

A Program to Reduce Discard Mortality of Pacific Halibut from Alaskan Groundfish Trawl Fisheries

North Pacific Fishery Management Council

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MRAG Americas

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Halibut bycatch and bycatch avoidance in groundfish fisheries

- Compulsory discarding
- Bycatch allocations
- Vessel Incentive Program
- Grid sorting 1995
- HMAP 1999



Alternatives

- No Action
- HMAP
- Halibut Excluder
- VBA
- Cooperatives



HMAP

- Very simple concept
 - Reduce time out of water
 - Reduce halibut DMR
 - Increase groundfish harvest per unit mortality
- Difficult to implement
 - Failed in 1995, 1999
 - Series of difficult problems



Revisiting HMAP

Further development of HMAP now requires:

- clear articulation of the problems that caused the demise of earlier efforts to establish HMAP;
- consideration of any additional problems not previously raised; and
- solutions to these problems which are acceptable to management, regulatory, and enforcement agencies, and that allow the program to function efficiently.



HMAP Problems

- VIP
- Declining survival with time
- Race for fish
- Observer issues
 - Degradation of data on bycatch
 - Groundfish data quality
 - Working space and safety for on-deck sampling
 - Effect on unobserved vessels
- Enforcement issues
 - Identification of participating vessels by fishery
 - Sorting and discarding during unobserved hauls
 - Vessel cooperation with observers
 - Non-compliant vessels



HMAP Request

- Requested by a component of industry
- Benefits from reduced halibut mortality
- Incentive to comply and cooperate
- Put burden on industry to achieve benefits
- Provide best opportunity for success



Mechanisms for Implementing HMAP

Regulatory mechanism

- Council/NMFS specify all details of program
- Same concept as scales on CP vessels

Standards mechanism

- Council/NMFS decide how much to regulate
- Set performance standards for everything else
- Participants submit implementation plan
- Same concept as scales in processing plants



Dealing with Problems

Industry role in HMAP

- Could establish voluntary contracts to assure compliance
- Could voluntarily subdivide PSC under the contract
- Non-contract HMAP participants could erode benefits through unscrupulous acts



Regulations

- HMAP vessels exempt from VIP.
- Pre-sort and discard halibut only from hauls monitored by the observer; no pre-sorting and discarding if no observer available.
- Procedure for unobserved vessels.
- Specification of areas/fisheries for HMAP.
- No pre-sorting of species other than halibut.
- No processing of the current haul until the observer arrives in the factory



Standards

- Overall performance
- Race for fish
- Adequate observer coverage
- Random sampling on deck
- Full counting of halibut discards
- Maintain current sampling proportions
- Safety on deck
- Prevent pre-sorting of species other than halibut



HMAP Components

- Bering Sea non-pelagic CP vessels
 - Except rock sole?: winter safety issues, large haul size, small halibut
- Voluntary participation with PSC allocation
 - Choose in or out
 - Two HMAP groups with PSC sub-allocation?
- Apportion PSC in proportion to GF catch from 1998-2001
 - Allocate PSC by fishery



HMAP Components

- Preseason DMR estimate = 55%
- Derived from:
 - Proportion of halibut sorted on deck
 - DMR from on-deck discards
 - DMR from factory discards



HMAP Components

- Implementation plan to participate
- Compliance
 - NMFS/Council select regulatory components
 - Regulation for standards
 - Enforcement action for failing to follow implementation plan
 - Observer role; comparison with careful release



HMAP Components

- Observer Issues
 - Maintain or improve data quality
 - Deck sorting “biases” factory samples
 - Statistical approaches “un-bias”
 - Same proportion of groundfish sampling
 - Vessel must adjust # observers or # hauls
 - Vessel must provide safety/cooperation plan



HMAP Components

- Start date – avoid starting with rock sole
- Annual Review
 - Annual industry report
 - Request NMFS report on administration
- Three-year sunset
- Industry failure => end of HMAP



Additional Guidance-WorkGroup

- Overall standard for success?
- Observer safety?
- Crew/observer cooperation?
- Observer role in compliance?
- Exclude Catcher vessels?
- Exclude rock sole?
- Allocate crab PSC?
- In-season change in DMR?



Alternatives to HMAP

- Halibut excluders
 - less halibut, but reduced catch = economic issue
 - Need more excluder development
- VBA
 - The right kinds of incentives, legally OK
 - Constraints: stat reliability, admin, prosecution
- Cooperatives
 - Success of AFA cooperatives = good model
 - MS-Act prohibits



Projected Mortality Reductions in BSAI Bottom Trawl Fisheries

HMAP Participation	Existing Rates	Presumed HMAP Rate 53.5 DMR	Percent Change	Worse than Expected HMAP Rate 67.0 DMR	Percent Change	Better than Expected HMAP Rate 45.5 DMR	Percent Change
	Mortality (mt)	Mortality (mt)		Mortality (mt)		Mortality (mt)	
100% in HMAP	2,158	1,567	-27.9	1,949	-9.7	1,324	-38.7
75% in HMAP	2,158	1,707	-20.9	2,002	-7.2	1,532	-29.0
50% in HMAP	2,158	1,857	-13.9	2,054	-4.8	1,741	-19.3
25% in HMAP	2,158	2,008	-7.0	2,106	-2.4	1,949	-9.7



Impacts of Reducing BSAI Trawl Halibut PSC Limits

- **If HMAP is adopted then the NPFMC
May Choose to reduce halibut mortality
limits in BSAI bottom trawl fisheries**
- **Options**
 - **Reduce BSAI Bottom Trawl Halibut PSC
Limits by 10%**
 - **Reduce BSAI Bottom Trawl Halibut PSC
Limits by 15%**



Reductions in PSC Limits and Potential HMAP Fisheries

	Pacific Cod	Yellowfin Sole	Rock Sole/ Other Flatfish	Total	
	Catcher Processors	Catcher Vessels	Catcher Processors	Catcher Processors	
	For Listed Vessels and Fisheries				
Average for 1998-2000					
Mortality Limits	724	724	924	756	3,127
Mortality	510	600	824	961	2,894
Mortality Limits with BSAI Trawl Halibut PSC Reduction					
10% Reduction	651	651	832	680	2,814
15% Reduction	615	615	785	643	2,658
Potential Mortality with HMAP Implementation¹					
10% Reduction	462	540	748	868	2,618
20% Reduction	414	480	673	776	2,342
30% Reduction	366	420	598	683	2,067
40% Reduction	318	360	523	590	1,791



Donna Parker
Arctic Storm
C-7a

Flatfish IRIU/AFA Processor Sideboards

The primary purpose of the proposed flatfish IRIU measure is to decrease the incidental catch of yellowfin sole, rocksole in the Bering Sea and shallow water flatfish in the Gulf of Alaska. In some fisheries the bycatch of these species is so small, that that goal has already been accomplished. For instance, the combined bycatch of rocksole and yellowfin sole in the BSAI pollock fishery is less than one half of one percent. Bycatch of these species is equally miniscule in the Arka Mackerel fishery and, for most gear types and sectors, is generally small in the BSAI cod fishery as is shallow water flatfish in the the GOA.

Include an additional option in the analysis that will exempt flatfish IRIU retention requirements for those fisheries with small bycatch amounts of yellowfin sole, rock sole and shallow water flatfish. To assess the bycatch amounts of these species include a table in the analysis that quickly and clearly allows the reader to determine the average bycatch amounts of these species in each fishery in the BSAI and GOA.

Table 17: Total catch (mt) and discard rates in the trawl catcher/processor sector, 1999

AFA	Target	Data	Species							Grand Total	
			Atka Mackerel	Flathead Sole	Other Species	Pacific Cod	Pollock	Rock Sole	Yellowfin Sole		
Yes	Atka Mackerel	Total Catch	578	-	61	38	1	1	-	679	
		% Discarded	1%	-	33%	0%	0%	22%	-	4%	
	Pollock	Total Catch	0	988	789	1,289	300,460	411	83	304,021	
		% Discarded	7%	70%	71%	13%	1%	74%	76%	1%	
	Pacific Cod	Total Catch	23	92	220	5,049	261	163	0	5,809	
		% Discarded	99%	94%	95%	1%	48%	96%	100%	11%	
	Rockfish	Total Catch	-	-	63	-	1	-	-	63	
		% Discarded	-	-	0%	-	0%	-	-	0%	
	Yellowfin Sole	Total Catch	-	45	924	117	462	296	8,566	10,409	
		% Discarded	-	16%	36%	1%	2%	35%	9%	12%	
	Other	Total Catch	-	0	0	3	907	0	-	910	
		% Discarded	-	100%	100%	0%	0%	100%	-	0%	
	Total Catch of 19 AFA CPs			602	1,125	2,058	6,495	302,091	871	8,649	321,891
	% Discarded by the 19 AFA CPs			5%	70%	55%	3%	1%	65%	10%	2%
No	Atka Mackerel	Total Catch	50,225	62	7,260	2,175	304	64	15	60,105	
		% Discarded	8%	34%	90%	5%	49%	92%	29%	18%	
	Pollock	Total Catch	10	93	271	113	30,337	237	197	31,259	
		% Discarded	34%	12%	88%	4%	0%	74%	11%	2%	
	Pacific Cod	Total Catch	469	1,567	2,840	11,371	7,818	5,488	379	29,934	
		% Discarded	87%	33%	92%	1%	71%	63%	81%	43%	
	Other Flatfish	Total Catch	44	194	1,904	138	324	93	65	2,762	
		% Discarded	34%	18%	70%	11%	74%	79%	72%	63%	
	Rockfish	Total Catch	1,932	4	11,989	174	345	5	-	14,450	
		% Discarded	15%	13%	7%	2%	16%	45%	-	8%	
	Flathead Sole	Total Catch	14	10,681	7,435	3,113	3,962	2,510	3,593	31,308	
		% Discarded	0%	13%	87%	15%	60%	74%	50%	46%	
	Rock Sole	Total Catch	0	573	1,088	3,277	5,132	15,878	1,315	27,263	
		% Discarded	100%	52%	96%	4%	63%	46%	64%	47%	
Turbot	Total Catch	133	120	1,454	87	146	23	18	1,980		
	% Discarded	5%	7%	35%	17%	40%	61%	76%	32%		
Arrow-tooth	Total Catch	7	76	827	54	140	16	16	1,136		
	% Discarded	1%	10%	37%	11%	54%	37%	29%	36%		
Yellowfin Sole	Total Catch	33	2,031	14,454	4,104	7,824	10,315	51,373	90,135		
	% Discarded	0%	24%	91%	12%	37%	66%	15%	35%		
Other	Total Catch	6	2	100	14	33	48	177	381		
	% Discarded	100%	22%	95%	2%	76%	53%	20%	49%		
Total Catch of Non-AFA CPs			52,874	15,403	49,622	24,621	56,365	34,678	57,150	290,712	
% Discarded by Non-AFA CPs			9%	18%	67%	5%	26%	57%	19%	30%	
Total Catch of all CPs			53,475	16,528	51,680	31,116	358,456	35,549	65,799	612,603	
% Discarded by all CPs			9%	22%	66%	5%	5%	57%	18%	15%	

Source: NMFS Blend data for 1999.

Note: The AFA sector includes only the catch of the vessels (15 of 19) that participated in 1999.

2nd Qtr " C-Tac-Polloza"
need to retrieve from
Chris.

Fishermen's Finest, Inc. -
1532 NW 56th Street
Seattle, WA 98107
(206) 283-1137; (206) 281-8681 fx

April 16, 2002

Dave Benton, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AK, 99501

Re: Agenda Item C-7; IR/IU

Dear Chairman Benton;

Fishermen's Finest operates 2 trawl H&G catcher processors. We recommend that the Council support the AP Motion on this agenda item.

In anticipation of 100% IR/IU of rock sole (RS) and yellowfin sole (YFS), Fishermen's Finest has sought markets for the smaller sized fish of these species. Our Captains have also adapted gear and fishing strategy to the extent possible. We believe that under the current management structure, we have done as much as we can possibly do maximize retention of these species.

Options to adjust the 100% retention of YFS and RS were proposed at the Council last year and were sent out for analysis, for initial action at this meeting. In an April 8, 2002 letter from NMFS to the Council, the Regional Director stated that NMFS could not implement or enforcement retention of YFS and RS at levels less than 100%. Options were also sent for analysis that included reducing the halibut cap in conjunction with a halibut mortality avoidance program. On March 13, 2002, the Observer Program provided comments on the HMAP program stating it could not support it for a variety of reasons. Industry has been working for two years on these proposals with no adverse commentary from the agency until now, just weeks before the Council's initial action. This is a very serious and unexpected turn of events and we ask that the Council look at the information it has remaining before it:

- Both the original IR/IU analysis and the Northern Economics flatfish IR/IU analysis claim that 100% retention would severely jeopardize the continued viability and existence of the smaller scale fleet. We can tell you that both analyses are extremely accurate.
- Neither rock sole nor yellowfin sole are in jeopardy of overfishing. In fact the TACs for these species are well below the ABCs. Additionally, the TACs are not fully harvested. We are dealing with stable populations. This is currently not a conservation crisis. We hope that the Council recognizes that this IR/IU issue is different than those of overfishing and the ensuing litigation that face other Councils. While the goals of better utilization and reduced bycatch have genuine merit, we believe that the H&G fleet has accomplished this to the extent practicable in the YFS and RS fisheries. (See attached tables for overfishing, ABC, TAC and harvests of YFS and rock sole.)

- Industry has worked diligently to find alternate solutions to issues of bycatch reduction, however the tools we would have used to accomplish this were just taken from us, without previous warning.

We request that the Council rescind, or delay, implementation of the 100% retention of flatfish so that industry can devise its bycatch reduction plan which accomplishes something measurable - other than bankrupting itself through the retention of fish whose TACs are not even fully harvested each year and the markets of which are fully subscribed.

It is imperative that we have adequate time to address alternate solutions to the bycatch reduction mandate, particularly in light of the issues just raised by NMFS. We truly want the ability to develop more effective bycatch reduction measures and request that the Council support the industry in this goal by granting us this stay of execution. Please release the document for public comment, support the AP Motion, and ensure that NMFS works constructively with industry on its bycatch reduction plan.

Most sincerely,

Susan Robinson

Susan Robinson
Fishermen's Finest, Inc.

TABLE 3.—2002 ACCEPTABLE BIOLOGICAL CATCH (ABC), TOTAL ALLOWABLE CATCH (TAC), INITIAL TAC (ITAC), CDQ RESERVE ALLOCATION, AND OVERFISHING LEVELS OF GROUND FISH IN THE BERING SEA AND ALEUTIAN ISLANDS AREA (BSAI)¹

[All amounts are in metric tons]

Species	Area	Overfishing level	ABC	TAC	ITAC ²	CDQ reserve ³
Pollock ⁴	Bering Sea (BS)	3,530,000	2,110,000	1,485,000	1,283,040	148,500
	Aleutian Islands (AI)	31,700	23,800	1,000	900	100
	Bogoslof District	46,400	4,310	100	90	10
Pacific cod	BSAI	294,000	223,000	200,000	170,000	15,000
Sablefish ⁵	BS	2,900	1,930	1,930	821	265
	AI	3,850	2,550	2,550	541	431
Atka mackerel	BSAI	82,300	49,000	49,000	41,650	3,675
	Western AI		19,700	19,700	16,745	1,478
	Central AI		23,800	23,800	20,230	1,785
	Eastern AI/BS		5,500	5,500	4,675	413
Yellowfin sole	BSAI	136,000	115,000	86,000	73,100	6,450
Rock sole	BSAI	268,000	225,000	54,000	45,900	4,050
Greenland turbot	BSAI	36,500	8,100	8,000	6,800	600
	BS		5,427	5,360	4,556	402
	AI		2,673	2,640	2,244	198
Arrowtooth flounder	BSAI	137,000	113,000	16,000	13,600	1,200
Flathead sole	BSAI	101,000	82,600	25,000	21,250	1,875
Other flatfish ⁶	BSAI	21,800	18,100	3,000	2,550	225
Alaska plaice	BSAI	172,000	143,000	12,000	10,200	900
Pacific ocean perch	BSAI	17,500	14,800	14,800	12,580	1,111
	BS		2,620	2,620	2,227	197
	AI Total		12,180	12,180	10,353	914
	Western AI		5,660	5,660	4,811	425
	Central AI		3,060	3,060	2,601	230
	Eastern AI		3,460	3,460	2,941	260
Northern rockfish ⁷	BSAI	9,020	6,760	6,760	5,746	
	BS			19	16	(?)
Shortraker/Rougheye ⁷	AI			6,741	5,730	506
	BSAI	1,369	1,028	1,028	874	
	BS			116	99	(?)
Other rockfish ⁸	AI			912	775	68
	BS	482	361	361	307	27
	AI	901	676	676	575	51
Squid	BSAI	2,620	1,970	1,970	1,675	
Other species ⁹	BSAI	78,900	39,100	30,825	26,201	2,312
Total		4,974,242	3,184,085	2,000,000	1,717,399	187,504

¹ Amounts are in metric tons. These amounts apply to the entire Bering Sea (BS) and Aleutian Islands (AI) management area unless otherwise specified. With the exception of pollock, and for the purpose of these specifications, the Bering Sea subarea includes the Bogoslof District.

² Except for pollock, squid, and the portion of the sablefish TAC allocated to hook-and-line or pot gear, 15 percent of each TAC is put into a reserve. The ITAC for each species is the remainder of the TAC after the subtraction of the reserve.

³ Except for pollock and the hook-and-line or pot gear allocation of sablefish, one half of the amount of the TACs placed in reserve, or 7.5 percent of the TACs, is designated as a CDQ reserve for use by CDQ participants (see § 679.31).

⁴ The American Fisheries Act (AFA) requires that 10 percent of the annual pollock TAC be allocated as a directed fishing allowance for the CDQ sector. NMFS then subtracts 4 percent of the remainder as an incidental catch allowance of pollock, which is not apportioned by season or area. The remainder is further allocated by sector as follows: inshore, 50 percent; catcher/processor, 40 percent; and motherhips, 10 percent. NMFS, under regulations at § 679.24(b)(4), prohibits nonpelagic trawl gear to engage in directed fishing for non-CDQ pollock in the BSAI.

⁵ The ITAC for sablefish reflected in Table 3 is for trawl gear only. Regulations at § 679.20(b)(1) do not provide for the establishment of an ITAC for the hook-and-line or pot gear allocation for sablefish. Twenty percent of the sablefish TAC allocated to hook-and-line gear or pot gear and 7.5 percent of the sablefish TAC allocated to trawl gear is reserved for use by CDQ participants (see § 679.31(c)).

⁶ "Other flatfish" includes all flatfish species, except for Pacific halibut (a prohibited species), flathead sole, Greenland turbot, rock sole, yellowfin sole, arrowtooth flounder, and Alaska Plaice.

⁷ The CDQ reserves for shortraker, rougheye, and northern rockfish will continue to be managed as the "other red rockfish" complex for the BS. For 2002 the CDQ reserve for the "other red rockfish" complex is 10 mt.

⁸ "Other rockfish" includes all *Sebastes* and *Sebastes* species except for Pacific ocean perch, northern, shortraker, and rougheye rockfish.

⁹ "Other species" includes sculpins, sharks, skates and octopus. Forage fish, as defined at § 679.2, are not included in the "other species" category.

Table 4. Total Biomass (from Survey Data), Pre-season Catch Specifications, and Total Catches (Including Discards) of Yellowfin Sole in the BSAI, 1980-2001

Year	EBS Biomass	BSAI ABC metric tons (mt)	BSAI TAC	BSAI Catch
1980	1,842,000	169,000	117,000	87,391
1981	2,394,000	214,500	117,000	97,301
1982	3,377,000	214,500	117,000	95,712
1983	3,535,000	214,500	117,000	108,385
1984	3,141,000	310,000	230,000	159,526
1985	2,443,000	310,000	229,900	227,107
1986	1,909,000	230,000	209,500	208,597
1987	2,613,000	187,000	187,000	181,429
1988	2,402,000	254,000	254,000	223,156
1989	2,316,000	241,000	182,675	153,165
1990	2,183,000	278,900	207,650	80,584
1991	2,393,000	250,600	135,000	96,135
1992	2,172,000	372,000	235,000	146,946
1993	2,465,000	238,000	220,000	105,809
1994	2,610,000	230,000	150,325	144,544
1995	2,009,000	277,000	190,000	124,746
1996	2,298,000	278,000	200,000	130,163
1997	2,163,000	233,000	230,000	181,389
1998	2,329,000	220,000	220,000	95,036
1999	1,306,000	212,000	207,980	67,000
2000	1,581,900	191,000	123,262	84,070
2001	1,855,200	176,000	113,000	54,340

Source: 2002 SAFE Report

Table 6. Total Biomass (from Survey Data), Pre-season Catch Specifications, and Total Catches (Including Discards) of Rock Sole in the BSAI, 1980-2001

Year	EBS Biomass	BSAI ABC metric tons (mt)	BSAI TAC	BSAI Catch
1980	284,000	N/A	N/A	8,798
1981	302,000	N/A	N/A	9,021
1982	579,000	N/A	N/A	11,844
1983	713,000	N/A	N/A	13,618
1984	799,000	N/A	N/A	18,750
1985	700,000	N/A	N/A	37,678
1986	1,031,000	N/A	N/A	23,483
1987	1,270,000	N/A	N/A	40,046
1988	1,480,000	N/A	N/A	86,366
1989	1,139,000	171,000	90,762	68,912
1990	1,381,000	216,300	60,000	35,253
1991	1,588,000	246,500	90,000	46,681
1992	1,543,000	260,800	40,000	51,956
1993	2,123,000	185,000	75,000	64,260
1994	2,894,000	313,000	75,000	60,584
1995	2,175,000	347,000	60,000	55,083
1996	2,183,000	361,000	70,000	47,146
1997	2,711,000	296,000	97,185	67,564
1998	2,169,000	312,000	100,000	33,454
1999	1,689,000	309,000	120,000	40,000
2000	2,127,000	230,000	137,760	49,494
2001	2,415,000	228,000	75,000	28,882

Source: 2002 SAFE Report



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668

C-7a

April 8, 2002

Mr. David Benton, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501-2252

Dear David:

We have reviewed the draft analysis of proposed changes to flatfish IR/IU requirements (Agenda C-7(a)), and are concerned about the range of alternatives under consideration. The analysis concludes that head and gut (H&G) flatfish trawlers will face severe economic consequences if full retention requirements for flatfish are not revised prior to the effective date of January 1, 2003. The options include repeal of the flatfish improved retention/improved utilization (IR/IU) requirements and a range of retention requirements from 50 to 100 percent retention.

We believe that the options for partial retention pose compliance and enforcement problems that may be impossible to resolve. We are also concerned that species-specific partial retention options could result in inappropriate use of observer sampling data, and could place undue pressure on observers.

PROBLEMS WITH MEASURING PARTIAL RETENTION OF FLATFISH

At present, we do not have the means to accurately and precisely measure species-specific retention rates on catcher/processors and catcher vessels. Without the ability to measure the retention percentage for a given species it will be impossible for vessel operators to know whether or not they are in compliance with a partial retention standard, and it will be impossible for NMFS to enforce the standard.

Determining the retention rate of IR/IU flatfish species on board a vessel requires measuring both the vessel's retained weight of each IR/IU flatfish species and the vessel's total catch weight of each IR/IU flatfish species. An estimate of retained weight may be generated by converting product weights to round-weight equivalents using NMFS published product recovery rates (PRRs). Catcher/processors are required to



keep accurate records of their retained products. We currently convert product weights to round-weight equivalents to determine compliance with directed fishing closures and other regulatory requirements.

The problem with the partial retention options is that we do not have a precise and universal method to measure the total weight of each species on a haul-by-haul basis. Vessel operators are not currently required to report species-specific total catch weights on a haul-by-haul basis. A requirement that vessel operators report the total catch of each species would likely also need to require that all catch be sorted and weighed prior to processing or discarding. Such a regulation would place a significant new burden on industry and would likely be impractical on many smaller vessels.

The use of observer sampling data to determine the total weight of IR/IU flatfish species is also problematic. The problems with using observer sampling data for IR/IU compliance monitoring are outlined below.

PROBLEMS WITH USING OBSERVER SAMPLING DATA FOR IR/IU COMPLIANCE MONITORING

One problem with using observer sampling data to measure retention rates is that not all vessels have 100 percent observer coverage. If observer data are used to monitor compliance then unobserved vessels would have no way of knowing whether they are in compliance with the regulation and NMFS enforcement would have no means of monitoring compliance on unobserved vessels.

Furthermore, even when observers are present, we believe it is inappropriate to base retention rate requirements on observer species composition estimates. On a typical H&G flatfish trawler the observer samples only a small percentage of a given haul for species composition. In addition, typically only 40-60 percent of hauls are sampled for species composition on H&G vessels. The observer's basket sample is then extrapolated to generate total weight estimates for that haul, and the species composition data from observed hauls are applied to unobserved hauls to generate estimates of total catch by week and area. This sampling protocol produces total catch estimates that are appropriate for TAC management when they are aggregated across the entire fleet. However this sampling protocol is not rigorous enough to produce

species-specific total catch estimates that could be used to monitor compliance with a partial retention requirement.

If the observer's species composition estimate is used to measure the retained percentage of IR/IU flatfish, then every basket sample would produce a production quota for the vessel. We believe this is an inappropriate use of observer species composition data, which is simply not precise enough to be used for this purpose. Probably the only way to measure total catch of IR/IU species in a manner that is rigorous enough to be used as an enforceable production quota would be to require that all hauls be sorted and weighed on flow scales prior to processing. However, such a requirement would require extensive restructuring of most vessels and could be impractical on all but the largest catcher/processors.

MONITORING 100 PERCENT RETENTION REQUIREMENTS

The existing 100 percent retention requirement for pollock and Pacific cod, and the upcoming 100 percent retention requirements for flatfish species do not pose the same compliance issues as a partial retention standard. Under a 100 percent retention standard, precise estimates of the total catch weight of each species are unnecessary. Compliance with the standard is simply a matter of ensuring that whole fish are not discarded. This may be more difficult to accomplish with flatfish because many flatfish species are similar in appearance. However, 100 percent retention is a clear standard that does not require vessels to rely on observer sampling data to determine whether or not they are in compliance.

We do, however, understand that the draft analysis has raised serious concerns about the economic viability of the flatfish fisheries under a 100 percent retention standard for BSAI rock sole and yellowfin sole and GOA shallow water flatfish. And we understand that the Council is interested in exploring options that would provide for economically-viable retention and utilization standards in the flatfish fisheries.

GENERAL PRINCIPLES FOR ANY IR/IU REQUIREMENTS

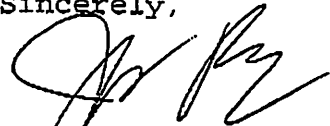
As a general rule, we believe that any proposed IR/IU requirement must meet two principles before it can be considered a viable alternative.

First, the requirement must produce a clear and unambiguous standard so that all vessel operators are able to determine with certainty whether or not their vessel is in compliance. The existing options for partial retention of flatfish fail to meet this principle due to the lack of a universal and precise method of estimating the vessel's total catch of IR/IU species. If the vessel operator has no way of knowing with precision how many tons of each IR/IU flatfish species have been harvested, then he or she has no way of knowing how many tons of product must be produced to comply with the standard.

Second, we must have some means to monitor and verify compliance. If we do not have the means to monitor compliance, then the regulation becomes meaningless. If data limitations do not permit us to ever measure retention rates for each IR/IU species to an acceptable level of precision, then the standard itself becomes unenforceable.

Although we have raised serious concerns about the proposed partial retention requirements for IR/IU flatfish species, we believe that with some creative thinking it may be possible to develop an economically-viable IR/IU requirement that produces a strong incentive to reduce groundfish discards and that is subject to effective monitoring and compliance. We look forward to working with the Council to develop such a program.

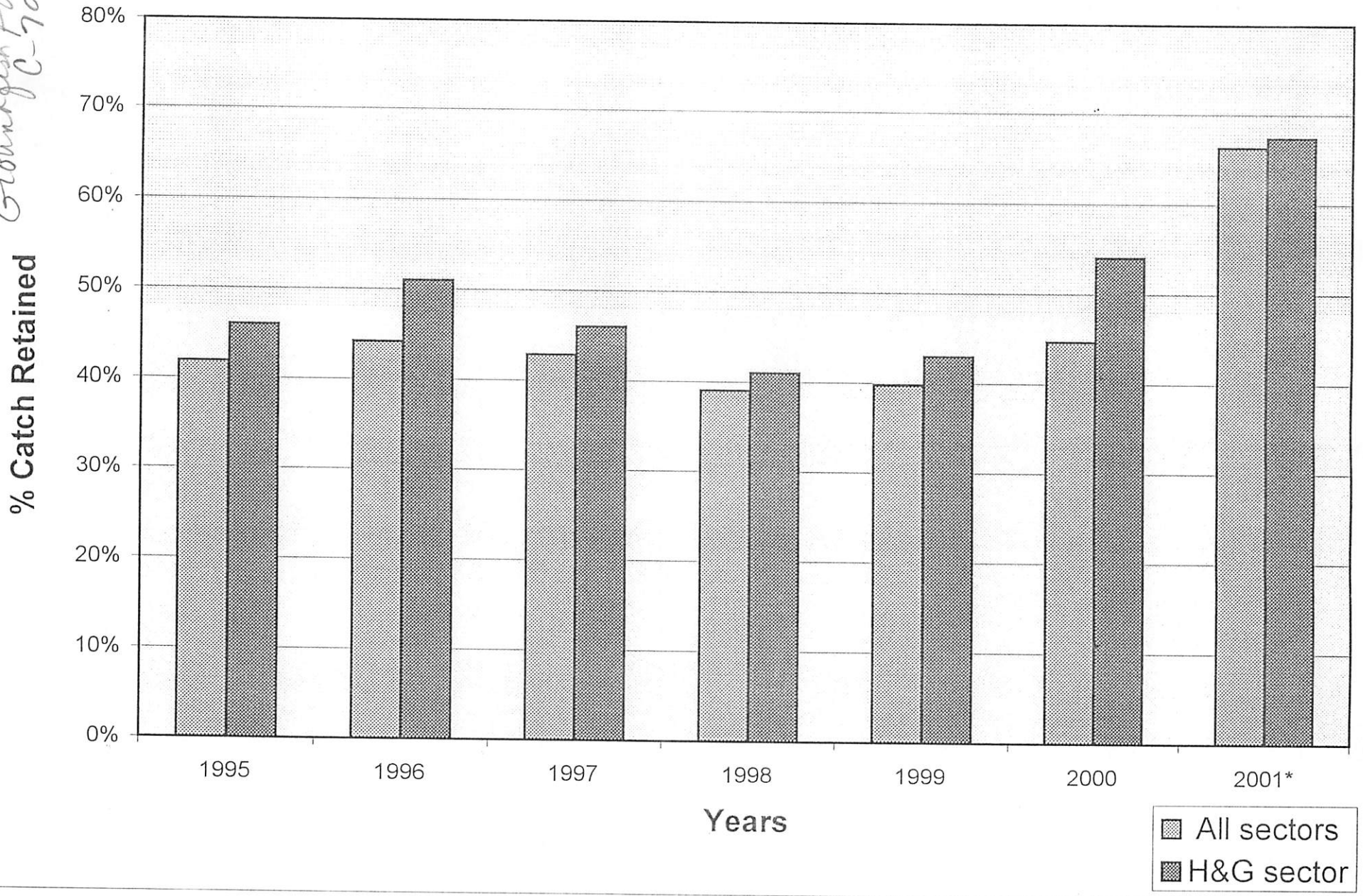
Sincerely,



James W. Balsiger
Administrator, Alaska Region

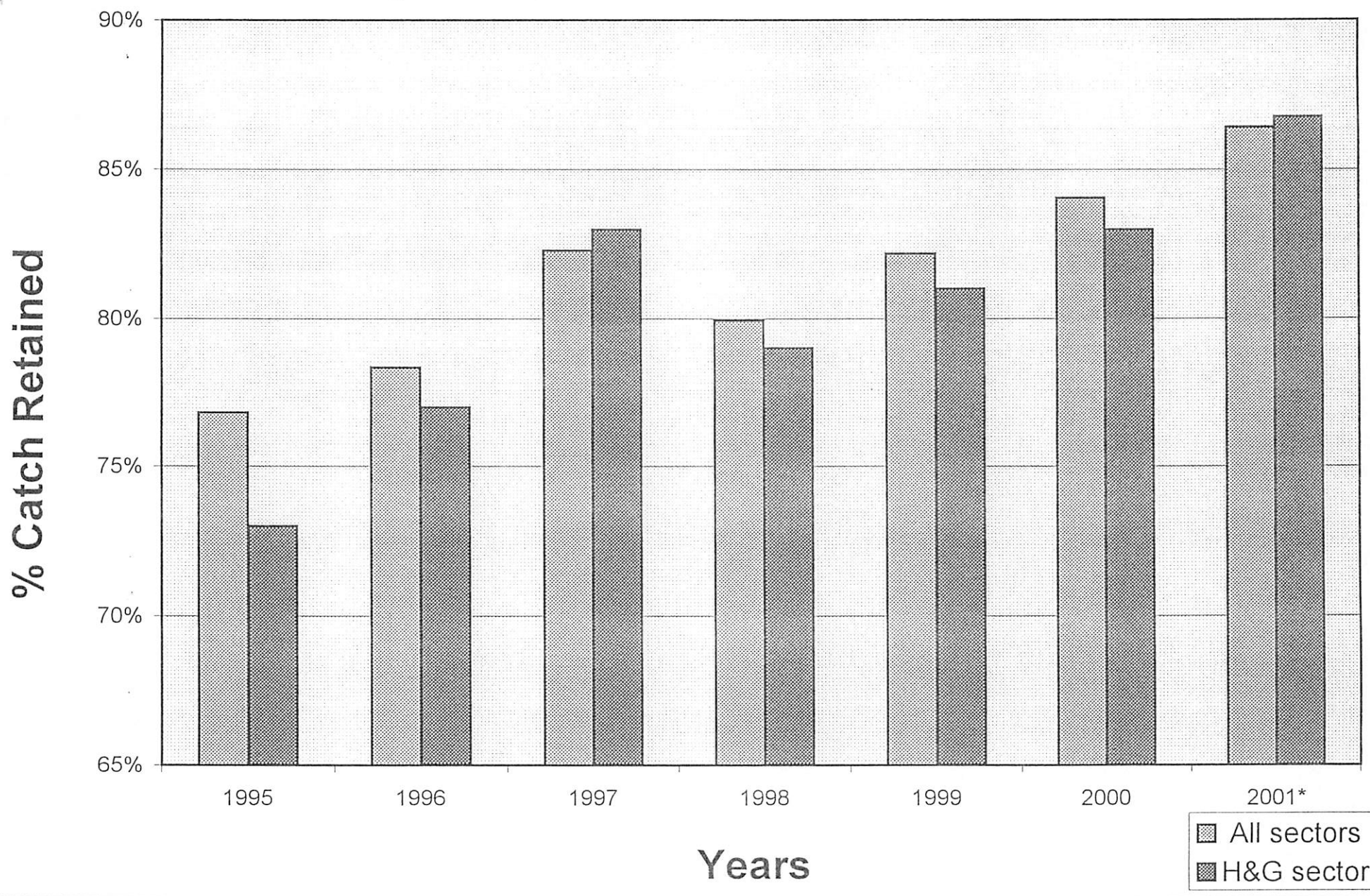
Percentage of Catch Retained: Rocksole 1995-2001

*Groundfish Forum
C-7a
Apr 02*



Sources: Final Draft AFA Report to Congress: September 2001: Appendix III
 *MFS 2001 BSAI Groundfish Discards from Weekly Production and Processor Reports through 12/15/01.
 *2001 H&G sector data includes all catcher processors.

Percentage of Catch Retained: Yellowfin Sole 1995-2001



Source: Final Draft AFA Report to Congress: September 2001: Appendix K
JMFS 2001 BSAI Groundfish Discards from Weekly Production and Observer Reports through 12/15/01.

*2001 H and G sector data includes all catcher processors.

Percentage of Catch Retained: Rocksole & Yellowfin Sole 1995 - 2001

	RS Total Catch	Discarded	Retained Catch	% Retained	YFS Total Catch	Discarded	Retained Catch	% Retained
1995 cv	3,548	3,051	497	14%	11,489	689	10,800	94%
1995 cp	46,287	25,921	20,366	44%	109,304	27,326	81,978	75%
1995 All sectors	49,835	28,972	20,863	42%	120,793	28,015	92,778	77%
1995 H&G sector	40,337	21,782	18,555	46%	77,707	20,981	56,726	73%
1996 cv	4,539	4,448	91	2%	7,072	1,132	5,940	84%
1996 cp	39,960	20,380	19,580	49%	121,642	26,761	94,881	78%
1996 All sectors	44,499	24,828	19,671	44%	128,714	27,893	100,821	78%
1996 H&G sector	35,056	17,177	17,879	51%	79,630	18,315	61,315	77%
1997 cv	5,499	4,399	1,100	20%	14,570	437	14,133	97%
1997 cp	58,653	32,259	26,394	45%	165,950	31,531	134,420	81%
1997 All sectors	64,152	36,658	27,494	43%	180,520	31,968	148,552	82%
1997 H&G sector	53,040	28,642	24,398	46%	128,275	21,807	106,468	83%
1998 cv	1,620	1,588	32	2%	561	185	376	67%
1998 cp	30,943	18,256	12,687	41%	100,063	20,013	80,050	80%
1998 All sectors	32,563	19,844	12,719	39%	100,624	20,198	80,426	80%
1998 H&G sector	27,082	15,978	11,104	41%	82,450	17,315	65,136	79%
1999 cv	2,992	2,932	60	2%	1,349	121	1,228	91%
1999 cp	35,549	20,263	15,286	43%	65,799	11,844	53,955	82%
1999 All sectors	38,541	23,195	15,346	40%	67,148	11,965	55,183	82%
1999 H&G sector	34,678	19,766	14,912	43%	57,150	10,859	46,292	81%
2000 cv	1,627	1,529	98	6%	1,779	249	1,530	86%
2000 cp	47,240	25,510	21,730	46%	81,614	13,058	68,556	84%
2000 All sectors	48,867	27,039	21,828	45%	83,393	13,307	70,086	84%
2000 H&G sector	43,996	20,238	23,758	54%	72,961	12,403	60,558	83%
2001 All Sectors	29,254	9,858	19,396	66%	63,389	8,601	54,788	86%
2001 CPs	27,855	9,089	18,766	67%	63,037	8,340	54,697	87%

Sources: Final Draft AFA Report to Congress: September, 2001: Appendix III.
 NMFS 2001 BSAI Groundfish Discards from Weekly Production and Observer Reports through 12/15/01.

help to maintain a viable fishing industry through sustainable fishing measures. While not as strong as H.R. 39, this bill is a step in the right direction for sound fishery conservation and management.

Mr. Speaker, I have been approached by a number of Members who support passage of this legislation, but share my concern about specific provisions which may need to be modified next year. Despite the number of misgivings I have about this bill, in my opinion, this bill is better than the alternative—no bill at all. A number of Members of the other body have threatened to kill this bill if the House makes any changes. I regret that they have taken that position and regret that the House is in a position of having to accept a bill which is not as good as the House-passed bill.

Mr. Speaker, while I support passage of this legislation and urge all Members to do so, I also realize there may be some problems with the legislation which will need to be addressed in the next Congress. I am committed to working with Members next year to address outstanding concerns.

If we had a few weeks or months left in this Congress, I would urge all Members to join me in sending the Senate a better bill than the one they have sent us. Unfortunately, we do not have that luxury.

While most of the affected industry groups and the environmental community would like to see some minor modifications to this bill, a reluctant groundswell has urged the House to accept this legislation rather than lose all that we have worked so hard for.

I urge all Members to support passage of S. 39 and send this important piece fishery management and conservation legislation to the President for his signature.

Mr. Speaker, in their efforts to achieve consensus on S. 39, the authors of the bill in the other body accidentally left unclear some of the provisions in the bill. In order to avoid confusion on the part of those affected by these provisions—including the National Marine Fisheries Service, the regional councils, and the seafood industry—I will take this opportunity to clarify in legislative history the intent of these parts of the bill.

Section 105(d) of S. 39 amends section 204 of the act in a manner similar to the House-passed bill by allowing permits to be issued for transshipment of fish. The Senate added a requirement that permit applications be forwarded to affected States and that the Secretary consult with the appropriate Marine Fisheries Commission. Since the Marine Fisheries Commissions are composed of individual States, it is obvious that the consultation requirement was meant to extend to any individual affected State that received a copy of the permit. Although this is inferred, rather than written directly, it is the intent of this provision that States, as well as commissions and councils, be consulted.

Section 106 of S. 39 establishes a new national standard regarding bycatch which is similar to the new national standard established in the House-passed bill. The applica-

tion of this new standard is expanded in section 108(a)(7) of S. 39, which describes new required provisions for fishery management plans. Both the standard and the required provision make clear that bycatch be avoided where practicable, and the mortality of unavoidable bycatch be minimized where practicable. The use of the term "to the extent practicable" was chosen deliberately by both the Senate and the House. Both bodies recognize that bycatch can occur in any fishery, and that complete avoidance of mortality is impossible. Councils should make reasonable efforts in their management plans to prevent bycatch and minimize its mortality. However, it is not the intent of the Congress that the councils ban a type of fishing gear or a type of fishing in order to comply with this standard. "Practicable" requires an analysis of the cost of imposing a management action; the Congress does not intend that this provision will be used to allocate among fishing gear groups, nor to impose costs on fishermen and processors that cannot be reasonably met.

Section 107 of S. 39 adds an additional seat on the Pacific Fishery Management Council that is to be filled by a member of an Indian tribe with Federally recognized fishing rights. The Senate neglected to define this term, believing that its meaning is obvious. Unfortunately, a recent court ruling in U.S. District Court in the Western District of Washington regarding a subpoenaing of United States versus Washington, which is under appeal, has clouded the previously clear meaning of this term as upheld by the Supreme Court. In order to avoid confusion in the definition of a term that has been clear for nearly 20 years, I want to make clear that is the intent of the Congress that the term "Federally recognized fishing rights" as used in regard to the Magnuson Fishery Conservation and Management Act, means a treaty fishing right that has been finally approved by the courts under the process defined in section 19(g) of the final court order under United States versus Washington, and the approval is not subject to further appeal.

Section 107(h) of S. 39 amends section 302(l) of the Magnuson Fishery Conservation and Management Act by providing additional procedures for the operation of Regional Fishery Management Councils. Specifically, it requires individuals testifying before, or providing information to, a Council to disclose their background and interest in the matter at hand. This provision was included in the House passed bill. The Senate added an additional sentence to make sure that valid data is provided to the councils. Unfortunately, this sentence could be interpreted as precluding a fisherman, processor, or member of the public from providing information based on their own experiences. Clearly, this was not the intent of the authors of the bill. The council system was established specifically to allow public input into the fisheries management process. It is clearly the intent of the Congress that this provision is not meant to require a fisherman, processor, or member of the public to fully document every statement made in a letter to a council by providing fish tickets, landing receipts, processing records, or similar information.

Section 109(3)(6) of S. 39 amends section 304(c)(3) of the Magnuson Fishery Conservation and Management Act regarding the authority of the Secretary to propose a limited

entry system under a fishery management plan or amendment prepared by the Secretary. The amendment is purely technical in nature and is not intended to modify the requirement that the Secretary obtain approval of a council before a limited entry system is put in place. In other words, the Secretary has no authority to prepare a plan for a fishery managed by a State or a Marine Fishery Commission and include a limited entry system in the plan without obtaining approval of the council within whose area of jurisdiction that fishery exists.

Section 109(e) of S. 39 includes new provisions regarding overfishing and rebuilding overfished stocks that are essentially the same as those included in the House passed bill. Both the House and the Senate noted that exceptions could be made to the time required for rebuilding. While the House was more specific in its list of exceptions, the Senate incorporated all of the House exceptions under the phrase "other environmental conditions." It is the intent of this section that the phrase "other environmental conditions" includes factors beyond the control of the rebuilding program.

The rebuilding provisions of section 109(e) also require the Secretary to prepare a plan or plan amendment if the council takes no action within 1 year. The Senate language as drafted is unclear on the time frame for Secretarial action. The intent of the Senate provision is that the Secretary take action within 9 months of the end of the period provided for council action.

Section 110(d) of S. 39 amends section 305 of the Magnuson Fishery Conservation and Management Act by adding a new subsection (h) providing for a limited entry permit lien registry system. While establishment of the lien registry system by the Secretary is mandatory, participation in the system by limited access permit holders is not. It is the intent of the Congress that any permit holder registering a permit with the system comply with the requirements of this section, including paying any applicable fees. However, it is not the intent of the Congress that all permit holders register with the system; this is a discretionary action that each permit holder must decide to take after weighing the costs and benefits of participating in the system.

Section 111(a) of S. 39 amends section 305 of the Magnuson Act by adding a new subsection to require the North Pacific Fishery Management Council and the Secretary of Commerce to consolidate the western Alaska community development quota programs that the council and the Secretary presently are implementing. Of co-equal importance, subsection (i)(1)(A) also requires the council and the Secretary to allocate to the single program a percentage of the total allowable catch—and with respect to crab fisheries a percentage of the guideline harvest level—of each Bering Sea fishery.

I am pleased that in drafting subsection 305(i)(1)(A) and (B) the Senate incorporated the text of paragraphs (1) and (2) of the amendment to section 313 of the Magnuson Act that is contained in section 14 of H.R. 39.

In that regard, when the western Alaska community development quota program was considered by the Resources Committee, I and other members of the committee gave serious consideration to including a provision which would have mandated the North Pacific

Groundfish Forum

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groundfishforum.org

C-7a

April 16, 2002

Mr. Dave Benton
Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage AK 99601-2252

RE: Agenda Item C7: AFA, Processor Sideboards, IR/IU and IR/IU alternatives

Dear Dave:

I very much regret the situation that has befallen the members of the Groundfish Forum with respect to the fate of our package of alternative bycatch reduction measures in the face of the imminent implementation of full retention requirements for rocksole and yellowfin sole. Since its creation, the Groundfish Forum has always acknowledged the problems facing its mixed species fisheries and worked for constructive solutions. Groundfish Forum was, in fact, formed directly after the NPFMC decision to approve the delayed implementation of flatfish IR/IU. The mandate given to me as the organization's director was simple: 1) organize and coordinate the efforts of member companies to explore ways to improve selectivity of flatfish fishing techniques to reduce discards of non-marketable flatfish; 2) if number one above proves infeasible and members cannot find markets for unavoidable bycatch, develop a package of alternative bycatch reduction measures and propose alternative solutions that meet the intent of the bycatch reduction mandate of the Sustainable Fisheries Act; 3) MAKE SURE Number 1 & 2 above are successful and by the way, work on all the other issues relevant to H&G fisheries where management would benefit from our constructive input (sea lions, EFH, fall out from AFA, to name the major ones) .

Specific to our efforts to improve selectivity of trawling for flatfish, members have tried every net modification possible and have found what Lori Swanson, formerly of NETS Systems, has just presented: knife-edge selectivity to reduce catches of sole too small to be marketable is not technically feasible and any net mesh modifications for flatfish also come at a high cost in terms of escapement of marketable-sized sole. The data I have supplied to you from the AFA Report to Congress illustrates the envelope of what is possible from these net modifications: improvements in retention rates but still a long way from 100% retention.

Groundfish Forum member companies have performed countless back of the napkin spreadsheet analyses of observer catch data to see what the economic performance margins would be if IR/IU for flatfish had been in effect. The results are precisely what the analysis by Northern Economics has demonstrated: dedication of frozen product hold space for unmarketable or below margin products leads to loss of profitability, often operating below short run operating costs.

Groundfish Forum had, at one point, developed a draft EFP application for measuring the selectivity of flatfish net modifications and providing formal analysis of the effects on operating margins. The project was stymied by a few crippling factors: no one in our association or elsewhere could come up with a net design that reduced catch of small flatfish enough to be truly promising, and data from our other EFP field work suggested that observer sampling techniques were not adequate for measuring small changes in flatfish selectivity by species. We opted that year to propose an EFP to evaluate and improve observer sampling techniques in conjunction with Sarah Gaiches of the Observer Program, which we completed in 1999 and presented to you in December of that year.

Groundfish Forum members have also worked on development of markets and product forms for small rocksole and yellowfin sole. They have produced such things as dried undersized sole in a clear plastic consumer-friendly package (for the Asian snack food market) and a pressure stamped "chunk o' sole" for a market that doesn't really have a name. These innovations have been costly from the perspective of the resources available to small businesses that engage in flatfish fisheries, and none have been successful.

In May of 2001, we finally admitted to ourselves that the magic bullet in terms of selectivity of flatfish nets was not available. At that point, as you will recall, we put a proposal before you for ceding on the American Fisheries Act's mandate to protect non-AFA processors as a manner to "level the playing field" in exchange for a reduced but meaningful standard of IR/IU flatfish retention. We also proposed an alternative bycatch reduction plan which would work to get us the halibut mortality avoidance program (HMAP) and we also included an up-front reduction in the trawl PSC cap for halibut. While made up of somewhat disparate elements, we feel this package is a very meaningful and substantive set of alternative bycatch reduction measures that meets the intent of the M-S Act. The Council accepted this proposal for analysis but with the overload on staff analytical time, here we are only eight short months from "D" day on flatfish IR/IU, and we are just now finding out that there are implementation barriers to moving forward on our proposal.

Groundfish Forum cannot fault the Council for the timing issues because we understand and appreciate all the important issues before the Council. We are very frustrated, however, with the red flags from NMFS in the last few weeks and days regarding the elements of our proposal which were submitted more than one year ago. From our perspective, it is hard to swallow the finding that the Observer Program still has issues with HMAP. We recognized there were problems to work on HMAP from the outset and repeatedly offered to work on resolution of those issues with the Observer Program. We were promised that we would have that chance but to date have not had such an opportunity. Likewise, our proposal has stated all along that we were requesting a reduced retention standard for rocksole and yellowfin sole. To find out now that this option is fatally flawed is tough to swallow.

The full retention of rocksole and yellowfin sole regulations were delayed until 2003 to provide the industry an opportunity to come up with solutions. We have worked on solutions throughout that time and we have proposed them with enough lead time to be effective January 2003. I do not believe the record supports that the delay in implementation was just to allow the most affected segments of the industry to salvage whatever they could of their investments in vessels and processing plants in the interim. We believe the 100% retention standard for IR/IU flatfish is not "practicable" as per the intent of the Act as explained in the Congressional Record statement attached to this written testimony. We have worked on and proposed alternatives and we do not have any problem continuing those efforts. The success of those efforts, however, is not completely in our control and that is a scary and frankly untenable prospect.

Groundfish Forum members cannot just stand by and watch the clock tick down on flatfish IR/IU. We strongly support the portion of the AP motion that sends us back to the drawing board to work out a workable and perhaps better approach to a set of alternative bycatch reduction measures. The problem at hand, however, is that no one with their home, future livelihood, and sweat equity at stake in an H&G vessel can sit back and just assume that the Council will be able to stop the clock at the eleventh hour on IR/IU implementation if we come forward with a more workable solution. Assumed but not stated directly in the AP motion is the premise that the Council will take action to suspend IR/IU during the development of a viable alternative. While I am confident that Groundfish Forum and some other H&G companies will do whatever it takes to craft a solution, there is no way to guarantee that the rug will not be pulled out from under the new solution because it is not deemed to be adequate in terms of implementation constraints. While the "constructive approach" to solutions has always been Groundfish Forum's preferred approach, no one with their future at stake here can afford to allow themselves to be subjected to a process that is mostly out of their control. I believe that this unwieldy and treacherous landscape is not fair.

I fully understand the Council's desire to keep the industry's "feet to the fire" as we work on an alternative and hopefully more meaningful bycatch reduction solution. As I watch some of the other sectors urging the Council at this point to modify flatfish IR/IU to apply only to the target flatfish fisheries and "target" sector, it is easy to see that these self-interested requests really do reflect the jeopardy associated with where we are. The task of having to come up with an alternative solution that the Observer Program, NOAA GC, NMFS Enforcement, or other agency departments will support in face of the implementation and timing constraints at this juncture is loaded with jeopardy.

For all the reasons and circumstances stated above, I urge the Council to press NMFS to commit staff resources to working with the industry to craft a viable solution that meets the standards of the Act and is implementable. Further, I request that the Council get NMFS to outline in clear detail at this meeting a reasonable and reliable path to getting timely relief on IR/IU under the assumption that the affected industry comes forward in October 2002 with a revamped alternative bycatch reduction proposal that Council deems is adequate to replace flatfish IR/IU implementation.

Thanks for your consideration Mr. Chairman and members of the Council. I'd be happy to answer any questions the Council may have on this matter.

Sincerely,

John R. Gauvin

APRIL 2002

*Marcus Hartley
Bob Trumble
Scott Miller*MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*
Executive Director

DATE: April 3, 2002

SUBJECT: Processor Sideboards, IR/TU, BSAI Halibut PSC Cap, and HMAP

ESTIMATED TIME 10 HOURS (for all C-7 items)

ACTION REQUIRED

Initial review of analyses for public comment.

BACKGROUND

In 2000 the Council considered but did not take action on sideboard limits for AFA processors based on historical processing levels. In subsequent meetings the Council initiated analyses of potential adjustments to IR/TU requirements for flatfish, scheduled for implementation in January 2003, as an alternative approach to leveling the playing field between AFA and non-AFA processors, and also directed staff to retain the existing sideboard alternatives. As part of this package the Council also requested further evaluation of the previously proposed halibut mortality avoidance program (HMAP), and possibly reducing the BSAI trawl halibut PSC caps. Action to adjust IR/TU requirements would need to be taken by June 2002 in order to be in place for 2003.

The analyses were prepared under contract to Northern Economics, Inc (who prepared the majority of the original processor sideboard analysis), and Marine Resource Assessment Group (MRAG), who has expertise in both observer sampling protocols and halibut mortality reduction research. Results of the analyses will be presented by representatives from those firms. Item C-7(a)(1) is a letter from the NMFS Observer Program regarding implementation hurdles for the proposed HMAP program. We expect to have additional discussions between Observer Program representatives and the analysts regarding these issues between now and the June meeting when final action is currently scheduled.



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE

Alaska Fisheries Science Center
7600 Sand Point Way NE
Bin C15700, Bldg. 4
Seattle, WA 98115-0070

March 13, 2002

RECEIVED

MAR 18 2002

Robert J. Trumble, Ph.D.
MRAG Americas
110 S. Hoover Blvd, Suite 212
Tampa FL 33609

Dear Bob:

N.P.F.M.C

Attached is a brief paper which summarizes our comments on the January 10, 2002 draft titled "A Program to Reduce Discard Mortality of Pacific Halibut from Alaskan Groundfish Trawl Fisheries".

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Ito".

Dan Ito
Program Leader,
North Pacific Groundfish
Observer Program

cc: Rich Marasco, Alaska Fisheries Science Center
Sue Salveson, Alaska Regional Office
Chris Oliver, North Pacific Fishery Management Council

Attachment



3/13/02

Following are the Observer Program comments on the January 10, 2002 draft titled "A Program to Reduce Discard Mortality of Pacific Halibut from Alaskan Groundfish Trawl Fisheries."

GENERAL COMMENTS

In general, I believe the objective to reduce trawl bycatch mortality of halibut is a good one that, if accomplished, would be very beneficial to the fleet. However, there are several different mechanisms which could reduce mortality, and some are likely more viable than others.

The draft document outlines four alternatives to reduce halibut mortality; HMAP, Halibut excluder, VBA, and Bycatch pools. However, the majority of the document focuses on HMAP and no analysis is provided for these other approaches. The final document will need to give equal treatment to these other approaches. As drafted, HMAP appears to be the only alternative really being considered.

My understanding was that halibut excluder devices had been tested and showed great promise for eliminating most of the halibut bycatch, albeit at some cost to the commercial catch. This seems an area with a great deal of potential yet the document states it is conceptual only, and states it is probably not developed enough for acceptance. From our perspective, we would like to understand where this technology stands as it may be far easier to avoid catching halibut than it is to reduce their mortality after they are caught.

The document also states that it is probably better to allow industry to operate in an environment that allows and encourages devices such as excluders rather than mandating them. I don't agree with this statement as many examples exist where regulation was necessary to move programs forward. For example, our understanding of the use of turtle excluder devices in the S.E. is that it is regulated, and now accepted by the fleet. The use of scales in the North Pacific is another good example of an expensive operational component which was required by regulations. Some components of the industry may oppose these regulatory initiatives initially, but if they are well designed, and provide an overall benefit, they can become routine.

The alternatives are designed to replace and/or complement the existing Vessel Incentive Program (VIP) which has been fraught with problems. Those problems need to be articulated in this document so the Council does not choose an alternative with similar flaws.

HMAP SPECIFIC COMMENTS

The following comments are specific to the HMAP section of the draft document. With this draft, I do not see the HMAP alternative as a viable option which could be successfully developed and implemented as drafted. Reasons for that include:

1. Overall complexity - the overall system proposes a complex sampling system both on deck and down in the factory, with further complexities in reporting the information, analyzing it, and using it for in-season fisheries management. It could also involve industry and NMFS to take corrective action when a vessel does not adhere to the HMAP rules. It could also involve the Coast Guard and/or OSHA when safety issues come up which they surely will with on-deck sampling. Last, industry could be developing operation plans for the vessel with subsequent review and approval by NMFS. Thus, for successful implementation, staff from the Observer Program, Alaska Regional Office, NMFS enforcement, IPHC, and Coast Guard/OSHA would have to coordinate for the project to succeed, and NMFS could have to interact with each vessel to approve plans. Overall, the level of coordinated effort required is similar to that which was involved in VIP. Sustained coordination is one of the more difficult aspects of the VIP.

2. Safety - The sampling required to support HMAP would move most observers from the relative safety of the factory onto the fishing deck for some period. The fishing deck is a very dangerous place to work and we believe HMAP requirements would decrease observer safety. They could also decrease crew safety in having observers spending more time in this work area if it inhibits their routine work of deploying and retrieving fishing gear. What happens to HMAP if the observer feels the deck is unsafe?

3. Cooperation with the crew - The sampling required under HMAP requires crew coordination and cooperation. Historically, observer sampling has been independent of the crew, even in VIP. Requiring a joint effort is a very large effort which, without clearly defined roles, has high potential to fail repeatedly. Crews change and observers change so coordination issues would be continual. The document states that HMAP is critically dependent on crew cooperation then goes on to ask how to set standards for crew cooperation. I argue that we can't set a standard for crew cooperation and that some will cooperate and some will not. This required cooperation is one of several fatal flaws in the HMAP concept. To succeed, HMAP, or any other alternative, would have to have a very clear separation of duties. Crew duties should be the same regardless of the presence or absence of the observer.

4. Time requirements - The sampling regime places the halibut mortality assessment as the top priority for observers and does not consider sample sizes for other species, and other biological data collections. How would HMAP impact other sampling protocols

and duties of observers on board.

5. Sampling workload - The HMAP design states that all hauls must be sampled, and also states that HMAP may provide an incentive for vessels to make many smaller hauls rather than fewer large hauls. This could result in a greatly increased workload possibly beyond the ability of two observers. Either the resources would need to be adjusted to meet the workload, or the workload reduced.

6. As noted in number 1 above, implementation would involve coordination with several other groups. Within NMFS, the proposal could require design changes to the Observer Program data collection systems and Regional Office data processing and management systems. These systems would need to be designed and implemented before HMAP could be implemented.

7. Incompatibility with the existing SDM - The HMAP system will increase conflict on the vessel because it 1) requires crew work and cooperation, 2) requires production slowdowns in the factory while the observer completes on deck sampling, 3) provides data which can directly impact a company or captains well being. The pressure on observers would increase under this program and an observer reporting poor halibut mortality could be in an untenable position on the vessel. The pressure to file false reports would increase substantially. This position would need to be filled by an individual with some level of authority such as NMFS personnel, potentially with some enforcement authority. The role under HMAP is not compatible with the current observer role, particularly as there is an exiting conflict of interest in the existing procurement model.

8. Administrative burden - The administrative burden required to implement this alternative is not addressed. That burden likely cannot be addressed without an agency (interagency?) working group being dedicated to flesh out the task. From the program perspective, the draft refers to an annual report developed by the Program and reported back to the council. That may be a good idea, but we would defer to the Alaska administrator on reports to the Council. As HMAP is a broad management program involving several agency components, it would probably be inappropriate for the Observer Program to be reporting on an overall NMFS system.

9. When things go bad - The draft is unclear as to the processes that would be used when an HMAP vessel does not comply with regulatory or contractual agreements. Our experience is that some vessels will not comply, and others will intentionally attempt to bias the observer data. How these issues are handled is critical to success and they need to be further developed.

In summary, I am concerned that the current draft HMAP proposal is not feasible and that perspective should be incorporated into the document so the council is aware of it in their debate and decision-making. To move forward with an HMAP approach requires

further agency discussion and realistic assessment of what
observers and industry can and will do.

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Mr. Dave Benton
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North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage AK 99601-2252

April 3, 2002

RE: C7a. AFA; IR/IU modification; HMAP; survival of the H&G sector

Dear Dave:

We just received the analysis on the above issues today, the last day for getting comments to the Council for the April Council meeting, so we have clearly not had much time to digest all the information in the analysis. Nonetheless, a very quick read of the above referenced document has brought some large issues to the forefront. We would like to flag these issues for the Council's consideration and suggest a manner for moving forward on this important issue of IR/IU relief and improvements in bycatch reduction.

Observer Program letter on HMAP: We are troubled to learn that the Observer Program has made a determination at this juncture that HMAP is fatally flawed. We have repeatedly requested that the Observer Program meet with us to identify their potential concerns about how the proposed HMAP program affects observer duties and responsibilities. Up until the point we read Dan Ito's letter of March 13, 2002, we were operating under the assumption that the Program would work with us to identify potential problems and concerns and give us the opportunity to address any of these issues before the Observer Program made any final calls on HMAP. Our assumption was based on repeated assurances from Dan Ito that he and his Program "will work with us" this time around. Now the hammer has apparently dropped and no opportunity to work out identified concerns and problems was granted to us.

A puzzling aspect of the March 13th letter is that it is not clear to us that the points raised by the letter actually take into full account of the refinements Dr. Trumble's analysis made to the original HMAP approaches. While we did not have the opportunity to work out HMAP issues with the Observer Program, we were given an opportunity to make suggestions and provide feedback to Bob Trumble, of MRAG Americas, who was one of the authors of the HMAP analysis under a contract through Northern Economics. Based on that interaction, we offered suggestions on several areas where Dr. Trumble had identified problems with HMAP monitoring, logistics, observer sampling, and observer safety. In any case, we do not feel it is appropriate to debate the nine bullet points made in the letter from the Observer Program until we actually are provided an opportunity to meet with them to assess their concerns and have an opportunity to work out solutions.

Timing issues as the clock ticks down on flatfish IR/IU: In the end, we may have the opportunity to sit down with the Observer Program but based on their letter, it seems they have already effectively decided that HMAP does not work for them. For this reason, we would like the Council to recognize that without Observer Program concurrence and support, HMAP may never have a chance to achieve success even if the implementation issues are addressed from the Council's and industry's perspective. Mr. Ito's letter suggests to the Council that they move forward with alternative approaches to bycatch reduction such as VBAs. The process of getting there, in light of the time clock on the flatfish IR/IU implementation date, is obviously of great concern to the H&G sector. As the IR/IU impacts of the new analysis point out, flatfish IR/IU at 100% will devastate our industry and possibly cripple and hamper other sectors as well. A switch to an alternative approach, such as VBAs or some of the other suggestions made in the Observer Program letter, has obvious bearing on timing issues because the current analysis works from the industry's and Council's suggested linkages of HMAP, IR/IU, and halibut PSC cap adjustments. VBAs are in the mix of alternatives, but from our quick read of the analysis, issues associated with VBA implementation are not the focus and therefore are not thoroughly fleshed out.

Likewise, the Observer Program letter suggests that regulations requiring halibut excluders could be implemented in lieu of HMAP. In our view, this is based on the questionable assertion that turtle excluder devices are successful on the east coast. As someone who was formerly directly involved in fisheries management on the east coast and who has kept abreast of this issue, this is not my understanding at all. Rather than debating this point right now, however, we feel it is important for the Council to understand that a move to that alternative approach could be equivalent to a new analysis and thus the timing for implantation of this suite of management alternatives might become problematic in terms of relief from flatfish IR/IU starting in January of 2003. The analysis does not evaluate rules to require the use of halibut excluders and frankly the Observer Program issues associated with such a move have not been assessed.

Suggestions for moving forward: Implementation of the impending full retention requirement for IR/IU flatfish would demolish our industry. Based on the current analysis, it is clear that 100% retention of rocksole and yellowfin sole may very well violate the "to the extent practicable" portion of the M-S Act mandate for bycatch reduction. For all these reasons, we would like the Council to move forward expeditiously with modifications to flatfish IR/IU so that remedies are in place for January, 2003.

Another issue to consider is that the analysis of flatfish IR/IU issues suggests there are new complications with IR/IU implementation. Section 3.1.1.3 (page 144) of the draft analysis suggests that the analysts and possibly NMFS now think that enforcement of flatfish IR/IU is generally problematic because retention requirements and monitoring are based on estimates of flatfish catches through species composition sampling that was not designed to be accurate to track catch on a vessel-specific basis. If we are reading this correctly, these concerns probably suggest that the agency feels flatfish IR/IU at the

100% level, and especially at the 85 or 50% level that we have proposed, is generally problematic.

Data in this analysis and data presented to the Council in the AFA report to Congress suggest that flatfish retention rates are increasing significantly (even for the non-AFA sector). In our view, the industry is already doing virtually everything that is practicable to reduce discards of rocksole and yellowfin sole. We recognize that the fishery managers and the industry are under assault in the PR arena for discards. We have increased our efforts to reduce these discards with the use of all available technologies to avoid catching the unmarketable fish, as well as increased efforts to find ways to sell as much of what we catch as is possible. In some cases, our current fleet-wide retention rates actually exceed what we put in as retention goals in our proposal for IR/TU modifications submitted to the Council two years ago.

Our original proposal for HMAP accompanied an up front reduction in the halibut PSC cap along with IR/TU relief. This was motivated by a desire to move forward with constructive bycatch reduction. Our commitment remains: we want to work on and see implemented bycatch reduction that is meaningful and in areas where it is practicable. To get there in light of the issues raised about HMAP and the suggestion that we explore other approaches, we suggest that the Council task, on an expedited basis as possible, an analysis of PSC pool management (formerly referred to as VBAs but reflecting all that has been learned from the AFA bycatch pools that are being used by the pollock industry). Within this analysis, we would like HMAP (the halibut deck sorting aspects of the program) to be analyzed as one possible tool in the tool box and we would like the opportunity to attempt to address the Observer Program's concerns on this matter.

At this time, we continue to feel that the halibut bycatch cap reduction should remain linked to the development of the tools such as HMAP or similar alternatives to effectively reduce bycatch and to impart individual accountability incentives. As pointed out in Table 2 of the AFA slash IR/TU modification analysis (page 22), the potential reductions in halibut bycatch mortality under HMAP (or other possible ways to effectively change the incentives governing bycatch) are more meaningful than what is attainable under a stand-alone halibut cap reduction with no changes in the fundamental incentives.

Thanks for considering these comments. Please feel free to contact us if you have questions.

Best Regards,


John R. Gauvin

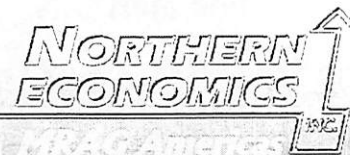
Protecting Non-AFA Processors:

Impacts of AFA Processing Sideboards

Impacts of Revising IRIU for Flatfish

Impacts of a Halibut Mortality Avoidance Program

Impacts of Reducing BSAI Halibut Limits



In association with MRAG Americas

April 2002

Presentation Outline

- Document Map
- Impacts of IRIU Alternatives
- Impacts of AFA Processing Sideboard Alternatives
- Impacts of a Halibut Mortality Avoidance Program (HMAP)
- Impacts of Reducing BSAI Trawl Halibut PSC Limits

Chapter 1.0 Introduction

- **Historical Overview of Issues and Previous Actions**
 - **History of NPFMC Actions on Improved Retention/Improved Utilization**
 - **History of NPFMC Actions on AFA Processor Sideboards**
 - **History of Actions to Limit and Reduce Halibut Bycatch and Mortality**
- **Description of the Proposed Alternatives**

Chapter 2.0 Environmental Assessment

- **Related NEPA Documents**
- **Affected Marine Environment**
- **Affected Human Environment**

Section 2.1 Marine Environment

- Target Species Affected by the Proposed Alternatives**
- Prohibited Species Management**
- Other Marine Organisms and Habitats That May be Affected**

Section 2.2 Human Environment

- Conditions of Particular Relevance to IRIU Alternatives**
- Conditions of Particular Relevance to AFA Sideboard Alternatives**
- Conditions of Particular Relevance to Halibut Prohibited Species Catch Limit Alternatives including HMAP**

Chapter 3.0: Analysis of Alternatives to Protect Non-AFA Processors

- **Alternative 1—The Status Quo**
- **Alternative 2—Revise or Rescind IRIU Regulations for Flatfish**
- **Alternative 3—Impose AFA Processing Sideboards**
- **Alternative 4—Implement HMAP (if Alternative 2 is chosen)**
- **Alternative 5—Reduce BSAI Halibut PSC Limits (if Alternative 4 is chosen)**

Section 3.1: Alternative 1 The Status Quo

- **Anecdotal Evidence of Status Quo Impacts**
- **Analysis of Status Quo IRIU Regulations**
- **Status Quo Analysis Summary**

Section 3.2: Alternative 2

Revise IRIU Regulations for Flatfish

- **Assessment of Sub-Alternative 2.1:
Revise IRIU Regulations for BSAI RSOL**
- **Assessment of Sub-Alternative 2.2:
Revise IRIU Regulations for BSAI Yellowfin Sole**
- **Assessment of Alternative 2.3:
Revise IRIU Regulations for GOA SFLT**

Sub-options for IRIU Flatfish Speices

- **Maintain 100% Retention and 15% Utilization**
- **Reduce Retention Requirements**
 - 90 percent
 - 85 percent
 - 75 percent
 - 60 percent
 - 50 percent
- **Eliminate IRIU Regulations**

Section 3.2: Alternative 3 AFA Processing Sideboard Limits

- Perspectives on the Need and Objectives for Processing Limits**
- Results of the Analysis of Ten Options**
- Analyses of the Effects of Various Sub-options**
- Decisions, Assumptions and Issues**
- Summary and Conclusions**

Section 3.4: Alternative 4 Halibut Mortality Assessment Program

- Introduction and Background**
- Assessment of the HMAP Alternative**
- Discussions of Alternative Means to Reduce Halibut Mortality**

Section 3.5: Alternative 5 Revise Halibut Mortality Caps

- Relationship to HMAP**
- Reduce Limits by 10%**
- Reduce Limits by 15%**

Appendices

- Appendix A—Detailed Analysis of Existing Conditions of Groundfish Processors Affected by IRIU Flatfish Regulations**
- Appendix B—Structure of the Pollock Processing Industry as it Relates to Processing Limits**
- Appendix C—Summaries of Major Groundfish Fisheries**
- Appendix D—A Program to Reduce Discard Mortality of Pacific Halibut from Alaskan Groundfish Trawl Fisheries**
- Appendix E—Effects of Alternative Retention Rules on Processing Sectors**

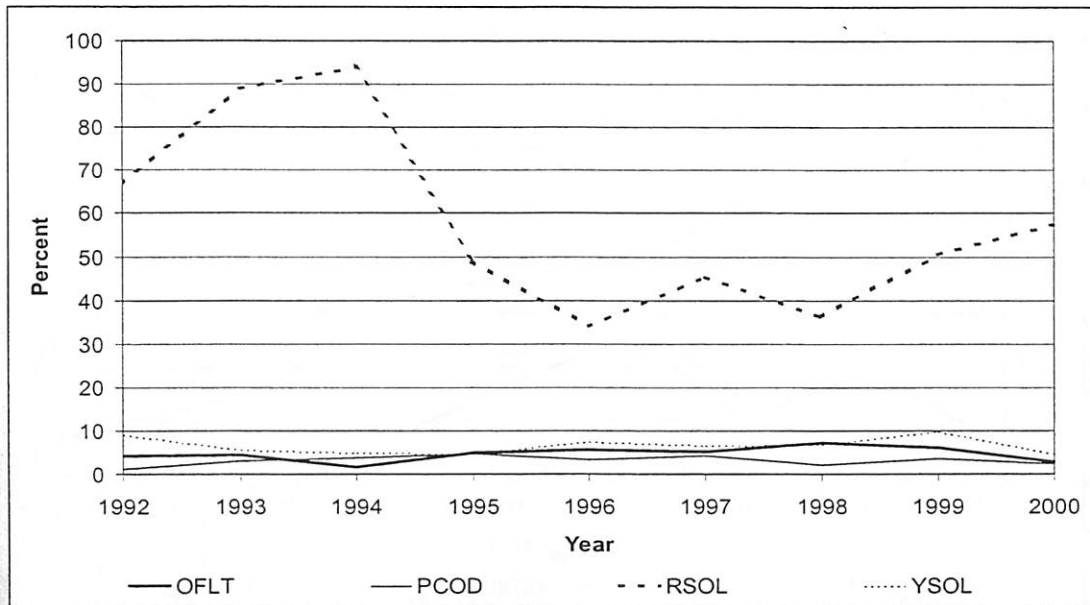
Impacts of IRIU Alternatives

- **Summary of Anecdotal Evidence**
- **Overview of IRIU Flatfish Discard History**
- **Sectors to be Analyzed**
- **Status Quo Impact Analysis**
 - **Discard as a Percent of Product Tons (DPP) as an Impact Scale indicator**
- **Analysis of Alternative Retention Rules**
 - **90, 85, 75, 65, and 50 Percent**

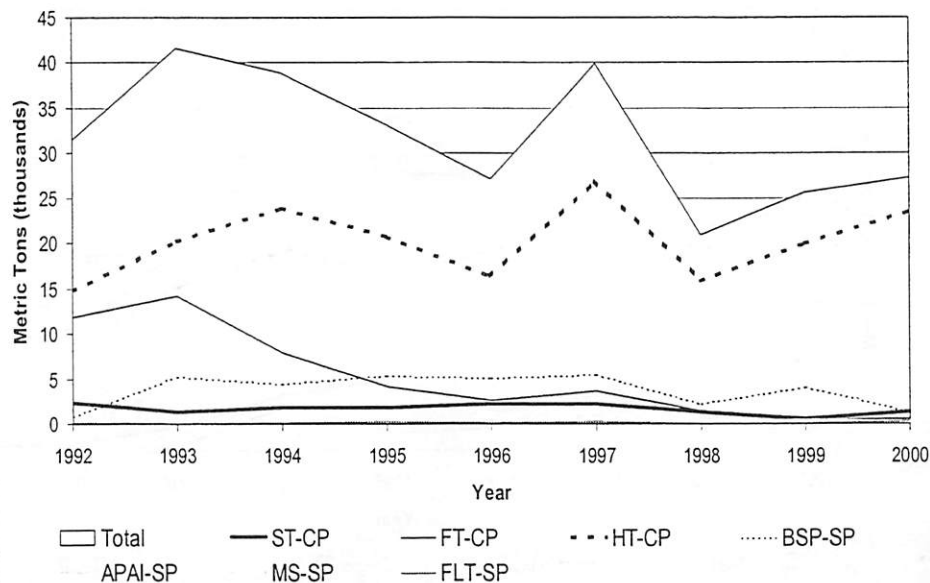
Summary of Anecdotal Evidence

- **Additional Retention of IRIU Flatfish will decrease revenue per trip and increase costs with no economic value earned from the additional retention**
- **Under the Status Quo, the majority of HT-CP participants indicate they would exit from RSOL and YSOL target fisheries**
- **Participants who exit from IRIU flatfish fisheries will increase participation in PCOD, AMCK, and ROCK.**
- **20-25 Percent of HT-CP operators indicate they will cease North Pacific operations under the IRIU Status Quo**

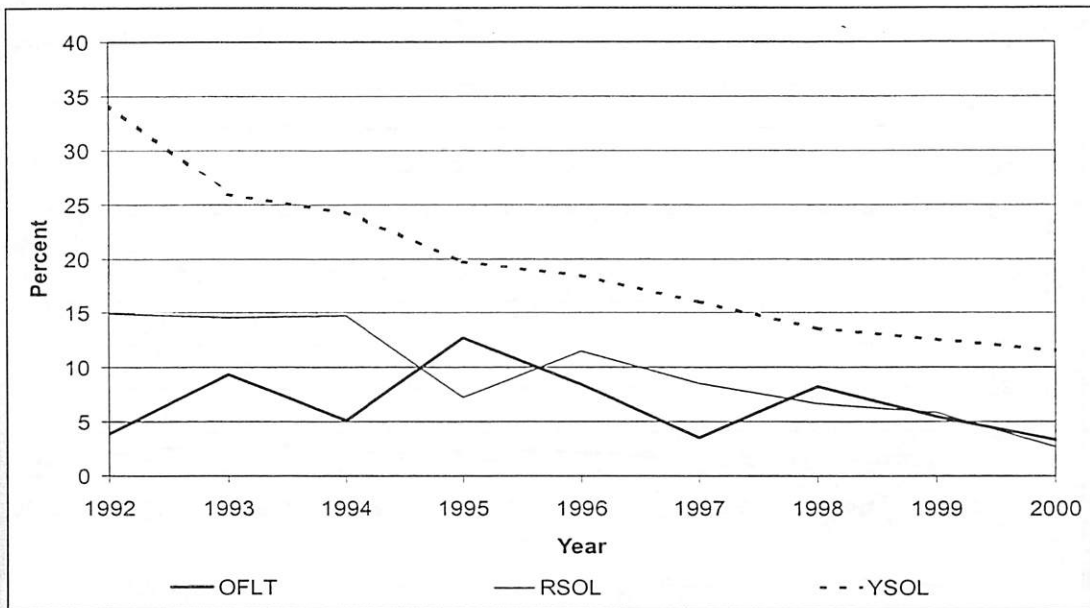
Discards of BSAI RSOL as a Percent of Total Retained Catch of All Processors in Target Fisheries, 1992-2000



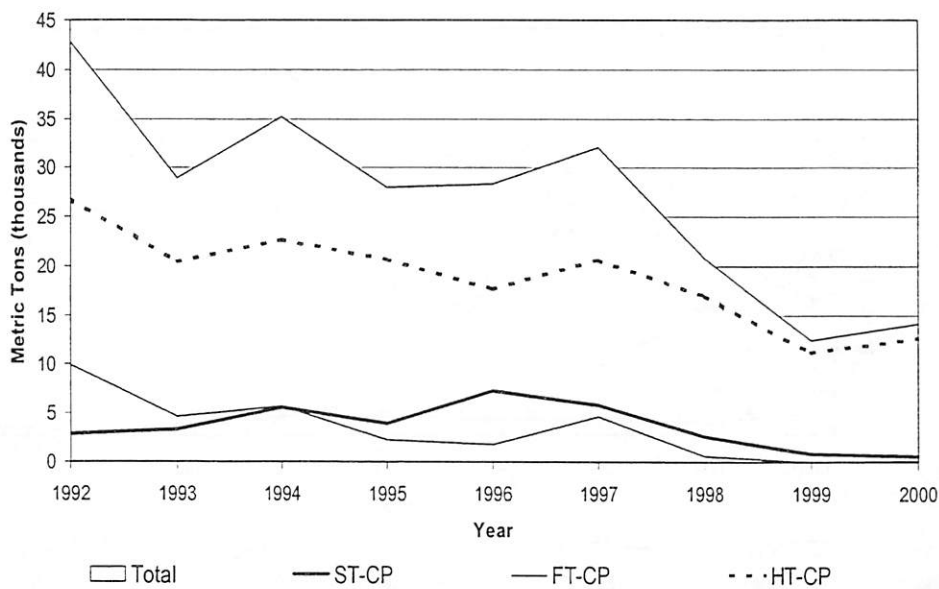
Discards of BSAI RSOL by Processing Sectors, 1992-2000



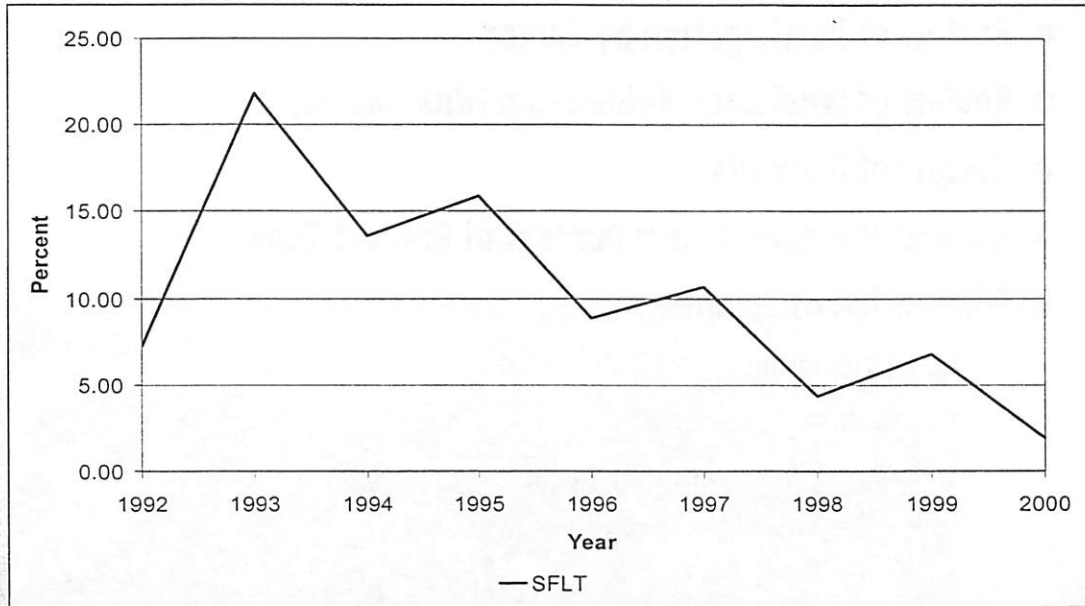
Discards of BSAI YSOL as a Percent of Total Retained Catch of All Processors in Target Fisheries, 1992-2000



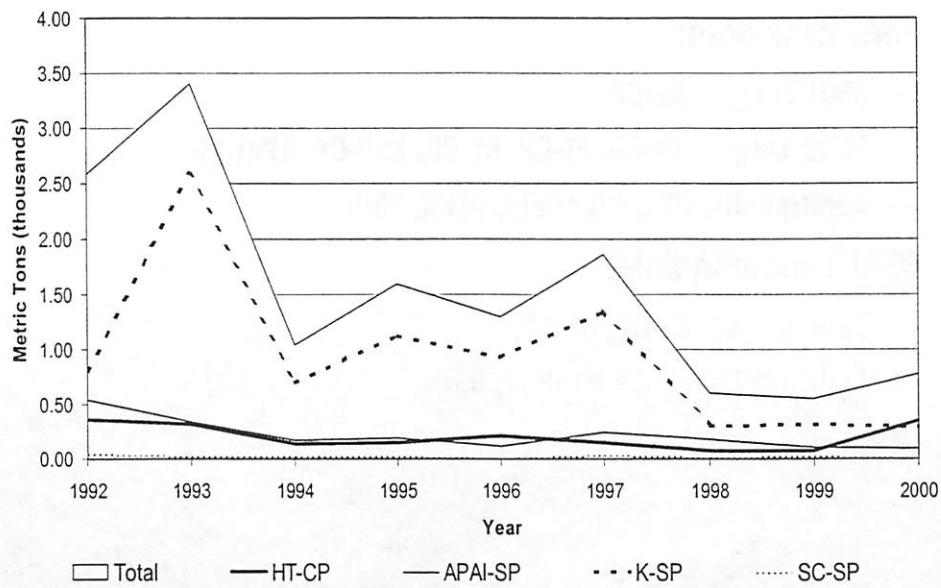
Discards of BSAI YSOL by Processing Sectors, 1992-2000



Discards of GOA SWFL as a Percent of Total Retained Catch of All Processors in Target Fisheries, 1992-2000



Discards of GOA SFLT by Processing Sectors, 1992-2000



Determination of Affected Sectors

- **Review of Participation by Sector**
- **Review of Wholesale Value From IRIU Flatfish**
- **Review of Discards**
- **Review of Discards as a Percent of Product Tons**
- **Elimination of Sectors**
 - **No participation**
 - **No measurable discards**
 - **1999-2000, 5 Percent Rule for Discards as a Percent of Product tons**

Sectors Analyzed for Economic Impacts of IRIU Rules

- **BSAI Rock Sole:**
 - **RSOL Target: HT-CP**
 - **PCOD Target: ST-CP, FT-CP, HT-CP, BSP-CP, APAI-SP**
 - **Additionally, HT-CP for OFLT, PLCK, YSOL**
- **BSAI Yellowfin Sole:**
 - **YSOL Target: ST-CP, HT-CP,**
 - **Additionally, HT-CP for OFLT, RSOL.**
- **GOA Shallow Water Flatfish**
 - **SFLT Target: HT-CP, K-SP**

BSAI RSOL Status Quo Impact Analysis Summary for the HT-CP Sector

2000	HT-CP				
	OFLT	POOD	FLCK	RSOL	YSOL
Participants	24	22	9	23	23
Wholesale Value (\$millions)	23.35	21.09	1.06	21.30	31.82
Percent of Sector Total Value	15.42	13.92	0.70	14.06	21.00
Product tons (1000's)	15.79	9.45	1.15	12.09	37.04
RSOL Catch Tons (1000's)	2.41	6.35	0.02	28.58	6.62
Total Retained Catch Tons (1000's)	28.80	18.83	2.30	24.29	71.82
RSOL Discard Tons (1000's)	1.43	3.87	0.01	14.43	3.80
RSOL Discard % of RSOL Catch	59.33	60.93	66.35	50.50	57.36
RSOL Discard % of Total Catch	3.45	18.85	0.61	59.41	5.29
RSOL DPP	9.04	40.94	1.22	119.39	10.25

Source: NPFMC Sector Profiles Database, 2001

BSAI RSOL Status Quo Impact Analysis Summary for Sectors Other Than HT-CP

2000	ST-CP	FT-CP	BSP-SP	APAI_SP
	PCOD*	PCOD	PCOD	PCOD
Participants	3	3	5	8
Wholesale Value (\$millions)	1.36	3.78	48.25	8.59
Percent of Sector Total Value	0.49	4.69	12.36	18.40
Product tons (1000's)	0.54	0.97	14.57	2.85
RSOL Catch Tons (1000's)	0.12	0.16	1.26	0.15
Total Retained Catch Tons (1000's)	1.91	4.22	36.92	5.16
RSOL Discard Tons (1000's)	0.11	0.14	1.26	0.14
RSOL Discard % of RSOL Catch	94.21	87.02	99.71	87.88
RSOL Discard % of Total Catch	5.92	3.37	3.20	0.82
RSOL DPP	21.12	14.70	8.63	4.76

Source: NPFMC Sector Profiles Database, 2001

* 1999 data is used instead of 2000 data due to confidentiality restrictions.

BSAI YSQL Status Quo Impact Analysis Summary

2000	ST-CP	HT-CP			
	YSOL	OFLT	POOD	RSOL	YSOL
Participants	4	24	22	23	23
Wholesale Value (\$millions)	2.44	23.35	21.09	21.30	31.82
Percent of Sector Total Value	0.76	15.42	13.92	14.06	21.00
Product Tons (1000's)	4.14	15.79	9.45	12.09	37.04
YSOL Catch Tons (1000's)	7.27	6.56	1.07	2.59	62.68
Total Retained Catch Tons (1000's)	8.97	28.80	18.83	24.29	71.82
YSOL Discard Tons (1000's)	0.07	1.67	0.81	0.69	9.53
YSOL Discard % of YSQL Catch	0.98	25.50	75.88	26.49	15.20
YSOL Discard % of Total Catch	0.79	4.05	3.96	2.83	13.27
YSOL DPP	1.72	10.60	8.61	5.68	25.73

Source: NPFVC Sector Profiles Database, 2001

GOA SFLT Status Quo Impact Analysis Summary

2000	HT-CP		K-SP
	PCOD	SFLT**	SFLT
Participants	22	5	7
Wholesale Value (\$millions)	2.38	0.14	8.27
Percent of Sector Total Value	1.57	0.12	9.23
Product Tons (1000's)	1.02	0.08	2.42
SFLT Catch Tons (1000's)	0.36	0.08	4.72
Total Retained Catch Tons (1000's)	1.70	0.14	7.46
SFLT Discard Tons	0.24	0.003	0.14
SFLT Discard % of SFLT Catch	67.52	3.28	3.02
SFLT Discard % of Total Catch	1.19	1.86	1.91
SFLT DPP	24.05	3.28	5.91

Source: NPFMC Sector Profiles Database, 2001

** 1998 data is used instead of 2000 data due to confidentiality restrictions

BSAI RSOL Alternatives Analysis Summary for the HT-CP Sector

2000	HT-CP				
	OFLT	PCOD	PLCK	RSOL	YSOL
RSOL DPP	9.04	40.94	1.22	119.39	10.25
90 Percent Alternative	7.52	34.22	1.04	95.75	8.47
85 Percent Alternative	6.75	30.86	0.95	83.93	7.57
75 Percent Alternative	5.23	24.14	0.76	60.29	5.79
60 Percent Alternative	2.95	14.06	0.49	24.82	3.10
50 Percent Alternative	1.42	7.34	0.30	1.18	1.32

Source: NPFMC Sector Profiles Database, 2001

BSAI RSOL Alternatives Analysis Summary for Sectors other than HT-CP

2000	ST-CP	FT-CP	BSP-SP	APAI_SP
	PCOD*	PCOD	PCOD	PCOD
RSOL DPP	21.12	14.70	8.63	4.76
90 Percent Alternative	18.88	13.01	7.76	4.22
85 Percent Alternative	17.76	12.17	7.33	3.95
75 Percent Alternative	15.52	10.48	6.46	3.41
60 Percent Alternative	12.15	7.94	5.17	2.60
50 Percent Alternative	9.91	6.25	4.30	2.05

Source: NPFMC Sector Profiles Database, 2001

* 1999 data is used instead of 2000 data due to confidentiality restrictions

BSAI YSOL Alternatives Analysis Summary

2000	ST-CP	HT-CP			
	YSOL	OFLT	PCOD	RSOL	YSOL
YSOL DPP	1.72	10.60	8.61	5.68	25.73
90 Percent Alternative	0.00	6.44	7.48	3.54	8.81
85 Percent Alternative	0.00	4.36	6.91	2.46	0.34
75 Percent Alternative	0.00	0.21	5.77	0.32	0.00
60 Percent Alternative	0.00	0.00	4.07	0.00	0.00
50 Percent Alternative	0.00	0.00	2.94	0.00	0.00

Source: NPFMC Sector Profiles Database, 2001

GOA SFLT Alternatives Analysis Summary

2000	HT-CP		K-SP
	PCOD	SFLT**	SFLT
SFLT DPP	24.05	3.28	5.91
90 Percent Alternative	20.49	0.00	0.00
85 Percent Alternative	18.71	0.00	0.00
75 Percent Alternative	15.15	0.00	0.00
60 Percent Alternative	9.80	0.00	0.00
50 Percent Alternative	6.24	0.00	0.00

Source: NPFMC Sector Profiles Database, 2001

* 1998 data is used instead of 2000 data due to confidentiality restriction

Summary of Findings and Conclusions

- **Historical data show that the status quo may cause scale impacts greater than 10 percent in all affected sectors and target fisheries and for each of the three IRIU flatfish species**
- **Scale of impacts has shown a decreasing trend in recent years in several target fisheries**
- **The HT-CP Sector will experience scale of impacts greater than 10 percent in fisheries that generate 75 percent of their revenue**
- **50 percent retention in RSOL will reduce the scale of impacts to between 5 and 10 percent based on recent years data**
- **75 percent retention in YSOL will reduce the scale of impacts to approximately 5 percent based on recent years data**
- **90 percent retention in SFLT will reduce the scale of impacts to below 5 percent for all but the HT-CP PCOD target fishery**

Impacts of AFA Processing Sideboard Alternatives

- **Originally Presented with AFA Harvest Sideboard Analysis in 1999**
- **Presented Again in 2000 with Excessive Share Cap Analysis**

Ten General Options for Sideboards

- Limits may be applied to 1 of the following 3 levels
 - Aggregate limit
 - Sector limits
 - Individual Limits
- Limits may be applied to 1 of 3 entity layers
 - Limit AFA entities
 - Limit AFA companies
 - Limit AFA facilities
 - individual company limits, but include only AFA-eligible facilities

Other Optional Components

- Three Options for Basis Years
 - 1995-1997
 - 1998-1999
 - 1995-1999
- CDQ Owned Facility Exemption
- Exempt AFA CPs

Mandate to Protect Non-AFA Processors

- **AFA instructs the NPFMC to protect Non-AFA groundfish processors**
- **Does not specify the means by which they should be protected**

Existing Protections

- **AFA Harvest Sideboards**
- **AFA Crab Processing Sideboards**
- **AFA Pollock Excessive Share Cap**
- **AFA GOA Regulations on CPs**
- **Pacific Cod Allocations**
- **License Limitation Program**

NMFS 10 Percent Rule

- All individuals, corporations or other entities that either directly or indirectly own a 10 percent or greater interest in a mothership, inshore processor or pollock harvesting entity, as the case may be, are considered as comprising a single AFA entity.
- An indirect interest is one that passes through one or more intermediate entities. An entity's percentage of indirect interest is equal to the entity's percentage of direct interest in an intermediate entity multiplied by the intermediate entity's percentage of direct, or indirect interest in the mothership, inshore processor or pollock harvesting entity, as the case may be.

Option 1: Aggregate Limits on AFA Entities under 3 Basis Options

Years	Percent of Total Reported Tons ^a					
	Atka Mackerel	Flatfish	Other Species	Pacific Cod	Rockfish	Pollock ^b
Bering Sea and Aleutian Islands						
95-97	13.9	36.2	26.6	42.6	12.2	NA
98-99	8.3	19.2	23.5	43.9	5.9	NA
95-99	12.2	31.5	27.0	44.9	9.9	NA
Gulf of Alaska						
95-97	17.2	30.8	25.0	50.4	30.6	67.0
98-99	40.0	21.8	29.7	45.9	24.3	67.4
95-99	21.3	28.0	26.7	48.7	27.8	67.2

Option 2: Aggregate Limits on AFA Companies under 3 Basis Options

Percent of Total Reported Tons ^a						
Years	Atka Mackerel	Flatfish	Other Species	Pacific Cod	Rockfish	Pollock ^b
Bering Sea and Aleutian Islands						
95-97	13.9	36.2	26.6	42.6	12.2	NA
98-99	8.3	17.8	18.1	38.7	5.9	NA
95-99	12.2	30.4	23.3	42.1	9.9	NA
Gulf of Alaska						
95-97	17.2	28.9	21.8	50.2	29.7	66.9
98-99	40.0	19.1	20.5	44.9	23.4	67.4
95-99	21.3	25.9	21.4	48.1	27.0	67.2

Option 2: Aggregate Limits on AFA Facilities under 3 Basis Options

Percent of Total Reported Tons ^a						
Years	Atka Mackerel	Flatfish	Other Species	Pacific Cod	Rockfish	Pollock ^b
Bering Sea and Aleutian Islands						
95-97	13.6	31.3	22.8	37.9	7.2	NA
98-99	8.3	17.7	14.2	32.7	5.2	NA
95-99	12.0	27.0	19.5	36.2	6.5	NA
Gulf of Alaska						
95-97	14.2	7.9	4.6	31.8	9.3	47.4
98-99	36.1	5.0	5.7	27.9	8.5	34.7
95-99	18.2	7.0	5.0	30.3	8.9	41.0

Findings on Existing Conditions

- **AFA processors may be able to generate higher-than-expected profits because of the AFA.**
- **Not certain that pollock processors will invest additional amounts into the processing non-pollock groundfish.**
- **Regulations that are part of the status quo already limit the ability of AFA processors to expand in several fisheries.**

Conclusions on Sideboard Options

- **None of the options analyzed will fully address the concerns of the non-AFA processors without:**
 - **reducing competition among processors for delivery of fish,**
 - **placing potentially harsh restrictions on processors that do not appear to be able to benefit directly from the AFA,**
 - **imposing burdensome paperwork and enforcement costs on NMFS and on the industry as a whole.**
- **Less restrictive processing limits could reduce many of the potentially negative impacts, but these limits are unlikely to be much more effective than the existing protections.**

Impacts of HMAP

- **If the NPMFC chooses to protect non-AFA processors by revising IRIU requirement, it may be reasonable to try to reduce bycatch by other means**
- **HMAP may be a tool that will allow the NPMFC to meet bycatch reduction objectives**
- **Presentation by MRAG Americas**

PUBLIC TESTIMONY SIGN-UP SHEET FOR AGENDA ITEM C 7 (a) IRIU

**PLEASE SIGN ON THE NEXT BLANK LINE.
LINES LEFT BLANK WILL BE DELETED.**

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