

## **A Proposal for a “Floating Quota” System in Bristol Bay**

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For twenty-two seasons I’ve been a Bristol Bay Driftnetter during which time I would conservatively estimate that I’ve converted over 300,000 number 1’s sockeye into number 2’s and 3’s. I have probably lost another 25,000 fish (dropouts). I’ve spent thousands of dollars on boats, gear and fuel with no benefit to the consumer, in fact, just the opposite. My personal goal is getting some jingle in the pockets of the Bristol Bay fishermen and specifically the residents of the Bristol Bay watershed.

Catches and ex-vessel prices are both down, yet I’m sure that our collective bottom line can be greatly improved by doing four things:

- Lower the per unit cost of harvest
- More fully preserve the intrinsic quality and value of the fish
- Greatly reduce waste in terms of lost fish (primarily drop outs which can run to 5% and higher)
- Niche market to the high end markets when our overall quality improves.

### **Loss of Economic Potential due to Internal Competition**

We get a finite amount of fish to harvest which would limit our profitability under any system of harvest. In spite of that we sit on a huge unrealized economic potential. This potential will not be realized by any system of harvest based on internal competition for the fish.

In 1998 Norquest polled their fleet for costs other than debt service, crew share, maintenance and repair. The average figure for respondents was \$14,000. Assuming expenses at \$9,000 (due to tough times) for the 1,171 drifters that fished during the 2002 season, then \$10.5 million was spent just to launch, operate and victual the much

reduced fleet. The fishery grossed 27 million. Taking away eleven percent for setnetters, this results in a gross of 24 million for the drift fleet. It took 40 percent of the gross just to put the boats out on the water.

Now deduct 25% for crew share after expenses (or four million). This leaves 12.5 million left for the fleet for debt service, maintenance and repair. Anyone who made money in the fishery likely did so because some one else lost money. Much of this expense was unnecessary especially when one looks at the average harvest per boat of about 40,000 pounds.

I experienced the ultimate “buyback” this past season, being among the 35 boats legal for the second Ugashik opening. I finally had the chance, after a \$5,600 refrigeration repair, to sell some fish to Leader Creek Fisheries. Unfortunately, the last set was a frantic round haul, resulting in bruised and crushed fish. If I could have just had the time to carefully harvest the same amount of fish, the processor and I both would have come out much better. This happened to many other fishermen during these short openings.

Preserving the intrinsic high values of our fish can only be done in an orderly cooperative environment. That means determining allocation of the catch before the opening and then insuring an opening of adequate duration to carefully harvest and bleed the fish as well as make multiple deliveries.

Once the catch is divided then the embedded numbers game that has dictated most of our “business” decisions would go away. The new game could quickly change to a group contest to raise quality and lower costs. Ancillary benefits would be many: Fishermen would likely exchange helpful information, fish safer, be easier on their equipment, reduce pollution, and be able to have longer less stressful fishing careers.

### **A Proposal for a “Floating Quota” System**

I’ve chosen the term “floating quota” for the harvest system that I propose. Here follow some basic assumptions for the sake of illustration:

- 1,000 permit holders
- Permit holders are present when harvesting the fish

- Each permit holder would have an equal share (.1%)
- A 48 hour district transfer time would remain in place

Example: Assume that 250 boats are legal for an Egegik Opening. Therefore each permit holder would be able to harvest 1/250 or .4 percent of the catch. Let us assume that the biologist for the river deems that it would be prudent to harvest 100,000 fish. Therefore  $.004 (.4\%) \times 100,000 = 400$  fish. Assuming a 6 pound average, this would be 2,400 pounds per permit holder.

The individual harvest for an opening would vary according to the estimated number of fish available for harvest and the number of permit holders legal to fish, hence the term “floating quota.”

Permit holders could decide by simple majority the protocols for harvesting and gear type(s) and such other rules that would not have adverse impacts. Multiple permit holders could fish on one vessel.

### **Managing for Floating Quotas**

The individual harvest quota for an opening would be announced prior to that opening. Once the fleet started to fish, permit holders could report back to the fisheries biologist whenever required, giving catch and location. The permit holders could supply a steady stream of real-time data. The laptop, GPS and cellular system could make real-time data streaming a reality. The harvest could be expanded or reduced during an opening.

Harvesters who exceeded their quota share could make arrangements to sell or transfer their fish to another fisherman. Any number of transfer arrangements might be worked out so that the honest fisherman could stay in compliance in all eventualities.

It could take more personnel to handle the data and decision making, however the offsetting benefit of having less enforcement effort on the water is very likely.