



C3 Squid and sculpin processing

October 2020 Council Meeting

Action Memo

Council Staff: Steve MacLean
Action Required: 1. Review revised analysis
2. Approve a preferred alternative for final action

BACKGROUND

Squids were added to the Ecosystem Component (EC) category of the BSAI (Amendment 117) and GOA (Amendment 106) Groundfish Fishery Management Plans (FMPs) in 2018, and sculpins were added to the EC category of the BSAI (Amendment 21) and GOA (Amendment 110) FMPs in 2020. Current regulations at 50 CFR 679.20(i) prohibit processing and sale of any EC species in Alaska unless they are processed as fishmeal. When Amendments 117/106 were passed, the expectation of the Council was that processing of squid into whole bait and whole fish/food fish would continue. However, the final rule for that action revised regulations at 679.20(i)(5) to limit process of squids into fishmeal only, as was done for forage fish and grenadiers. This was brought to the Council's attention in October 2019, during initial review of the analysis for Amendments 121/110 to move sculpins to the EC category. At that time, the Council initiated this analysis to reconsider the processing and sale restrictions on squids and sculpins in the EC category, and selected Alternative 2, the action alternative, as its Preliminary Preferred Alternative. In February 2020, the Council reviewed the initial review draft of this analysis and reconfirmed its selection of Alternative 2 as the Preliminary Preferred Alternative. **At this meeting the Council will review the revised analysis and recommend a Preferred Alternative.**

Description of Alternatives

The Council adopted the following alternatives for analysis in October 2019. **Alternative 2 is the Preliminary Preferred Alternative.**

Alternative 1: Status quo. Squids and sculpins in both the BSAI and GOA FMPs are designated as non-target ecosystem component species with prohibition on the use of squids and sculpins other than as fishmeal.

Alternative 2: Action Alternative. Squids and sculpins in both the BSAI and GOA FMPs are designated as non-target ecosystem component species.

Under both Alternative 1 and Alternative 2 squids and sculpins remain in the EC category in the BSAI and GOA FMPs, establishment of OFL, ABC, and TACs are not required. Directed fishing for squids and sculpins is prohibited, and the squids and sculpins MRA when directed fishing for other groundfish species is 20%. Recordkeeping and reporting to monitor and report catch and discards of squids and sculpins annually is required. Under Alternative 1 the sale, barter, trade, or processing of squids and sculpins is prohibited, except as fishmeal. Under Alternative 2 there is no prohibition on the sale, barter, trade, or processing of retained squids or sculpins.

Regulatory Impact Review

This Regulatory Impact Review examines the benefits and costs of proposed alternatives limiting the processing and sale of squids and sculpins as part of the EC category in the BSAI and GOA FMPs. The RIR also assesses the potential impacts of the alternatives on fishing communities.

Both squids and sculpins are caught incidental to other targeted groundfish fisheries. Sculpin catch has always been low in the BSAI and GOA compared to biomass and no market for any sculpin product currently exists. There is no reason to expect that patterns of sculpin catch or the value of that catch would change as a result of removing processing restrictions.

Squid catch has been variable in both the BSAI and GOA. Historically squid have been sold as whole bait or whole fish/food fish. Although processing and sale of squids was prohibited in 2019, the catch of squids was remarkably higher in 2019 than in previous years. Analysis suggests that factors such as the overall abundance of squids or the effects of the pollock fleet avoiding Chinook salmon and sablefish may have affected the rate of squid landings in 2019. It is difficult to predict the levels of incidental catch of squid in the GSAI and GOA under either alternative.

The potential economic impacts of allowing squid and sculpin to be sold as products other than fish meal are not significant in comparison to the overall value of the BSAI and GOA groundfish fisheries, but impacts may be significant to individual operators depending on how much of their annual revenue is generated from processing squid and sculpin. Processing squid to bait provides some revenue to shore-based processors and may reduce costs to local fleets over the need to import other bait.

Because the potential community and social impacts of the alternatives are economic in nature, and because the potential economic impacts are limited, analysis did not identify any impacts that would create adverse economic impacts on any fishing community or cause any other adverse social impacts.