPHC), established in 1953. As a result of United States extended jurisdiction in 1976, the Convention between the U.S. and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea was in process of being renegotiated. Because there was a possibility that the Convention might be abrogated, the North Pacific Fishery Management Council set about preparing a draft halibut fishery management plan (FMP) by appointing a plan development team in 1978, and also establishing a workgroup to develop management recommendations. As shown in the chronology below, real work on limited entry did not begin until 1979. As it turned out, the halibut convention with Canada was renewed in 1979 and IPHC continued biological management of the resource. Limited entry and allocational decisions, however, were delegated to the Pacific and North Pacific councils by the Northern Pacific Halibut Act of 1982, enacted on May 17, 1982.

**Chronology**

**1978**

- June 1978      Halibut: Plan team develops draft halibut management plan which has limited entry section with proposed moratorium, cut-off date of December 31, 1977.
- November 1978      Halibut: Council approves plan but changes cut-off date to December 31, 1978. Further plan development was later curtailed when the U.S.-Canada treaty was negotiated.

**1979**

- June 1979      Halibut: Petersburg Vessel Owners Association requests halibut limited entry.
- August 1979      Halibut: Workgroup recommends developing an RFP to study limited entry.
- September 1979      Halibut: Fishing Vessel Owners Association (Seattle) requests moratorium and permanent limited entry.

**1980**

- March 1980      Halibut: Workgroup recommends moratorium and six goals for limited entry.
- April 1980      Halibut: Contract awarded to Tetrattech to study limited entry.

**1981**

- May 1981      Halibut: Workgroup recommends moratorium and reduction in effort using IFQ approach.
- July 1981      Halibut: Council initiates serious consideration of limited entry and appoints a new workgroup to develop objectives.

September 1981 Halibut: Council adopts nine objectives for limited entry and develops RFP to examine IFQs as applied to halibut fishery.

## 1982

January 1982 Halibut: Advisory Panel requests Council to implement halibut moratorium and develop schedule for limited entry.

February 1982 Halibut: At the annual meeting of the IPHC, the American members of the Fishermen's Conference Board developed a consensus on a request for limited entry based on a "fishermen's share" system and submitted that consensus to the NPFMC in March.

March 1982 Halibut: The Council voted to recommend a moratorium on the issuance of new halibut licenses while studying limited entry systems for the fishery. The Council announced that only fishermen who fished in 1981 or before would be able to fish in 1982. The Secretary of Commerce would be authorized to take such action under an amendment to the North Pacific Halibut Act which was undergoing Congressional review at the time of the Council recommendation. The legislation passed after the halibut season opened and therefore no action was taken on the moratorium request.

May 1982 Halibut: Northern Pacific Halibut Act of 1982 enacted.

July 1982 Halibut: The Council once again urged the Secretary to implement a moratorium, revised to incorporate the 1982 season, well in advance of the 1983 halibut season. A moratorium notice was prepared for review.

December 1982 Halibut: The Council was presented with a statement signed by eight fishermen's organizations and two individuals asking the NOAA Administrator to publish the proposed rule for a moratorium on participation in the Alaska halibut fishery.

## 1983

January 1983 Halibut: Public and teleconference hearings on the proposed moratorium rule were held in 20 Alaska communities and Seattle.

February 1983 Halibut: Proposed rule for the moratorium published in Federal Register.

March 1983 Halibut: Council takes final vote on 3-year moratorium for halibut fishery to begin with the June 15, 1983 season opening. Only those who made legal landings of halibut during 1978-82 would be eligible to fish during the moratorium years of 1983-85.

May 1983 Halibut: NMFS informs Council that appeals procedure is needed. Council declines. Approves IFQ report for release.

June 1983 Halibut: OMB recommends disapproval on June 14 (2 days before season). NOAA Administrator John Byrne then disapproved the moratorium based on conclusions of OMB that a simple moratorium on new entry would not resolve the excess investment problem while creating additional economic problems. Dr. Byrne recommended "that the Council devote any future efforts concerning limited entry for the Alaska halibut fishery to the development and evaluation of alternatives for a permanent limited entry system." Council directed halibut workgroup to develop management objectives for the halibut fishery and recommend further actions on moratorium.

December 1983 Halibut: Council abandoned efforts to implement a moratorium; adopted management objectives for the halibut fishery. Directs staff to develop management options.

#### 1984

August 1984 Halibut: The Council decided to review its role in management of the halibut fishery because of increased fishing effort and extremely short seasons. Report on management options released to Council, SSC, and AP.

September 1984 Halibut: The Council voted to take an active role in management of the halibut fishery working in conjunction with the IPHC. A special Council subcommittee was appointed to prepare material on halibut management options which would emphasize, but not necessarily be limited to, exclusive area registration, license limitation and quota shares.

December 1984 Halibut: Council asks workgroup to prepare material for public workshops in late 1985 on halibut management proposals.

Groundfish: Council adopts nine comprehensive management goals, some referring to the issue of limited access.

#### 1985

February 1985 Sablefish: Council approves request from industry to restrict sablefish fishery in eastern Gulf of Alaska to longline only. Gave high priority to amendment proposals for permanent restrictions.

March 1985 Sablefish: Council releases preliminary amendment proposals to restrict sablefish fishery in Gulf of Alaska to longline only. Several options were presented, including license limitation.

May 1985 Halibut: Because of funding problems and staff availability, the Council deferred further work on workshops, suggesting that other groups might furnish such a forum.

Sablefish: Council approved for Secretarial review the following sablefish management options: restricting the Eastern Regulatory Area to hook and longline only, and apportioning the OY to gear types in the Central and Western Regulatory area.

December 1985 Sablefish: Council accepts cutoff date of September 26, 1985, recommended by NMFS for entry into longline sablefish fishery in Gulf of Alaska associated with publication of amendment 14.

#### 1986

January 1986 Sablefish: Workgroup appointed to develop Gulf of Alaska management options.

March 1986 Sablefish: Workgroup recommends combining Gulf of Alaska and Bering Sea and Aleutians sablefish management options, and developing questionnaire to see what public thinks about management options.

September 1986 Groundfish: Council endorses prohibition on reflagging of foreign vessels to U.S. after September 24, 1986 to control influx of capacity to fishery. Also approves RFP for industry survey on groundfish management options. This action followed effort earlier in year to task an Americanization of Groundfish Committee with developing recommendations on how to phase out foreign fisheries off Alaska.

## 1987

- January 1987      Sablefish: Council directs team to analyze limited entry options for Gulf of Alaska.  
Groundfish: Congress introduces anti-reflagging bills.
- February 1987    Sablefish: Fishermen from Alaska and Washington form North Pacific Longline Coalition to develop views on limited entry.
- April 1987        Groundfish: Dittman Research conducts survey for groundfish management options.
- May 1987         Sablefish: Council adopted Advisory Panel proposal requesting the Council to call for long-term sablefish management options from the public. Plan teams will develop options for Council review at September 1987 meeting.
- July 1987         Groundfish: Congress approves temporary reflagging moratorium until October 15, 1987.
- September 1987   Sablefish: Council received 59 proposals from the public which were analyzed by the Plan Team and reviewed by the Council. Council requests development of detailed options for license limitation and IFQs. Intent is to implement new system in 1989.  
Halibut: Council receives 27 proposals requesting some form of limited access. Council adopts six halibut management goals.  
Groundfish: Council decides to appoint industry workgroup (Future of Groundfish Committee) to examine alternatives and make recommendations. Council adopts Statement of Commitment to develop management strategy by 1990. Announces alternative cut-off dates ranging from December 31, 1987 to December 31, 1988.
- November 1987    Groundfish: First meeting of Future of Groundfish (FOG) Committee.
- December 1987    Groundfish: Council amends Statement of Commitment on groundfish management, deleting specific cut-off dates.

## 1988

- January 1988      Sablefish: Council schedules workshops to discuss limited access in the sablefish longline fishery. Workshops scheduled for Seattle, Washington, and Homer, Kodiak, Petersburg, and Sitka, Alaska. Hopes to have management system in place for 1989.  
Groundfish: Anti-reflagging Act signed by President: July 18, 1987 cut-off.
- April 1988        Sablefish: Council received report on workshops on limited entry alternatives for the sablefish longline fishery. Directed staff to further analyze 5 options: (1) IFQs; (2) license limitation; (3) two-tiered or mixed systems which may include both license limitation and IFQs; (4) modified status quo option; and (5) Sablefish and bycatch only. For GOA and BSAI combined.

- June 1988      **Sablefish:** Council reviewed the preliminary analysis of the five management alternatives for sablefish and directed staff to further analyze these alternatives, make editorial changes and release it for public review.
- Groundfish and Crab:** Council agrees with Future of Groundfish Committee's recommendation to develop a moratorium and alternative management strategies for longline fisheries, groundfish and crab. Does not adopt proposed June 30, 1988 cut-off.
- September 1988      **Sablefish:** Delayed decision to December 1988 allow more time for public review of the analysis.
- Groundfish and Crab:** Delayed further action until January 1989 meeting with new FOG committee to work with staff in developing alternatives identified in FOG report of June 1988.
- Halibut:** In response to 16 proposals from the public for a license limitation or share quota system for halibut, the Council decided to begin exploration of possible limited access alternatives for the halibut fishery, similar to the one being pursued for sablefish.
- December 1988      **Sablefish:** Council determines status quo for sablefish longline management is unacceptable and decided to focus on limited access alternatives. Formed Council Sablefish Management Committee to identify areas of concern and options for individual fishing quotas and license limitation, their two preferred alternatives.

#### 1989

- January 1989      **Sablefish:** Council receives Sablefish Committee Report regarding development of IFQ and License Limitation options for sablefish longline fishery and adopts a list of concerns to be addressed in any limited access program, and set a tentative schedule for development and adoption of a system by December 1989.
- Halibut:** Council meets with IPHC to discuss long-term management. Council agrees to consider limited entry.
- Moratorium:** Council took tentative action to establish a cut-off date of January 16, 1989 after which vessels not "in the pipeline" may or may not be considered as eligible for participation any future limited access system for groundfish, crab and halibut fisheries. Announced that they would take public comment at the April 1989 Council meeting on all aspects of the proposal before taking final action.
- Groundfish and Crab:** The Sablefish Management Committee's responsibilities were expanded to include consideration of options for all groundfish, halibut and crab species in the Gulf of Alaska and Bering Sea/Aleutian Islands. Focus will be on three alternatives: (1) status quo; (2) license limitation; and (3) IFQs. Council agrees to limited access development timelines for all fisheries.
- April 1989      **Moratorium:** In response to public comment, Council withdrew the January 16, 1989 cut-off date, but did not abandon the previously adopted schedule for comprehensively considering alternative management regimes for sablefish, groundfish, halibut, and crab.
- Groundfish and Crab:** The Council directed staff and the Fisheries Planning Committee (new name for the Sablefish Committee) to further refine design of two alternative management regimes for sablefish and halibut.

June 1989            **Sablefish:** Staff directed to finalize analysis for proposed license limitation and IFQ systems for sablefish longline fishery off Alaska. Schedule calls for Council to consider sending the proposals out for public review after the September meeting.

September 1989    **Sablefish:** Council approved a revised draft analysis for sablefish management alternatives to be release for public review sometime in November. Announced intention to hold seminars (in Seattle, Kodiak, Petersburg, Sitka and Anchorage) to explain the alternatives. Final decision scheduled for January 1990 Council meeting.

**Halibut:** Announced that the Council will review a draft alternative package in January before sending out for public review; final decision scheduled for April 1990. Final decision on management alternatives for other groundfish species and crab still scheduled for December 1990.

## 1990

January 1990        **Sablefish:** Council chose IFQs as their preferred alternative for sablefish management. Council directed staff to further develop a specific IFQ system for Council consideration and public review. Final decision set for April 1990.

**Moratorium:** At request of Advisory Panel and members of the fishing industry Council agreed to consider, at their April 1990 meeting, adoption of a cut-off date as early as January 19, 1990. Agrees to postpone consideration of limited access until after they address sablefish limited access and moratorium in April.

April 1990           **Moratorium:** Council instructed staff to prepare a Federal Register notice to announce the Council is proceeding to develop a moratorium for entry to all fisheries under Council jurisdiction, except salmon, with a cut-off date of January 19, 1990.

**Sablefish:** Final decision delayed until June to allow longer public review period.

**Groundfish, Halibut, and Crab:** Work schedules to be reviewed in June, pending decision on sablefish management.

June/August 1990   **Sablefish:** Motion to adopt the IFQ management system for sablefish tabled. The Fishery Planning Committee was asked to further develop plans and schedule for limiting access to all fisheries under Council management.

**Moratorium:** The Council approved the draft Federal Register notice of their intent to develop and consider implementing a moratorium on entry for all fishing vessels in all fisheries under Council jurisdiction, except salmon, for a period of 4 years. Directed staff to develop amendments and/or regulations to implement the moratorium for BSAI and GOA groundfish, BSAI King and Tanner crab fisheries, and the halibut fishery. A scoping period was begun, with a detailed description of the moratorium and analysis of its impacts to follow. New cut-off date of September 15, 1990 adopted.

September 1990    **Sablefish:** Tabled motion brought back to floor and rescheduled for discussion at the December meeting.

**Moratorium:** Council asked the Fishery Planning Committee to develop specific alternatives on the moratorium issue and to report back at the April 1991 meeting. Limited staff to work on the analyses between now and then.

December 1990 **Sablefish:** Council referred further development of IFQ system for fixed gear sablefish fishery to the Fishery Planning Committee; indicated that a similar system may be developed for **Halibut**. This is when Council first linked sablefish and halibut together for further development of limited entry.

1991

January 1991 **Moratorium:** Fishery Planning Committee continuing to draft alternatives for April 1991 Council meeting.

**Sablefish and Halibut:** Initial review of IFQs for sablefish scheduled for initial review in April; Council is considering similar systems for halibut, to be reviewed by the Fishery Planning Committee. Initial Council review of halibut limited access scheduled for June 1991. Council hopes to have sablefish and halibut systems implemented simultaneously, if approved.

April 1991 **Sablefish:** A revised supplemental to the SEIS for sablefish alternatives was reviewed by the Council; document released for 30-day public review.

**Halibut:** List of alternatives revised; analysis to be available for Council review in June.

**Moratorium, Groundfish and Crab:** Council asked NMFS to determine procedures and requirements to develop a moratorium on entry into all fisheries and to develop IFQ systems for those fisheries.

June/August 1991 **Sablefish:** Council chose preferred alternative for a Sablefish IFQ system; schedule further public comment at the September meeting when a final decision was scheduled.

**Halibut:** The Council approved a draft IFQ analysis of alternatives for public review. Final decision scheduled for September 1991.

**Groundfish and Crab:** Council instructed staff to develop alternatives to rationalize the groundfish and crab fisheries under its jurisdiction, and issued call for industry proposals for additional alternatives.

September 1991 **Sablefish and Halibut:** Council approved the alternatives in principle and appointed a industry workgroup to work with staff in developing implementing regulations; final decision scheduled for December 1991 to allow for public review of draft regulations. Full text of sablefish preferred alternative published in Council newsletter of October 4, 1991.

**Moratorium, Groundfish and Crab:** Directed staff to begin development of plan amendments for a moratorium consistent with the Federal Register notice published September 1990, and consistent with the Council's intent to develop limited access measures for groundfish, halibut, and crab fisheries, and establishing a control date of September 15, 1990 for entry into the fisheries (with due consideration for two specific circumstances).

December 1991 **Sablefish and Halibut:** The Council approved the preferred alternative for sablefish **and** halibut IFQ systems for Secretarial review. Proposed plan published in Council newsletter of 12/19/91.

**Moratorium:** Council adopted a work plan and time schedule to implement a vessel moratorium by 1993. Three alternatives were identified: (1) status quo--open access; (2) a "strict" moratorium with minimal exceptions; and (3) a "liberal" moratorium with

exemptions based on selected criteria. At about this point, the moratorium became a separate issue from longer-term limited access for groundfish and crab which was considered from here on under the banner of "Comprehensive Rationalization."

## 1992

- January 1992 Sablefish and Halibut: Council decided to withhold final IFQ program from Secretarial review until after the April 1992 Council meeting to review revisions to the analysis of the preferred alternative and to give industry one more opportunity to comment.
- Moratorium: Based on AP and SSC recommendations, the Council narrowed the statement of objective, simplified certain elements of the analysis, and clarified options to be addressed. The revised analysis would be available in April.
- April 1992 Sablefish and Halibut: A motion to rescind the earlier decision of the Council to adopt an IFQ program for sablefish and halibut fisheries failed. The final program was schedule to proceed through NEPA and Secretarial review. The Council requests analysis of the "Sitka block proposal" and a 1,000 lb. minimum allocation as possible amendments to the IFQ plan when implemented.
- Moratorium: The Council reviewed and released preliminary analysis for public review.
- June 1992 Moratorium: Council approved a preferred alternative for Secretarial review, to be effective in 1993. Full program was published in the July 7, 1992 issue of the Council newsletter. The Council also noticed the public that catch histories only through June 24, 1992 may be considered for any future limited access plan developed as part of a long-term comprehensive rationalization for the fishery.
- September 1992 Comprehensive Rationalization Plan (CRP): The Council formed the Comprehensive Planning Committee (a Council committee-of-the-whole) to begin developing alternatives for a long-range, comprehensive management plan for the remaining groundfish and crab fisheries under Council jurisdiction. Russell Harding discussion paper released to solicit public comment on the subject.
- Sablefish & Halibut: Council reviewed reports on two block proposals and the 1,000 lb minimum proposal and released them to solicit public comment.
- December 1992 CRP: Council/Committee drafted problem statement and released in newsletter to solicit public comments on alternative management systems to be developed.

## 1993

- January 1993 Sablefish and Halibut: Council reviewed the revised discussion papers for the block and 1,000 lb minimum proposals and directed staff to develop the proposals into possible amendments to the proposed IFQ programs for sablefish and halibut.
- CRP: The Council voted to focus on analysis and development of license limitation and IFQ alternatives to the status quo. Preliminary analysis is expected by June 1993.
- Moratorium: Council reaffirms several components of proposed system.
- April 1993 CRP: Council received progress report on staff progress; reviewed elements and options with further direction to staff for development of a discussion paper for the next meeting.

June 1993 CRP: Council received discussion paper, "Potential Elements of Individual Fishing Quotas or License Limitation Programs in the North Pacific Groundfish and Crab Fisheries," which was released for public review. Council grouped groundfish, crab and prohibited species (PSC) together for IFQ consideration. Drops license system for groundfish, but retains it for crab.

September 1993 CRP: Council reinstates license system for groundfish as option.

Sablefish and Halibut: Council approves block proposal.

November 1993 Sablefish and Halibut: Final rule published on November 9, 1993. To be implemented in 1995.

#### 1994

January 1994 CRP: Council holds four-day deliberation on CRP and decides to pursue license limitation as top priority for groundfish and crab. Staff will concentrate on license development from now on, and then go on to IFQs.

April 1994 Groundfish and Crab License Limitation: Council reviews draft analysis of license proposal.

Sablefish and Halibut: Council considers adjustments to IFQ program.

August 1994 Moratorium: SOC disapproves moratorium on August 5, 1994

September 1994 Moratorium: Council revises moratorium and resubmits to SOC.

Sablefish and Halibut: Council disallows any hardship provisions.

December 1994 Groundfish and Crab License Limitation: Council refines alternatives for license program.

Moratorium: Council endorses further revisions to moratorium proposed by NMFS on crossovers.

1995

- January 1995 Moratorium: Council discusses moratorium but leaves unchanged.  
Sablefish and Halibut: Final approval of CDQ compensation amendment.
- April 1995 Groundfish and Crab License Limitation: Council identifies preferred license alternatives for groundfish and crab.
- June 1995 Groundfish and Crab License Limitation: Council gives final approval of the license program.  
CRP: Council identifies BSAI pollock IFQs for next step in CRP.
- September 1995 Groundfish and Crab License Limitation: Council clarified intentions on several aspects of license program.  
Groundfish IFQs: Staff report on BSAI pollock IFQs.

1996

- January 1996 Groundfish IFQs: Staff discussion paper on BSAI pollock IFQs.  
Sablefish and Halibut: Final approval of buydown amendment.  
Moratorium: Implemented on January 1, 1996.
- April 1996 Sablefish and Halibut: Council approves sweep-up amendment.
- June 1996 Sablefish and Halibut: Council approves increase in BSAI Area 4 halibut QS use cap from 1/2% to 1.5%.
- September 1996 Sablefish and Halibut: Performance reports given to Council.
- October 1996 IFQs: Revisions to Magnuson-Stevens Act restrict Council from submitting any new IFQ programs to Secretary until October 1, 2000.
- December 1996 Sablefish and Halibut: Final approval of standard deductions for slime and ice.  
Groundfish IFQs: In tasking staff, Council decides to temporarily cease further work on IFQs because of the restrictions imposed by Congress, and other high priority issues.

1997

- January 1997 Groundfish and Crab License Limitation: Council reiterates its intent that license/CDQ program should be implemented in 1998.
- June 1997 Sablefish and Halibut: Final approval to allow emergency transfers to heirs under 3-year provision.

## Twenty Years in Review

### 1976

- President Ford signs Fishery Conservation and Management Act on April 13
- First Council meeting October 5-8 in Juneau; Elmer Rasmuson elected chairman
- SSC chartered November 24, meets December 1, elects Lee Alverson chairman
- AP chartered December 1, meets December 2-5, elects Jack Cotant chairman
- FMPs considered for groundfish, gillnet herring, king and Tanner crab, shrimp, Dungeness crab, and troll salmon
- Troll salmon originally assigned to Pacific Council; North Pacific Council requests joint responsibility
- Japan, Korea, Poland and USSR fished off Alaska in 1976 catching 1.5 to 1.6 million mt
- Domestic groundfish catch was about 2,000 mt, mainly sablefish

### 1977

- Nine Council meetings in 1977
- Permanent headquarters opened in Anchorage in January
- Jim Branson named first executive director
- Keith Specking elected AP chairman in March
- Harold Lokken elected chairman effective October 6
- Gulf of Alaska groundfish, Tanner crab, and salmon plans sent to Secretary
- Plan teams appointed for most fisheries
- Groundfish reserve release system established
- First pollock joint venture (Korean-KMIDC) request reviewed, but delayed until 1978

### 1978

- Seven meetings held in 1978
- Troll salmon plan revised, resubmitted to Secretary
- Bairdi Tanner crab goes all American, but TALFF allowed for opilio
- Bering Sea groundfish plan developed
- Halibut FMP sent to Secretary
- TALFF for groundfish and Tanner crab; Gulf sablefish TALFF released west of 140 W
- Steve Pennoyer elected SSC chairman in September
- Clem Tillion elected Council chairman in October
- First joint venture (KMIDC) off Alaska begins on November 7, delivers 45 mt
- Gulf of Alaska groundfish and Alaska Tanner crab FMPs implemented December 1
- Domestic groundfish catch off Alaska reaches 4,500 mt
- Processor preference amendment added to Act setting up three-tier system of DAP, JVP and TALFF

### 1979

- Eight meetings held in 1979
- Bering Sea pollock OY raised to one million metric tons
- Joint ventures with USSR and Korea approved
- U.S. processors seek closures to joint ventures around shore plants
- Council attempts closing 12 miles around Akun/Akutan to joint ventures; overturned by NMFS
- Council adopts herring-savings area closed to foreign trawling in BSAI

- Foreign directed fishing on herring eliminated
- BSAI groundfish plan approved
- Don McKernan dies during China trip in early May
- Over 500 foreign vessels fish off Alaska; Japan, USSR, Korea, Poland, Taiwan and Mexico
- Public hearings held on need for halibut limited entry
- Opilio crab TALFF further reduced for Japanese
- Joint ventures harvest 1,500 mt; DAP harvests about 7,500 mt

## 1980

- Seven meetings held in 1980
- After Afghanistan invasion, President announces end to Soviet directed fishing
- Joint ventures approved with Soviets and South Koreans
- Council recommends ban on handtrawling for salmon in EEZ
- Bob Alverson elected AP chairman
- Don Rosenberg elected new SSC chairman
- PSC limits approved for halibut, crab and salmon in GOA foreign groundfish fisheries
- BSAI groundfish team suggests system-wide OY with individual species TACs
- State of Alaska tries to allow foreign vessels to process salmon in Bristol Bay; voted down by Council
- Kodiak Lechner Line closure to foreign trawling to prevent gear conflicts with U.S. crabbers
- Foreign trawlers intercept 100,000 chinook salmon in Bering Sea
- Japanese high seas gillnet fishery catches 700,000 chinooks
- Herring plan for BSAI approved
- American Fisheries Promotion Act passes Congress; provides fish and chips policy

## 1981

- Eight meetings held in 1981
- Joint ventures approved for Japan, Korea, West Germany, Poland and Taiwan
- Polish fishing fleets gain port privileges in Seward
- No foreign fisheries for opilio Tanner crab allowed
- Southeast troll chinook OY reduced 15% to 272,000 fish
- Council restricts foreign trawling in Eastern Gulf
- Two million metric ton cap set for BSAI groundfish plan
- NMFS Regional Director gains field order authority to close areas
- Voluntary joint venture logbook approved
- Bering Sea king crab declines sharply
- Japan groundfish trawl associations agree to limit chinook interceptions; 65,000 chinook cap set
- Inconsistencies arise between state and federal regulations over Tanner crab management
- BSAI king crab Joint Statement of Principles adopted by Council and Alaska Board of Fisheries
- BSAI herring plan withdrawn from Secretarial review to make technical modifications.
- Extensive prohibited species reduction schedule approved for foreign fisheries
- Voluntary bycatch measures promoted for domestic groundfish fishermen
- Council considers fishery development zone for exclusive use for domestic fishermen
- Joint venture catches increase to 95,000 mt in 1981; DAP groundfish catch approaches 12,000 mt
- Overall observer coverage was 10% in 1981

## 1982

- Six meetings in 1982
- Expanded observer coverage for foreign fleet
- BSAI herring plan resubmitted to Secretarial review
- Southeast chinook OY reduced to 255,500 salmon
- Halibut moratorium recommended and then reaffirmed after passage of North Pacific

### Halibut Act

- IPHC conference board urges Council to consider fisherman share system
- Joint venture review policy approved
- Herring plan withdrawn from Secretarial review for revisions
- Observer coverage rises to 33% in foreign and joint venture fisheries
- Sablefish gear restricted to hook and line in Southeast Alaska (Secretary disapproves)
- Fishery Development Zone north of Unimak Pass approved for Secretarial review
- Joint ventures grow to ten operations using 31 U.S. and 18 foreign vessels; harvest 180,000 mt

## 1983

- Six meetings held in 1983
- Draft U.S./Canada salmon treaty presented
- Halibut moratorium reaffirmed by Council for three years, but disapproved by Secretary
- First resource assessment document (later called SAFEs) prepared for BSAI groundfish
- Council reaffirms Fishery Development Zone north of Unimak Pass
- Jim Campbell elected Council chairman
- Herring plan resent to Secretarial review
- BSAI king crab plan approved delegating management to the State of Alaska
- Total joint venture catch increases to 350,000 mt by 50 U.S. trawlers

## 1984

- Six meetings held in 1984
- Japanese Longline Gillnet Association agrees to restrictions on GOA sablefish fishing
- Pollock optimum yield in Gulf of Alaska peaks
- Secretary disapproves Fishery Development Zone; foreigners agree to voluntary restraints
- Council shelves herring plan pending further research
- New policies adopted on annual management cycles and processing of proposals
- Nine comprehensive management goals approved
- AP restructured
- New policies adopted on review of foreign and joint venture permit requests
- DAP reaches 50,000 mt; JVs harvest 580,000 mt using 80 U.S. trawlers
- Foreign directed harvest declines to 1.1 million mt

## 1985

- Only minor directed foreign fishing for pollock and cod allowed in Gulf of Alaska
- Foreign trawling ends within 20 miles of Aleutians
- Foreign cod longlining restricted to north of 55 N and west of 170 W if ice conditions permit
- Council urges rapid ratification of proposed U.S. - Canada Salmon Treaty
- Emergency rule requested to allow only longlines for sablefish east of 147 W
- Japanese agree to large purchases of joint venture fish in return for directed allocations
- Joint ventures approved for Japan, Korea, Poland, Portugal, and Iceland

- Taiwan announces new controls on high seas squid fishery to reduce salmon bycatch
- Council prohibits intentional discard of fishing gear by U.S. fishermen
- NMFS requested to reserve groundfish bycatch needs in managing GOA target fisheries
- Larry Cotter elected chairman of AP
- Council restricts use of pots and trawls for sablefish in GOA
- Secretary offers sablefish limited entry cutoff of September 26, 1985
- Weekly catch reports required for catcher processors
- Council votes to retain 2 million mt cap in BSAI groundfish fisheries
- Council meets in Girdwood to overhaul GOA groundfish plan
- Gulf of Alaska pollock continues decline
- DAP reaches 105,000 mt. JVs take 880,000 mt using 100 U.S. trawlers
- Foreign harvest drops to less than one million mt

## 1986

- Foreign fishing confined mainly to Bering Sea
- Japanese allocation withheld pending reductions in salmon interceptions
- BSAI Bairdi Tanner crab at lowest level since 1975; fishery closed
- Emergency action to close Kodiak areas to trawling to protect king crab
- Yellowfin sole and flounder joint ventures prohibited from trawling between 160 and 162 W and south of 58°N in Bering
- Sea to protect king crab; PSC limits set for halibut, king crab and Tanner crab in newly established Zones 1, 2, and 3; these constitute first major PSC restrictions on domestic trawlers
- Council sends funding request to NMFS for \$250,000 for pilot domestic observer program; NMFS declines
- Sablefish management committee appointed to evaluate management approaches
- Federal Tanner crab regulations suspended because of inconsistencies with state regulations
- Americanization Committee appointed to study ways to achieve Americanization of groundfish fisheries
- State of Alaska declines delegation of crab management because of excessive federal oversight
- Nancy Munro elected chairman of AP
- NOAA Administrator Tony Calio's Blue Ribbon Panel provides fishery management recommendations
- Council endorses cutoff of September 24, 1986 for reflagging foreign processing ships
- Concept of non-profit foundation to fund fishery research and data gathering surfaces
- U.S. crab vessels fishing in disputed zone are harassed by Soviets
- Council endorses efforts to seek cooperative agreement for joint U.S. - USSR access to the zone
- Council passes BSAI crab and halibut PSC measures for domestic groundfish fleet
- Crab management plan revised that includes just BSAI fisheries
- Joint venture catch exceeds 1.2 million metric tons
- DAP catch reaches 136,000 mt; foreign catch declines to less than 500,000 mt

## 1987

- GOA groundfish almost goes all-American; only small joint venture allocations
- Phil Mundy elected chairman of SSC
- Bycatch and crab management committees established
- Council begins developing sablefish limited entry and requests proposals from public
- Anti-reflagging bills introduced into Congress

- Plan Amendment Advisory Groups (PAAGs) established to review groundfish proposals
- NMFS requests Council to make halibut allocative decisions
- Two million metric ton cap in BSAI groundfish reaffirmed
- BSAI joint venture pollock split 40/60 between roe and non-roe seasons, but later relaxed at industry request
- First reports surface of foreign fishing by Japan, Korea, China and Poland in the Donut Hole
- Rich Marasco elected chairman of SSC in October
- Pilot domestic observer program with four observers gets underway
- Future of Groundfish (FOG) Committee established
- DAP catch rises to 305,000 mt; joint ventures catch nearly 1.4 million mt
- Foreign directed catch falls to 80,000 mt in 1987, compared to 487,000 mt in 1986
- Anti-driftnet and MARPOL Annex V legislation passed in Congress

## 1988

- Council recommends no foreign allocations of BSAI groundfish and retains 2 million mt cap
- Five workshops held on sablefish management; analysis moves ahead focusing on IFQs and licenses
- Anti-reflagging Act of 1987 signed by President; cutoff date of July 28, 1987
- Foreign trawlers videotaped violating U.S. zone; U.S. Coast Guard steps up surveillance
- U.S. State Department initiates bilateral talks with Soviets on controlling Donut Hole fisheries
- Council calls for immediate cessation of fishing in Donut Hole
- NOAA GC nixes separate plan to favor the U.S. support industry
- Pilot domestic groundfish observer program continues at low level
- Clarence Pautzke replaces retiring Jim Branson as executive director
- John Peterson elected Council chairman in September
- Future of Groundfish Committee reports, but Council declines June 30, 1988 cutoff date
- NMFS publishes proposed rule designating Steller sea lions as depleted
- Non-profit fishery research foundation concept shelved
- Council approves major revisions to BSAI bycatch regulations
- Habitat policy approved
- Council allocates 12,000 mt unused cod TALFF to Japanese longliners in Western Gulf of Alaska
- U.S.-U.S.S.R comprehensive fisheries agreement signed in Moscow on May 31
- DAP harvests reach 680,000 mt in 1988; joint venture harvests decline to 1.28 million metric tons

## 1989

- First meeting of US-USSR Intergovernmental Consultative Committee on February 6-10
- No foreign directed fisheries allowed off Alaska in 1989; joint ventures take minor tonnages
- Cut-off date of January 16, 1989 for vessels “in the pipeline” approved but later withdrawn
- Fisheries Planning Committee appointed to consider groundfish, halibut and crab
- Council urges Secretary of Commerce to fund domestic observer program
- New BSAI crab plan approved: delegates authority to State; sets up PacNW Committee
- Pollock roe stripping emerges as major issue
- Rapid GOA pollock harvests raise inshore-offshore concerns; proposed solutions solicited
- Council adopts problem statement for inshore-offshore and initiates scoping process
- Directed fishing definitions established for groundfish fisheries

- Industry and NOAA provide \$250,000 for observers
- Council adopts policy encouraging full utilization
- Comprehensive industry-paid observer program approved to start in 1990
- BSAI sablefish split between fixed and mobile gears approved for 1990
- North Bristol Bay areas closed to protect walrus
- Trawl closures renewed for three years around Kodiak to protect king crab
- Halibut mortality cap in GOA split between fixed and trawl gear
- Council urges Congress to withhold Korea GIFA to resolve driftnet interceptions of salmon
- Council urges restrictions on fish imports from Taiwan to address high seas salmon interceptions
- Donut fisheries escalate with early closure of joint ventures in U.S. waters in March
- Don Collinsworth elected Council chairman in September
- New salmon plan approved deferring to State of Alaska and Pacific Salmon Commission
- Emergency action to prohibit pollock roe stripping and establishing GOA quarterly allocations in 1990
- Emergency action to distribute halibut PSC quarterly in the GOA in 1990

## 1990

- Sea lion populations continue decline; Council notifies fishermen to be careful
- Moratorium being developed with January 19, 1990 cut-off date (later changed to September 15, 1990)
- Emergency action taken to limit herring bycatch in BSAI trawl fisheries
- Ban on pollock roestripping approved; roe/non-roer seasons set for BSAI
- GOA pollock fishery divided into quarterly allocations to advantage sea lions
- BSAI PSC caps apportioned to specific fisheries and seasons
- Council recommends penalty box (later disapproved) for high bycatch fishermen
- Overfishing definitions added to plans
- Specifications procedure approved to establish interim harvest levels to start each year
- State of Alaska delegated demersal shelf rockfish management in Eastern Gulf of Alaska
- Regional Director given hotspot authority
- Herring PSC limits and savings areas established
- Allowable gear defined in regulations, including definition of pelagic trawl gear
- Council adopts policy to prohibit all fishing activity in the Donut Hole, including by U.S. trawlers
- 1990 is last year for foreign joint ventures anywhere off Alaska
- Congress allows North Pacific Council to meet out of Alaska and to establish fee program for observers

## 1991

- Groundfish fishery goes all American off Alaska
- New Bogoslof subarea defined for pollock harvests
- Pacific cod quota apportioned seasonally in the BSAI
- John Woodruff elected chairman of AP
- Bill Clark elected chairman of SSC
- BSAI flatfish season changed to May 1
- VIP program replaces penalty box program which was disapproved by Secretary
- Council begins development of observer fee program
- Council approves inshore-offshore allocations in BSAI and GOA to begin in 1992; includes CDQs
- Sea lion protective measures adopted for 1992 including no-trawl zones around rookeries and haulouts

- Council approves hotspot authority for BSAI and GOA groundfish plans
- Walrus protection areas approved around Round Islands, the Twins, and Cape Peirce
- IFQ system approved for sablefish and halibut fixed gear fishery
- Council approves restrictions on U.S. operations in Donut Hole for 1992

## 1992

- Regulations prepared to monitor the influx of Russian halibut
- Inshore-offshore allocations begin; pollock CDQs begin late in 1992
- Trawl test areas approved
- Final action taken on vessel moratorium for groundfish and crab fisheries
- Council adopts cutoff date of June 24, 1992 for consideration for future limited access
- Trawl closures around Kodiak renewed to protect king crab
- Research plan with up to 2% fee approved to support observer coverage
- Council approves halibut PSC limit for non-trawl fisheries
- Comprehensive Rationalization Committee formed to review management options
- Pollock B season delayed from June 1 to August 15, starting in 1993
- Exclusive registration for trawlers approved by Council
- Careful release procedures of halibut by groundfish longliners approved for 1993

## 1993

- Development of scallop plan begins; January 20, 1993 set as control date
- Experimental permit recommended for processing halibut and salmon bycatch for foodbanks
- Aleutian Island management area subdivided into three subareas for allocating TACs
- John Bruce elected chairman of AP in 1993
- BSAI Pacific cod allocated among jig, trawl and fixed gears for 1994-1996
- Sea lion zones around certain rookeries extended seasonally to 20 nm
- Two observers and bins or scales required on CDQ catcher processors
- Modified block proposal approved for sablefish and halibut IFQ program
- Council establishes September 23, 1993 control date for halibut charter fleet
- Fourteen-year rebuilding plan approved for GOA Pacific ocean perch
- Council again urges U.S. State Department to conclude agreements to end fishing in Donut Hole
- BSAI flatfish season changes back to January 20 from May 1 in 1994

## 1994

- Council directs major effort at analysis of groundfish and crab license limitation
- Norton Sound established as superexclusive king crab registration area
- Emergency action to reduce chum bycatch in BSAI
- Pribilof trawl closure approved
- Scallop plan and 3-year moratorium approved with April 24, 1994 cutoff for future limited entry
- Pollock "A" season in BSAI changed to January 26 beginning in 1995
- Secretary disapproves Council's moratorium and Council resubmits revised provisions
- Council approves Governor's recommended sablefish and halibut CDQs for 1995-1997
- Committee assigned to develop full utilization and harvest priority proposals
- Distribution of bycaught salmon to food banks made voluntary
- Mesh size regulations on trawl codends approved (never implemented)
- Council takes emergency action to establish no-trawl zone in Bristol Bay to protect king crab for 1995

## 1995

- Seamount restrictions approved requiring transponders and reporting
- Crab rebuilding committee established

- EEZ closed to scallop fishery after “Mr. Big” incident
- Chum and chinook salmon bycatch controls approved for BSAI
- Fee program for observers partially implemented in 1995; full implementation delayed to 1997
- Sablefish and halibut IFQ program implemented for first time
- In June, Council adopts federal plan for scallops and three-year moratorium to be implemented in 1996
- Electronic reporting requirements approved for processor vessels
- Inshore-offshore allocations and pollock CDQ program reauthorized for 1996-1998
- License limitation program approved for crab and groundfish
- Further trawl closures approved to protect Bristol Bay king crab
- Council agrees to move forward with full utilization analysis
- Council repeals fee plan for observers in December to work out third party program
- First reports on vessel bycatch accounts
- Catch sharing plan for Area 4 halibut approved

## **1996**

- Keith Criddle elected chairman of SSC
- Bristol Bay trawl closure to protect king crab extended by emergency action
- Sablefish/halibut IFQ buydown and sweep-up amendments approved
- Formal IFQ annual proposal cycle adopted
- Council reviews pollock IFQ discussion paper and includes crab in IFQ study
- Vessel bycatch account analysis given to Council
- Grid-sorting of halibut bycatch remains voluntary
- Third and fourth quarter GOA pollock TAC apportionments combined into single release
- Pollock “B”season in BSAI delayed to September 1
- Pot longlines authorized for sablefish in the Bering Sea
- New king crab closures in Bristol Bay approved
- New PSC caps for king and Tanner crab approved
- New Pacific cod allocations to fixed, trawl and jig gear approved for BSAI
- Halibut charterboat analysis begins
- New, more conservative overfishing definitions adopted for groundfish plans
- Improved retention and utilization regulations approved; to be implemented starting in 1998
- National Research Council completes study; Bering Sea ecosystems committee formed;
- Comprehensive report provided on performance of sablefish/halibut IFQ system