

1 Introduction Sablefish

1.1 The Purpose of This Study

This report uses administrative and harvest data from the Restricted Access Management Program (RAM) of the National Oceanic Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS) and other ancillary data to report on the first seventeen years of the sablefish individual fishing quota (IFQ) program in Alaska. The purpose of this report is to provide accurate information on particular topics of interest concerning the program.

These IFQ programs in Alaska's halibut and sablefish fisheries were first implemented by NMFS in 1995 and are administered by RAM. The programs had been developed by the North Pacific Fishery Management Council (Council) and approved by the United States Secretary of Commerce.

The sablefish IFQ program represents a dramatic change from the open access fishery that preceded it. The growth in fishing effort under open access had necessitated large reductions in the length of the fishing seasons and caused a host of undesirable effects. The congestion on the fishing grounds during the relatively short openings also led to gear conflicts, gear loss, and resource wastage. The fact that the harvest occurred during short periods caused short-term market gluts and forced frozen product to be held and marketed over long periods. These factors led to lower product quality and ex-vessel prices for fishermen.

The Council anticipated that the sablefish IFQ program would spread out the season, allow fishermen to harvest their individual quotas at times opportune to them, and lead to improved product quality ex-vessel prices and economic profits. They also expected the IFQ program to reduce safety problems, congestion on the grounds, gear loss, and wastage of resources.

Many of the Council's objectives have been realized during the first seventeen years of the program. The season has been lengthened, ex-vessel prices have improved, and congestion on the grounds has been reduced. Fishermen can and do choose the times they will harvest their IFQs. There is also evidence that the program has served the other Council objectives.

However, despite these successes, some people continue to have concerns about long-term changes that might occur under the program. This is particularly true in Alaska where there are many coastal communities that depend heavily on commercial fishing for their economic base. The transfer of IFQ use-privileges to persons outside a local area or radical change in harvest and delivery patterns under the program might have harmful effects on some communities.

Because of this, many parties have an interest in closely monitoring the changes occurring under the IFQ program. In 1995 the State of Alaska, NMFS, and the Council formed an interagency study team to evaluate changes occurring under the new IFQ program. Several studies were initiated and completed through this process.

The NMFS Restricted Access Management Program administers the IFQ programs and is committed to continuing this monitoring effort. The main purpose of this study is to use data collected and maintained by RAM to document and report changes that occurred during the first seventeen years of the new sablefish IFQ program. The information contained in this report will help inform policy discussions on proposals for new IFQ programs or proposals to alter existing IFQ programs.

The report includes a brief description of the sablefish fishery, the IFQ program, and data information that should assist in the evaluation of program features.

1.2 The Sablefish Fishery

Sablefish are demersal, living in waters on or near the bottom. Adults are typically found in waters from 400 to 1,000 meters on the continental slope and in or near underwater canyons and gullies. Sablefish have been subject to directed fisheries by hook-and-line, longlines, pots, and trawls. Allocations of sablefish total allowable catch (TAC) among gear groups have been ongoing since the 1980's. Sablefish has also been taken as bycatch, particularly in trawl fisheries. There is little or no recreational fishery for sablefish. Sablefish from the directed fishery typically are landed in Alaska or processed offshore by floating processors or catcher processors.¹

The responsibility for the management of the sablefish fisheries in Federal waters off Alaska rests with the Regional Council and the U.S. Secretary of Commerce. Actual management is carried out by the NOAA Fisheries Service.

The Alaska Department of Fish and Game (ADF&G) manages sablefish within waters under the jurisdiction of the State of Alaska under regulations and guidelines established by the Alaska Board of Fisheries. Some significant sablefish fisheries within state waters have been placed under limited entry programs by the Alaska Commercial Fisheries Entry Commission (CFEC). Other sablefish fisheries occurring in state waters remain open access although IFQ permitholders who participate in these open access state fisheries must record their landings under the sablefish IFQ program, and any harvest is subtracted against their IFQ.

¹ Longline and Pot Gear Sablefish Management in the Gulf of Alaska and the Bering Sea/Aleutian Islands; Draft Supplemental Environmental Impact Statement and Regulatory Impact Review/Initial Regulatory Flexibility Analysis to the Fishery Management Plans for the Gulf of Alaska and the Bering Sea/Aleutian Islands; NPFMC, November 16, 1989; pages 15, 27, and 35.

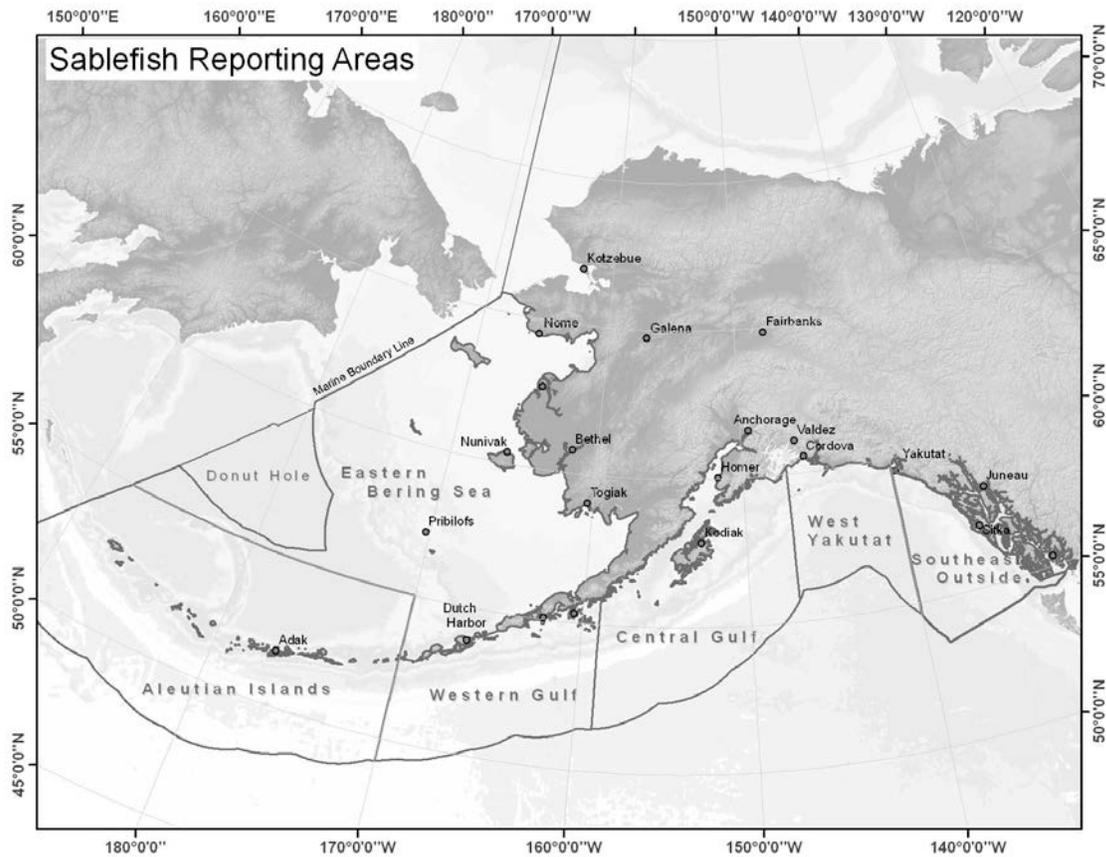


Figure 1. Sablefish IFQ Management Areas

1.3 Background on the Sablefish IFQ Program

In December 1991, the Council recommended an Individual Fishing Quota (IFQ) Program for management of the “fixed gear” sablefish and halibut fisheries off Alaska. For sablefish, fixed gear in the Gulf of Alaska (GOA) areas included all hook and line fishing gear, and fixed gear in the Bering Sea and Aleutians Islands (BSAI) areas included all hook and line and all pot gear.² The development of the program took place over a long time period. After many years of development, the Council’s IFQ plan for sablefish was approved as a regulatory amendment by the Secretary of Commerce in early 1993, and final implementing regulations became effective in November 1993.³

Quota shares (QS) are the basic use-privileges that were established under the program.⁴ QS were issued to qualified applicants who owned or leased a vessel with

²In the GOA, for purposes of determining initial IFQ allocations, fixed gear included all pot gear that had been used to make a legal landing. See 50 CFR 679.2.

³ 58 FR 59375, November 9, 1993.

⁴ “QS will be used in this report both “quota share” and “quota shares.” “QS units” and “unit of QS” also will be used for greater clarity.

legal fixed gear landings of sablefish at any time during 1988, 1989, and 1990. The regular QS units issued to a person in a management area were equal to the person's qualifying pounds for that area. Qualifying pounds were the sum of the person's best five years of landings (pounds) over the six-year period from 1985 to 1990.

The issued QS are specific to one of six sablefish management areas and one of three vessel classes. The management areas are Southeast (SE), West Yakutat (WY), Central Gulf (CG), Western Gulf (WG), Bering Sea (BS), and Aleutians Islands (AI) (see Figure 1). The three vessel classes include a harvester-processor vessel class ("freezer") and two catcher vessel classes. The two catcher vessel classes are "60 feet or less" and "greater than 60 feet."

In the BS and AI areas, 20% of the fixed gear total allowable catch (TAC) was allocated to Community Development Quotas (CDQs) for groups of communities in western Alaska.⁵ The Council compensated QS holders in these CDQ areas for reductions in TAC due to CDQs by issuing them additional "CDQ compensation QS" in the four non-CDQ areas: The SE, WY, CG, and WG areas. The CDQ compensation QS increased the total QS issued (the "QS Pool").

Each year, the amount of QS in the QS pool as of January 31 and the TAC allocated to the area's sablefish IFQ fishery are used to determine the basic QS/IFQ ratio that will be used annually in each management area for the year.⁶ Table 1 provides QS pool and TAC data from 1995 by management area. The QS/IFQ ratio TAC, and QS pool change from year to year. Ratios are affected by annual changes in either QS pools or TACs. The annual TACs change with stock abundance; QS pools change through initial issuance appeals and other administrative or legal actions.

The sablefish QS pools between fluctuated slightly during the first seventeen IFQ Program years.⁷ The QS pool was larger at the beginning of 2011 than it was in 1995 in the CG, BS, and AI management areas.

Note that the sablefish TACs devoted to IFQs dropped in WG compared to previous year while the other areas all experienced increased IFQ TAC.

A person's annual IFQ for an area is determined by multiplying the person's fraction of the total QS units outstanding in the area by the total allowable catch (TAC) allocated to the area's annual IFQ fishery. Adjustments for the person's underharvest or overharvest from the previous year determine the person's final IFQ for the year.

The issued QS are permanently transferable and, in some cases, leasable under conditions discussed in the report. The Council wanted to achieve some of the benefits associated with IFQ management but did not want the program to lead to radical changes that would be harmful to communities dependent upon the fishery. As a result, the Council adopted several complex rules to constrain changes that could occur under the program.

These rules include limits on who may buy QS and on the amount of QS that a person may hold. Rules also include constraints on the amount of QS that may be fished from

⁵ 50.CFR 679.3(c)

⁶ 50 CFR 679.40(c)

⁷ RAM included QS that was on appeal and claimed by two or more persons in the QS pool at the beginning of the year. When a case was resolved the QS and the associated IFQ was issued to successful applicant.

a boat, and restrictions placing some QS holdings into “blocks” that can only be transferred on an “all or nothing basis.” These rules represent an effort by the Council to achieve economic efficiency gains under the program while preserving some of the traditional character of the fishery and the diversity of the fishing operations. These rules are outlined in more detail and are discussed in subsequent chapters of this report.

Table 1-1. Quota Share Pools and IFQ TACs by Sablefish Management Area, 1995-2011

[Click to download table for chapter one](#)

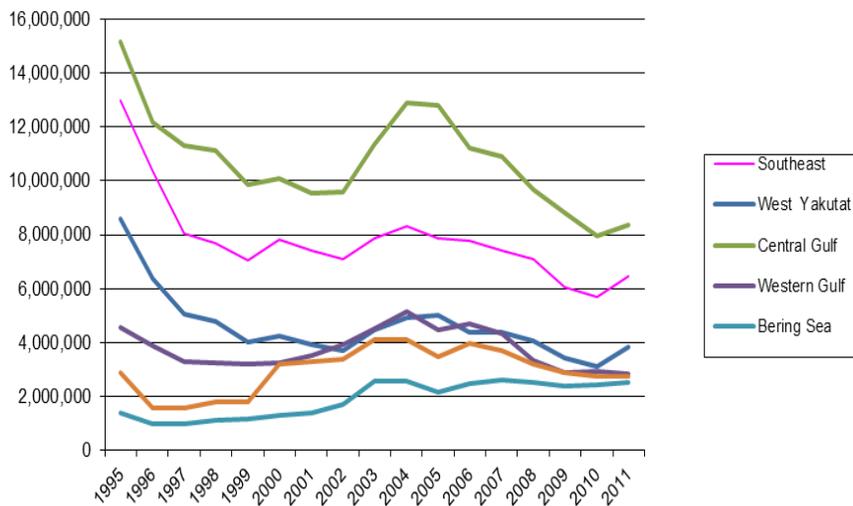


Figure 2. Quota Share Pool (# of pounds) by sablefish management area 1995-2011

This graph shows the amount of total allowable catch that has been allocated to each area from 1995 to 2011. The graph represents a drop in allocations for most area as the stock fluctuates each year so does the allocation.