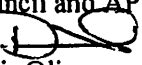


MEMORANDUM

TO: Council and AP Members  
FROM:  for  
Chris Oliver  
Executive Director  
DATE: February 1, 2006  
SUBJECT: Amendment 85 – BSAI Pacific Cod Sector Allocations

ESTIMATED TIME  
10 HOURS

**ACTION REQUIRED**

- (a) Initial review of EA/RIR/IRFA for BSAI Amendment 85
- (b) Select a preliminary preferred alternative

**BACKGROUND**

- (a) Initial review of EA/RIR/IRFA for BSAI Amendment 85

The Bering Sea and Aleutian Islands (BSAI) Pacific cod TAC has been apportioned among the different gear sectors since 1994 (trawl, fixed, and jig gear split), and a series of amendments have modified or continued the allocation system. Starting in 1998, 7.5% of the BSAI Pacific cod TAC was allocated to the western Alaska Community Development Quota Program (CDQ Program). The remaining portion of the TAC is allocated to eight separate gear sectors. Currently, Federal regulations at 50 CFR 679.20(a)(7) authorize distinct BSAI Pacific cod allocations for the following sectors (BSAI FMP Amendments 46 and 77):

<b>51% fixed gear:</b> (80% hook-and-line catcher processors) (0.3% hook-and-line catcher vessels) (3.3% pot catcher processors) (15.0% pot catcher vessels) (1.4% hook-and-line/pot vessels <60' LOA <sup>1</sup> )	<b>47% trawl gear:</b> (50% trawl catcher vessels) (50% trawl catcher processors)	<b>2% jig gear</b>
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In December 2004, the Council approved a problem statement and preliminary components and options for a new fishery management plan amendment (**BSAI FMP Amendment 85**) to modify the current BSAI Pacific cod allocations to the various gear sectors and the CDQ Program. The Council further revised the problem statement and/or alternatives at each subsequent Council meeting. The current suite of alternatives for BSAI Amendment 85 is provided in the Executive Summary, attached as **Item C-3(a)(1)**.

Amendment 85 to the BSAI FMP currently focuses on two primary issues:

- 1) BSAI Pacific cod allocations to all sectors (trawl, jig, hook-and-line, pot, and CDQ); and
- 2) apportionment of the BSAI Pacific cod sector allocations between the BS and AI subareas.

<sup>1</sup>While the <60' fixed gear (hook-and-line and pot) sector receives a separate allocation of BSAI Pacific cod, these vessels fish off the general hook-and-line CV and pot CV allocations, respectively by gear type, when those fisheries are open.

The problem statement guiding BSAI Amendment 85 is comprised of the following two parts:

### **BSAI FMP Amendment 85 Problem Statement**

#### **PART I: BSAI Pacific Cod Sector Allocations**

The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors within gear groups. The current allocations among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.

Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors.

As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.

#### **PART II: Apportionment of BSAI Pacific Cod Sector Allocations between the BS and AI**

In the event that the BSAI Pacific cod ABC/TAC is apportioned between the BS and the AI management areas, a protocol needs to be established that would continue to maintain the benefits of sector allocations and minimize competition among gear groups; recognize differences in dependence among gear groups and sectors that fish for Pacific cod in the BS and AI; and ensure that the distribution of harvest remains consistent with biomass distribution and associated harvest strategy.

Initial Council review of the draft analysis is scheduled for this meeting. The analysis was mailed to you on January 17.

Note that the analysis supporting BSAI FMP Amendment 85 and regulatory amendments for this action is tentatively scheduled for Council final action in April 2006, depending on availability of the remaining data needs and other Council priorities. **This schedule is in part predicated on the need to have Council final action in April in order to increase the likelihood that a final rule would be implemented by January 1, 2007, should the Secretary of Commerce approve the action.** The type of action under consideration would be very difficult for NOAA Fisheries to implement mid-year.

#### **(b) Select a preliminary preferred alternative**

With Council final action scheduled for April 2006, the Council may consider selecting a preliminary preferred alternative and associated options at this February meeting. While not necessary in order to take final action in April, selecting a preliminary preferred alternative may be beneficial to the public in terms of understanding more clearly the combination of components under consideration. Should a preliminary preferred alternative and options be identified in February, staff could re-package the public review draft to highlight the effects of such an alternative. While the effects of all alternatives are provided in the current analysis, it may be helpful to have a defined section identifying the potential effects of the preliminary preferred alternative prior to final action. **In particular, there exist a myriad of potential options when combining the options under Component 2 (allocations) with the options under Component 3 (seasonal apportionments). Identifying a preferred alternative would assist in narrowing the analysis of these and other components.**

## Executive Summary

This document is an Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) for proposed Amendment 85 to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (BSAI FMP). There are two primary parts to the action under consideration.

**Part I: Revisions to the current BSAI Pacific cod sector allocations**

**Part II: Apportionment of BSAI Pacific cod sector allocations to the BS and AI subareas**

The first part of the action proposes to revise the sector allocations of the BSAI Pacific cod ITAC among the various fixed gear, trawl gear, and jig gear sectors. The ITAC refers to the portion of the TAC available to the industry sectors after the reserve to the western Alaska Community Development Quota (CDQ) Program has been subtracted. For the purposes of this amendment, the fixed and jig gear sectors are defined as follows:

hook-and-line catcher processor  
 hook-and-line catcher vessel  $\geq 60'$   
 pot catcher processor  
 pot catcher vessel  $\geq 60'$   
 hook-and-line and pot catcher vessel  $< 60'$   
 jig catcher vessel

This action also proposes to further apportion the trawl vessel sector allocations between those vessels that are eligible under the American Fisheries Act (AFA) and those that are not. Currently, there exists one trawl catcher vessel allocation and one trawl catcher processor allocation. Thus, the potential trawl sectors that could receive BSAI Pacific cod allocations under this amendment are as follows:

non-AFA trawl catcher vessel  
 AFA trawl catcher vessel  
 AFA trawl catcher processor  
 non-AFA trawl catcher processor

Thus, there are ten potential (non-CDQ) sectors that may be directly affected by this amendment. **In addition, Part I of this amendment also considers:**

- increasing the amount of the BSAI Pacific cod TAC allocated to the CDQ Program;
- modifying seasonal apportionments to the various sectors;
- apportioning the annual halibut bycatch allowance between the hook-and-line catcher processor and hook-and-line catcher vessel sectors; and
- apportioning the annual halibut and crab bycatch allowances among the trawl sectors.

**Part II** of this action would establish a methodology by which to apportion each gear sector's allocation between the BS and AI subareas, in the event that the Council decides to apportion the BSAI Pacific cod ABC and TAC between the BS and AI subareas in a future specifications process. This action would ensure that the benefits of sector allocations could be maintained in that case, as well as recognize differences in dependency among gear groups and sectors that fish for Pacific cod in the BS and AI. Part II of this action only applies to the ten (non-CDQ) sector allocations discussed above. In the event the BSAI Pacific cod TAC is split by subarea in the future, the CDQ Program reserve would be established as an equal percentage in each area.

An environmental assessment (EA) is required by the National Environmental Policy Act of 1969 (NEPA) to determine whether the action considered will result in a significant impact on the human environment. NEPA requires a description of the purpose and need for the proposed action as well as a description of alternatives which may address the problem. This information is included in **Chapter 1** of this document. **Chapter 2** contains a description of the affected human environment and information on the impacts of the alternatives on that environment, specifically addressing potential impacts on endangered species, marine mammals, and cumulative effects.

Executive Order 12866 (E.O. 12866) requires preparation of a Regulatory Impact Review (RIR) to assess the social and economic costs and benefits of available regulatory alternatives, in order to determine whether a proposed regulatory action is economically “significant” as defined by the order. **Chapter 3** contains a description and analysis of the economic and social impacts of each of the alternatives.

**Chapter 4** addresses the requirements of other applicable laws, including the Magnuson Stevens Act (MSA), Marine Mammal Protection Act, and Regulatory Flexibility Act (RFA), which includes the Initial Regulatory Flexibility Analysis (IRFA). The RFA requires analysis of adverse impacts on small entities which would be directly regulated by the proposed action. At this time, the IRFA is incomplete. The remaining necessary data will be provided for the public review draft of this analysis.

The references and literature cited are in **Chapter 5**, the list of preparers is in **Chapter 6**, and the list of agencies and individuals consulted is in **Chapter 7**.

## **Background**

The BSAI Pacific cod fishery is a fully prosecuted fishery, targeted by multiple gear types, primarily by trawl gear and hook-and-line catcher processors, and smaller amounts by hook-and-line catcher vessels, jig vessels, and pot gear. Final 2006 – 2007 harvest specifications should be effective in early March 2006, which would implement a 2006 BSAI Pacific cod TAC of 194,000 mt. However, this draft analysis references the 2006 BSAI Pacific cod TAC of 195,000 mt that is currently published in Federal regulations (70 FR 8982, 2/24/05). (When the final 2006 harvest specifications are published, the analysis will be modified to reflect the 2006 BSAI Pacific cod TAC of 194,000 mt.) Thus, under a TAC of 195,000 mt, excluding the 7.5% allocated to the western Alaska Community Development Quota (CDQ) Program reserve, the 2006 (non-CDQ) ITAC is 180,375 mt. The BSAI Pacific cod TAC has been apportioned among the different gear sectors since 1994, and a series of amendments have modified or continued the allocation system.

### **Cod allocations among the jig, trawl and fixed gear sectors**

Beginning in 1994, BSAI Amendment 24 allocated the total allowable catch (TAC)<sup>1</sup> for non-CDQ BSAI Pacific cod to the various gear sectors as follows: 44% fixed gear (hook-and-line and pot); 54% trawl gear; and 2% jig gear. These percentages roughly represented the existing harvests of each sector during 1991 - 1993, with the exception of the jig sector. The two percent jig allocation exceeded the existing historical harvest by that sector and was intended to allow for growth in the jig sector.

Beginning in 1997, BSAI Amendment 46 allocated the BSAI Pacific cod ITAC among the same sectors as follows: 51% fixed gear; 47% trawl gear; and 2% jig gear. **The amendment also split the trawl apportionment between catcher vessels and catcher processors 50/50, but did not split the fixed gear allocation among hook-and-line and pot sectors.** This action also included authorization for

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<sup>1</sup>Note that unless otherwise specified, the “BSAI Pacific cod TAC” referenced throughout this document means the amount of the TAC that is distributed to various gear sectors less the CDQ reserve (7.5%).

NMFS to reallocate any portion of the Pacific cod allocations that were projected to remain unused among the various sectors if necessary.

**The allocations under Am. 46 have been in place since 1997.** While there is no sunset provision or regulatory requirement to review or modify these allocations, the Council's motion on Am. 46 included a provision to review the allocations four years after implementation. This review, originally intended at the end of 2000, has not yet occurred.

#### Cod allocations among the fixed gear sectors

Vessels began fishing in Federal waters off Alaska under the License Limitation Program (LLP) on January 1, 2000. Since the LLP was approved, changes in the fixed gear fleets prompted industry to petition the Council to further allocate cod in the BSAI among the various sectors of the fixed gear fleets. Amendment 64, implemented September 1, 2000, further apportioned the 51% of the BSAI Pacific cod TAC allocated to fixed (hook-and-line and pot) gear. Because Amendment 64 was scheduled to expire at the end of 2003, Amendment 77 was initiated to continue or modify the fixed gear apportionments beyond 2003. Under Amendment 77, the Council approved continuing the same overall fixed gear allocations as under Amendment 64, including a new apportionment between the pot sectors. The existing apportionment of the fixed gear portion of the BSAI Pacific cod ITAC is as follows:

- 80% hook-and-line catcher processor
- 0.3% hook-and-line catcher vessel
- 3.3% pot catcher processor
- 15.0% pot catcher vessel
- 1.4% hook-and-line and pot vessel <60' LOA<sup>2</sup>

With the exception of the pot split, the percentage allocations selected closely represent the harvests in this fishery during 1995 – 1998 or 1999, with an additional allocation for catcher vessels <60' LOA in order to allow for growth in the small boat sector. The pot sector allocations were based on harvests from 1998 – 2001. The percentage allocations under Amendments 64 or 77 did not reflect harvests of any quota that had been reallocated annually to the fixed gear sectors.

#### Reallocations of BSAI Pacific cod among sectors

Note that all of the recent BSAI Pacific cod allocation amendments provide direction on how to reallocate quota that is projected to remain unused by a particular sector at the end of the year. Since the BSAI Pacific cod allocations have been in effect, NMFS has reallocated quota each year from the trawl and jig sectors to the pot and hook-and-line sectors. In some years, quota has also been reallocated from the pot sectors to the hook-and-line sector. Reallocations between gear types (e.g., trawl CP to trawl CV, or hook-and-line CV to hook-and-line CP) have occurred less frequently and in lower amounts. In terms of metric tons, the majority of reallocations have been from the trawl sectors (CVs and CPs) since the gear specific allocations were established in 1994. With the exception of the jig sector, because any unused *seasonal apportionment* to a particular sector is reallocated to the next seasonal allowance for that sector, reallocations from one gear sector to another occur in the last season. Typically, reallocations from trawl to the fixed gear sectors occur in October and November, and always during the trawl C season (June 10 – Nov. 1). **Table E - 1** provides a summary of reallocations by sector in the past five years.

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<sup>2</sup>The hook-and-line and pot CV <60' sectors were allowed to fish off of the general hook-and-line CV allocation and general pot CV allocation when these fisheries were open, respectively. When these fisheries were closed, the <60' sector harvest accrued toward the <60' hook-and-line/pot CV allocation of 1.4%.

**Table E - 1 Average BSAI Pacific cod reallocations by sector, 2000 - 2004**

Average 2000 - 2004	Initial Allocation (mt)	Reallocations (mt)	Reallocation as % of initial allocation
Jig	3,715	-3,309	-89%
HAL/POT CV < 60	1,312	309	24%
HAL Catcher/Processors	75,006	16,861	22%
HAL Catcher Vessels	283	120	42%
Pot gear	17,244	-739	-4%
Trawl catcher/processors	43,649	-8,483	-19%
Trawl catcher vessels	43,469	-4,760	-11%
Average of total	184,678	17,291	9%

Source: NMFS Blend data (2000 – 2002) and catch accounting database (2003 – 2004).

The primary reason reallocations occur from the jig sector is due to insufficient effort in that sector in the BSAI. There are several reasons commonly cited for the trawl reallocations. These include increased difficulty catching cod with trawl gear late in the year when cod are less aggregated; seasonal apportionments for trawl gear under Steller sea lion mitigation measures starting in 2001; closure of the directed trawl fisheries due to the halibut bycatch cap; relatively high annual quotas of alternative trawl fisheries such as pollock (for AFA vessels); and high value alternative trawl fisheries such as yellowfin sole, rock sole, and flathead sole (for non-AFA catcher processors).

Note that the increased difficulty in harvesting cod in the second half of the year is not unique to one sector. All gear sectors have increased difficulty harvesting cod later in the year when cod are less aggregated, and weather is a significant factor for the smaller vessel sectors in the fall season. The hook-and-line sectors (CPs and CVs) are also limited by halibut bycatch in the second half of the year, as these sectors do not have a halibut bycatch allowance from June 10 – August 15. In addition, while the fixed gear cod allocation was seasonally apportioned prior to 2001, these apportionments changed in 2001 with the Steller sea lion mitigation measures, and thus also reduced the amount of cod that the fixed gear sectors could harvest in the first half of the year. Finally, representatives of the hook-and-line sector have testified that the majority of its incidental seabird take occurs during October through December. Thus, the hook-and-line sector would also prefer to harvest its cod quota earlier in the year to decrease incidental take of seabirds.

The primary change from the status quo with regard to reallocations under Amendment 77 was to apportion the jig sector's allocation (2% of the BSAI Pacific cod ITAC) on a trimester basis and reallocate any unused jig quota to the <60' vessels using hook-and-line or pot gear on a *seasonal basis*, as opposed to only in the last season. This allows the <60' pot and hook-and-line vessels to receive additional quota during the spring and summer months when it is most advantageous for the small boat fleet. It was also intended to reduce the risk of having to close the fishery intermittently while waiting for a potential reallocation from the jig sector. Previously, both unused jig and trawl quota was reallocated 95% to the hook-and-line catcher processors and 5% to pot sectors. Amendment 77 retained this distribution for reallocating unused *trawl* quota, with an additional split for the pot sectors (0.9% to pot catcher processors; and 4.1% to pot catcher vessels).

**In sum**, the existing overall allocations to the trawl, fixed, and jig gear sectors have been in place for nine years (since 1997), and the further split among the fixed gear sectors has been in place for a little over five years (since September 2000). The separate allocations between the pot catcher processor and pot catcher vessel sectors have been in place for two years (since 2004).

## Cod allocation to the CDQ Program

The western Alaska CDQ Program was implemented in November 1992 as part of the inshore/offshore allocations of pollock in the BSAI. In 1996, amendments to the Magnuson Stevens Act institutionalized the program. Originally, the CDQ Program was only allocated an annual BSAI pollock reserve. The CDQ Program has since been amended several times and now includes allocations of pollock, halibut, sablefish, crab, and all of the remaining groundfish species in the BSAI. The percentages of the CDQ reserves are as follows: 10% of pollock; 10% of crab species (with the exception of Norton Sound red king crab at 7.5%); 20% of fixed gear sablefish; 20%-100% of halibut; and 7.5% of all other groundfish and prohibited species. The 7.5% allocation of BSAI Pacific cod to the CDQ Program was established when the multi-species reserves were implemented in 1998.

## Problem Statement

Amendment 85 was initiated in large part due to the substantial reallocations of quota that occur late in the season each year from the trawl and jig sectors to the fixed gear sectors (primarily the hook-and-line catcher processor sector). The non-CDQ Pacific cod allocations have not been revisited since 1997, and the CDQ Pacific cod reserve has not been revisited since it was established in 1998. In October 2005, the Council approved the following problem statement, to address concerns that the allocations should be adjusted to better reflect historic use by sector (Part I), and to anticipate a BSAI TAC split (into BS and AI subarea TACs) in the future (Part II).<sup>3</sup> This amendment is also intended to establish more refined allocations to the BSAI Pacific cod sectors, by evaluating the potential for establishing separate and distinct allocations for the non-AFA trawl CP and AFA trawl CP sectors and the non-AFA trawl CV and AFA trawl CV sectors. The overall effort to constrain and protect the harvest distribution among all of the BSAI Pacific cod sectors is noted as a necessary step toward comprehensive rationalization.

### **BSAI Amendment 85 Problem Statement**

#### **Part I: BSAI Pacific Cod Sector Allocations**

The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors within gear groups. The current allocations among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.

Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors.

As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.

#### **Part II: Apportionment of BSAI Pacific Cod Sector Allocations between the BS and AI**

In the event that the BSAI Pacific cod ABC/TAC is apportioned between the BS and the AI management areas, a protocol needs to be established that would continue to maintain the benefits of sector allocations and minimize competition among gear groups; recognize differences in dependence among gear groups and sectors that fish for Pacific cod in the BS and AI; and ensure that the distribution of harvest remains consistent with biomass distribution and associated harvest strategy.

<sup>3</sup> The SSC has recommended the BSAI Pacific cod ABC and TAC be split into BS and AI subareas in the past (Dec. 2003 SSC minutes).

## Alternatives under Consideration

There are six primary alternatives under consideration in Amendment 85. **Table E - 2** outlines the current suite of alternatives, components, and options. **Part I** contains **Alternatives 1 and 2**. Both alternatives under Part I are comprised of the same eight components. Alternative 1 does not include multiple options under each component, as it represents the no action alternative (status quo). Alternative 2 includes several options under each component. This means that an option must be selected under each component in Alternative 2 in order for it to be whole.

**Part II** contains **Alternatives 3 – 6**. The analysis is structured such that, at final action, the Council would choose one alternative in Part I and one alternative in Part II. Any of the alternatives under Part II may be selected in conjunction with either alternative in Part I.

**Table E - 2 Summary of the Alternatives under Part I and II**

PART I: BSAI PACIFIC COD SECTOR ALLOCATIONS				
Components	Alternative 1 (No Action)		Alternative 2 (Revise allocations)	
<b>1. Sectors for which allocations are established</b>	Trawl CP Trawl CV Hook-and-line CP Hook-and-line CV	Pot CP Pot CV H&L/pot CV <60' Jig CV	AFA Trawl CP AFA Trawl CV Non-AFA Trawl CP Non-AFA Trawl CV Pot CV ≥60'	Pot CP Hook-and-line CP Hook-and-line CV ≥60' H&L/pot CV <60' Jig CV
<b>2. Sector allocations</b>	51% fixed gear: (80% hook-and-line CP) (0.3% hook-and-line CV) (3.3% pot CP) (15.0% pot CV) (1.4% hook-and-line/pot <60')  47% trawl gear: (50% trawl CP) (50% trawl CV)  2% jig gear		Six options to revise sector allocations based on sector's average annual harvest share during the years: 1995 – 2002 1997 – 2000 1997 – 2003 1998 – 2002 1999 – 2003 2000 – 2003 Drop year provisions exist under each option. The Council can select any allocations within the range provided. Options exist to provide allocations (combined or separate) to the <60' fixed gear and jig gear sectors not to exceed: 2.71%, 3%, or 4%.	
<b>3. Seasonal apportionments</b>	<u>Trawl CV:</u> 70% (Jan. 20 - Apr. 1) 10% (Apr. 1 - June 10) 20% (June 10 - Nov. 1) <u>Trawl CP:</u> 50% (Jan. 20 - Apr. 1) 30% (Apr. 1 - June 10) 20% (June 10 - Nov. 1) <u>H&amp;L gear &gt;60':</u> 60% (Jan. 1 - June 10) 40% (June 10 - Dec. 31) <u>Pot gear &gt;60':</u> 60% (Jan. 1 - June 10) 40% (Sept. 1 - Dec. 31) <u>Fixed gear &lt;60':</u> no seasonal apportionments <u>Jig gear:</u> 40% (Jan. 1 - Apr. 30) 20% (Apr. 30 - Aug. 31) 40% (Aug. 31 - Dec. 31)		Option 3.1: to maintain status quo seasons (see Alt. 1).  Option 3.2: to maintain the current % of ITAC allocation to the A and B seasons for trawl gear and the A season for fixed gear.  Option 3.3: to maintain the current % of the ITAC allocated to the A season for trawl gear. Two suboptions exist to determine how to apply the remainder of the trawl sectors' allocations between the B and C seasons.  Option 3.4: to modify the jig apportionments to: 60% (Jan. 1 - Apr. 30) 20% (Apr. 30 - Aug. 31) 20% (Aug. 31 - Dec. 31)	



PART I: BSAI PACIFIC COD SECTOR ALLOCATIONS		
Components	Alternative 1 (No Action)	Alternative 2 (Revise allocations)
4. Rollovers	<p>Unused trawl sector allocations are first considered for reallocation to other trawl sector</p> <p>Unused pot sector allocations are first considered for reallocation to other pot sector</p> <p>Reallocation from trawl to fixed gear: 0.9% pot CP 4.1% pot CV 95% hook-and-line CP</p> <p>Reallocation from jig to &lt;60' fixed gear on seasonal basis</p> <p>Unused &lt;60' fixed gear, pot, and hook-and-line CV quota is reallocated to hook-and-line CP sector</p>	<p>Options to generally maintain status quo rollover provisions, with accommodation of new trawl sectors (see Alt. 1).</p> <p>Options to modify the rollovers from trawl to fixed gear according to the new fixed gear allocations determined under Component 2.</p> <p>Options to reallocated unused quota from an inshore sector to the other inshore sectors before reallocating to offshore sectors.</p>
5. CDQ allocation	7.5% of the BSAI Pacific cod TAC	Options exist to maintain 7.5% BSAI Pacific cod CDQ allocation or to increase to 10% or 15%.
6. Apportionment of trawl halibut and crab PSC to cod trawl fishery group	The total amount of trawl halibut and crab PSC for the non-CDQ fisheries is determined in the annual specifications process.	The total amount of trawl halibut and crab PSC for the non-CDQ fisheries is determined in the annual specifications process.
7. Apportionment of the cod trawl fishery group halibut and crab PSC to trawl sectors	No apportionment of cod trawl halibut and crab PSC between the trawl sectors.	Options to apportion the cod trawl halibut and crab PSC among the trawl sectors determined in Component 1 according to their cod allocations or according to their directed cod harvest.
8. Apportionment of cod non-trawl halibut PSC	No apportionment of the cod non-trawl halibut PSC between hook-and-line CP and CV sectors.	Apportion the cod non-trawl halibut PSC between hook-and-line CP and CV sectors either 1) in proportion to their cod allocations, or 2) 10 mt for CVs, remainder for CPs.

PART II: APPORTIONMENT OF BSAI PACIFIC COD SECTOR ALLOCATIONS TO BS AND AI SUBAREAS			
Alternative 3 (No Action)	Alternative 4 (Sector allocations remain BSAI)	Alternative 5 (BS and AI equal %)	Alternative 6 (Based on history in AI)
A methodology to apportion the BSAI Pacific cod allocations to the jig, trawl, and fixed gear sectors between the BS and AI subareas would not be selected. The only approach that could be implemented without a new regulatory amendment is Alt. 5.	Sectors would have a BSAI allocation from Part I to fish in either subarea (BS or AI) if the subarea is open for directed fishing and TAC is available.	The allocation the sector receives under Part I would be applied to both the BS and AI subareas.	<p>The sector's BSAI allocation from Part I is maintained.</p> <p>Three options exist to determine the sector's AI allocation, based on the sector's AI harvest during: 1995 - 2002 1997 - 2003 2000 - 2003</p> <p>The remainder of the sector's overall BSAI allocation is in the BS.</p>

Note: An alternative must be selected under both Part I and Part II. Any of Alternatives 3 – 6 can be selected in conjunction with Alternative 1 or 2 from Part I.

## Part I, Alternative 1

Under **Alternative 1 (no action)**, there would be no change to the current sector allocations of the BSAI Pacific cod ITAC. They would remain as follows:

<b>51% fixed gear:</b> (80% hook-and-line catcher processors) (0.3% hook-and-line catcher vessels) (3.3% pot catcher processors) (15.0% pot catcher vessels) (1.4% hook-and-line/pot vessels <60' LOA)	<b>47% trawl gear:</b> (50% trawl catcher vessels) (50% trawl catcher processors)	<b>2% jig gear</b>
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The overall split between fixed, trawl, and jig gear mirrors the circumstances present in the fishery since 1997, and the further fixed gear split has been in place since September 2000, with the exception of the pot split, which was implemented in 2003. No further split would be made between the trawl CP and trawl CV sectors; the AFA trawl CV and CP sectors would continue to be subject to a BSAI Pacific cod sideboard, as opposed to having their own separate allocation of Pacific cod.

Under Alternative 1, the CDQ reserve of BSAI Pacific cod would continue to be 7.5% of the BSAI Pacific cod TAC, and this reserve would come off the top of the overall TAC prior to the apportionment to the non-CDQ sectors. The current seasonal apportionments would apply. Under Alternative 1, it is expected that a substantial portion of the cod quota would continue be reallocated on an annual basis due to projections that the quota would remain used. Unused quota from the trawl sectors would continue to be reallocated to the fixed gear sectors, with 95% to the hook-and-line CP sector, 0.9% to the pot CP sector, and 4.1% to the pot CV sector. Unused jig quota would first be considered for reallocation to the <60' fixed gear sector at the end of each jig season, before being considered for reallocation to the other fixed gear sectors above. The trawl sectors would continue to share halibut and crab bycatch allowances established for the trawl cod fishery group as a whole. Similarly, the hook-and-line sectors would continue to share an annual halibut bycatch allowance for the hook-and-line cod trawl fishery group.

## Part I, Alternative 2

Under Alternative 2, the sector allocations of the BSAI Pacific cod ITAC would be revised. There are multiple combinations of options that could result in various allocation scenarios, the range of which is provided below in Table E - 3. The effects of all of the options are detailed in Section 3.4.3.

Which sectors receive separate BSAI Pacific cod allocations is the issue addressed in **Component 1**, and the allocations established for each sector is the issue addressed in **Component 2** (see Table E - 3 below). The remaining components under Alternative 2 affect the seasonal apportionment of the resulting allocations (Component 3); how unused quota is reallocated inseason (Component 4); the CDQ reserve (Component 5); and sector apportionments of PSC allowances (Components 6 – 8).

In brief, the BSAI Pacific cod allocations to the hook-and-line sectors would increase under Alternative 2 compared to status quo (Alternative 1). The allocations to the trawl sectors would generally decrease under Alternative 2 compared to the status quo, with the exception of the AFA trawl CV sector when Component 1, Option 1.1 is applied. The allocations to the pot sectors could increase or decrease under the proposed options. The allocations to the <60' fixed gear and jig gear sectors would decrease under any of the options based on catch history in Alternative 2 compared to the status quo. However, Alternative 2, Option 2.8 would make no changes to the jig sector allocation and would either maintain or increase the distinct allocation to the <60' fixed gear sector compared to Alternative 1.

**Table E - 3 Range of proposed BSAI Pacific cod allocations (as % of BSAI Pacific cod ITAC) by sector under Components 1 and 2, compared to historical catch and status quo allocations**

Sectors	Range of potential sector allocations resulting from Components 1 & 2	Current allocation	Difference between proposed and status quo allocations	Annual share of retained cod harvests, average 1995–2003
<60' hook-and-line/pot CV	0.1% – 2%	0.7%	-0.6% to 1.3%	0.4%
AFA trawl CP	0.9% – 3.7%	23.5% (AFA CP sector is subject to sideboard of 6.1%)	-2.4% to -5.2%	1.7%
Non-AFA trawl CP	12.7% – 16.2%		n/a	13.6%
Jig CV	0.1% – 2%	2%	-1.9% to 0%	0.1%
Hook-and-line CP	45.8% – 50.3%	40.8%	5% to 9.5%	49.6%
Hook-and-line CV ≥60'	0.1% – 0.4%	0.2%	0% to 0.3%	0.1%
AFA trawl CV	17.8% – 24.4%	23.5% (non-exempt AFA CV sector is subject to sideboard of 20.2%)	-2.4% to 4.2%	21.7%
Non-AFA trawl CV	0.5% – 3.1%		n/a	2.1%
Pot CP	1.4% – 2.3%	1.7%	-0.3% to 0.6%	2.1%
Pot CV ≥60'	7.3% – 9.2%	7.7%	-0.4% to 1.5%	8.6%

Note: The <60' fixed gear sector is currently allocated 0.71% of the BSAI Pacific cod ITAC. However, this sector can currently fish off the general hook-and-line CV and pot CV Pacific cod allocations when those directed fisheries are open, respectively, by gear type. The proposed amendment would allow the <60' fixed gear sector to only fish off its direct allocation.

Note: The last column denoting annual average harvest share excludes harvests by the AFA 9. If the AFA 9 are included, the average share of the AFA trawl CP sector increases to 2.7%. The non-AFA trawl CP and ≥60' pot CV sectors' shares are each reduced by 0.1%. The AFA trawl CV sector share is reduced by 0.2% and the hook-and-line CP sector share is reduced by 0.5%.

There are four options of note under **Component 3** that address seasonal apportionments. The first three options (Options 3.1 – 3.3) are mutually exclusive and provide direction on how allocations determined in Component 2 would be seasonally apportioned. Option 3.1 retains the current seasonal apportionments for each sector (see Table E - 2). The current apportionments are primarily a result of the temporal dispersion measures resulting from the 2001 Biological Opinion on Steller sea lions. These measures are implemented to meet a seasonal target of 70% (Jan. 1 – June 10) and 30% (June 10 – Dec. 31).

Option 3.2 under Component 3 would change the seasonal apportionments by sector compared to the status quo, but would not change the percentage of the BSAI Pacific cod ITAC harvested by each gear sector in the first half of the year. In effect, any reduction to the trawl sectors' allocation would be applied only to their C season allocations. This option maintains the 70% apportionment of the overall BSAI Pacific cod TAC to the first half of the year. Under the current range of proposed allocations, however, Option 3.2 would result in a negative C season allocation for the trawl CP sectors. In effect, the proposed options in Component 2 do not result in a large enough allocation to the trawl CP sectors that would support maintaining their current A and B season allocations and attributing the entire reduction in their overall allocation to the C season.

Option 3.3 under Component 3 would change the seasonal apportionments by sector compared to the status quo, but would not change the percentage of the BSAI Pacific cod ITAC currently harvested by the trawl sector in the A season. In effect, any reduction to the trawl sectors' allocations would be applied to their B and C season allocations. Any increase in the fixed gear sectors' allocation would be applied to both their A and B seasons. In addition, there are two suboptions that address how the reduction to the

trawl sectors would be applied: either proportionately or equally between the B and C seasons. Option 3.3 does not create any negative C season apportionments as discussed above, but it does exceed the 70% target for the first half of the year under some of the proposed allocation options in Component 2.

Finally, Option 3.4 proposes to modify the jig seasonal apportionment to 60% - 20% - 20%. In effect, this would shift an additional 20% of the jig allocation, which currently represents 0.4% of the BSAI Pacific cod ITAC, to the first season. This would likely benefit the <60' fixed gear fleet compared to the status quo, due to the larger potential reallocation of cod in the first trimester. Notwithstanding a considerable increase in effort in the jig sector, the jig sector would be minimally affected, if at all. Upon selection of a preferred alternative, it will be easier to discern the potential effects of the resulting combination of Components 2 and 3.

**Component 4** addresses how to reallocate BSAI Pacific cod quota that is projected to remain unused. Options exist in Alternative 2 to reallocate unused quota first among the inshore sectors before reallocating to the offshore sectors. This represents a change from the status quo, but would continue to retain flexibility for NMFS to consider the likelihood of a sector's capability to harvest reallocated quota.

**Component 5** proposes to increase the 7.5% CDQ allocation of BSAI Pacific cod to 10% or 15% under Alternative 2. Pacific cod is currently the second most important species to the CDQ Program in terms of volume, and is typically the second or third most important in terms of value (royalties). An increase to a 10% or 15% reserve would potentially increase CDQ royalties generated from Pacific cod harvest by one-third or one-half, respectively. It is extremely likely that the CDQ groups could harvest the proposed increase. In addition, a subset of the hook-and-line catcher processor sector that harvests the non-CDQ Pacific cod fishery currently partners with the CDQ groups to also prosecute the CDQ Pacific cod fishery. Current CDQ allocations of non-target species harvested incidentally in the target CDQ Pacific cod fishery appear sufficient to support an increase in the CDQ Pacific cod allocation. Selection of either option to increase the CDQ allocation would reduce the amount of the BSAI Pacific cod TAC allocated to the non-CDQ sectors, effectively reducing their allocations proportionately, by 2.5% or 7.5%.

**Components 6 and 7** address apportioning the crab and halibut PSC allowances among the trawl sectors. Under Alternative 1, there is a shared amount of halibut PSC, for example (3,400 mt) that is then further divided among the trawl fishery groups (e.g., Pacific cod trawl fisheries, rock sole/other flatfish/flathead sole trawl fisheries, etc.). Component 6 addresses the amount of the trawl halibut PSC and crab PSC that is established overall for the trawl fisheries. Alternatives 1 and 2 are the same in this regard, and do not propose to change these amounts. Component 7, however, proposes to further split the amount of the halibut and crab PSC apportioned to the *trawl cod fishery group* among the four trawl sectors that are proposed to receive Pacific cod allocations under this amendment. This is likely one of the most complicated issues addressed in this amendment, and is complicated further by the simultaneous consideration of BSAI Amendment 80, which proposes to establish flatfish allocations for the non-AFA trawl CP sector, as well as *PSC allocations for all fisheries* associated with that sector, including Pacific cod. Potential effects of Amendment 80 are taken into account in the analysis of these components.

In brief, it is uncertain which amendment would be implemented first, if approved by the Secretary of Commerce. The ongoing assumption of Amendment 85 is such that any allocation of PSC established under Amendment 80 will take precedence over any PSC allocation established under Amendment 85 for the non-AFA trawl CP sector. Thus, upon implementation of Amendment 80, the amount of trawl halibut PSC allocated among the remaining three trawl sectors would be reduced, by as much as 40% - 83% according to the current options under Amendment 80 (see Table E - 4 below).

**Table E - 4 Estimated halibut PSC allocations to the non-AFA trawl CP sector under proposed Amendment 80**

	Sector's historic usage (all fisheries) - option 1		Sector's historic usage (A 80 species and Pacific cod) - option 2		Portion of fishery usage based on sector's allocation - option 3					
					retained/retained		total/total		retained/total	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Non-AFA CP Trawl Sector allocation as a percent of trawl halibut PSC	82.8	65.7	78.9	62.7	72.5	61.0	68.6	55.5	53.0	39.8
Non-AFA CP Trawl Sector allocation (assuming 3,400 mt trawl PSC allocation)	2,815	2,234	2,683	2,132	2,465	2,074	2,332	1,887	1,802	1,353
PSC remaining for other trawl sectors (assuming 3,400 mt trawl PSC allocation)	585	1,166	717	1,268	935	1,326	1,068	1,513	1,598	2,047

Component 7 under Amendment 85 provides two options for allocating PSC among the trawl sectors, whether the allocation is made to the three trawl sectors excluding the non-AFA trawl CP sector, or to all four trawl sectors in the case that there is lag time between implementation of Amendment 80 and 85, assuming both are approved. Under Amendment 85, PSC can be divided either based on each trawl sector's Pacific cod allocation or based on each trawl sector's *directed* Pacific cod harvest during the years selected to determine the allocation. Targeted catch data for the Pacific cod trawl sectors are currently unavailable, preventing analysis of PSC apportionments under this option; these data will be available for the public review draft. The effect of the first option (PSC allocated on the basis of each sector's Pacific cod allocation from Component 2) on halibut PSC is provided below.

**Table E - 5 Estimated allocations of trawl halibut PSC under Amendment 85**

	Allocations of Pacific cod				Halibut PSC allocation (assuming 1,400 mt to trawl Pacific cod fishery)	
	as a percent of the Pacific cod TAC		as a percent of the Pacific cod trawl allocation			
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
AFA trawl CP	3.7	0.9	8.9	2.3	125	32
Non-AFA trawl CP	16.2	12.7	42.3	32.5	592	455
AFA trawl CV	24.4	17.8	60.1	47.9	841	670
Non-AFA trawl CV	3.1	0.5	7.9	1.2	111	17
Remaining trawl PSC (for fisheries other than Pacific cod)					2,000	2,000
Pacific cod related PSC allocation to all sectors <u>excluding</u> Non-AFA trawl CP			67.5	57.7	945	808
Remaining trawl PSC ( <u>including</u> PSC for Non-AFA trawl CP sector fisheries)					2,455	2,592

Table E - 4 shows that the total trawl halibut PSC amount remaining after the Amendment 80 allocation to the non-AFA trawl CP sector ranges from 585 metric tons to 2,047 metric tons. This residual would be used to support both the Pacific cod all other fisheries for the three remaining trawl sectors. At the low end, 585 mt is far less than the amount projected to be allocated to other trawl sectors under Amendment 85, although these estimates are only intended to support the other three trawl sector's *Pacific cod* fisheries (see Table E - 5, between 808 mt and 945 mt). Thus, if the maximum allocation is made under Amendment 80, the remaining halibut PSC allowance would be insufficient to maintain the allocations of PSC to other sectors in the Pacific cod fishery (using the current 1,400 mt PSC) and would leave no PSC to support other (non-Pacific cod) trawl fisheries. Overall, the 585 metric ton residual amount is approximately one-half of the average use of other sectors in all fisheries. At the upper end, the residual remaining after the PSC allocation to the non-AFA trawl CP sector (2,047 mt) is more than the maximum annual halibut usage of all other trawl sectors. A middle range allocation to the non-AFA trawl CP sector (slightly more than 2,000 mt) and a similar middle range allocation to other trawl sectors in the Pacific cod fishery (900 mt) would leave approximately 500 mt of halibut mortality to support other trawl fisheries, which appears sufficient using the historic average during 1995 – 2003. Table E - 6 shows historic use of halibut PSC for selected trawl sectors and fisheries.

**Table E - 6 Historic halibut PSC usage (1995-2003)**

	Maximum	Minimum	Average
Non-AFA trawl CP sector (all fisheries)	2,772	1,498	2,311
All other trawl sectors (all fisheries)	2,228	472	1,158
Pacific cod trawl fishery	1,640	667	1,209
Pacific cod trawl fishery excluding Non-AFA CP trawl sector	1,360	262	770
All trawl fisheries except Pacific cod	2,577	2,062	2,251
Non-AFA trawl CP sector - All fisheries except Pacific cod	2,367	1,146	1,873
All trawl fisheries except Pacific cod excluding Non-AFA trawl CP sector	1,147	101	377

Source: NPFMC PSC data files, 1995 – 2003.

Establishing separate PSC allocations to each sector is expected to better allow the trawl sectors that operate under a cooperative management system (the AFA sectors, and potentially, the non-AFA trawl CP sector) to manage their fisheries and incidental catch internally. However, one of the primary effects of both Amendment 80 and 85 with regard to PSC is the reduced flexibility in PSC management if PSC allocations are made to each distinct trawl sector. Historically, there have been variations in usage across years in the various trawl fisheries, reflecting both changes in targeting activity and PSC rates. There is thus a concern with establishing PSC allocations that cannot fluctuate to reflect dynamic conditions in the fisheries, if allocations cannot be redistributed across target fisheries in response to shortfalls. The Amendment 85 PSC allocations to each trawl sector cannot be used outside of the Pacific cod fishery, as the intent is for each trawl sector to better manage its target allocations by knowing the exact amount of PSC allowed to prosecute that fishery, with the understanding that each trawl sector cannot erode another's PSC allowance. Note, however, that the Amendment 85 PSC allocations only distribute the Pacific cod trawl allowance among the different sectors in the Pacific cod fishery. The determination of the amount of the Pacific cod trawl allowance is left to the specification process, which allows for periodic adjustments in response to changing circumstances.

Exceeding the trawl crab PSC allowance has not been of great concern in the BSAI Pacific cod trawl fisheries in most years, because the historical use has been less than the amount available. However, there have been occasional PSC crab closures in the past (e.g., 1997, 2002). The effect of Alternative 2 on the crab PSC apportionments is in Section 3.4.3.7.

**Component 8** under Alternative 2 proposes to apportion the shared halibut PSC allowance for the Pacific cod hook-and-line sectors between the hook-and-line catcher processor and catcher vessel sectors. Halibut PSC allowances have not typically constrained the hook-and-line Pacific cod fishery in the past. The options to split the allowance would potentially allow for different seasonal allowances of halibut PSC for each of the sectors in the future, and prevent one sector from being constrained by the other's halibut bycatch rates. There is currently no halibut bycatch allowance for these sectors during the summer months (June 10 – Aug. 15), however, the hook-and-line catcher vessel sector may prefer to fish in the summer due to better weather and in order to compete with the <60' pot catcher vessels for the <60' fixed gear allocation of Pacific cod that is not seasonally apportioned. In recent years, the <60' pot catcher vessels have harvested the vast majority of the <60' fixed gear allocation, about a third of which has been harvested from May through August.

Both options proposed under Alternative 2, Component 8 would apportion about 8 mt – 10 mt to the hook-and-line catcher vessel cod fishery, leaving the remaining 765 mt – 767 mt for the hook-and-line catcher processor cod fishery (assuming the current halibut mortality allowance of 775 mt for the cod fishery group). Given halibut mortality rates per metric ton of BSAI Pacific cod estimated for each hook-and-line sector, the proposed apportionments may be slightly less than is necessary for the catcher vessel sector to fully prosecute the upper range of its potential BSAI Pacific cod allocation under this amendment. The proposed amounts appear sufficient for the hook-and-line catcher processor sector.

## Part II, Alternatives 3 - 6

Part II proposes four alternatives to establish a methodology by which to maintain sector allocations and minimize competition among gear groups, should the BSAI Pacific cod TAC be apportioned between the BS and AI subareas in a future TAC specifications process. The stock assessment model for Pacific cod is configured to represent the portion of the Pacific cod population inhabiting the BS survey area. The model projections are then adjusted to include biomass in the AI survey area. **The best estimate of long-term average biomass distribution is 85% in the BS and 15% in the AI (Thompson and Dorn 2005).** On average during 1995 – 2003, almost 14% of the BSAI Pacific cod catch came from the AI subarea and 86% from the BS subarea. If the timeframe is shortened to the most recent years (2000 – 2003), the share percentages change to almost 18% in the AI and 82% in the BS.

Under **Alternative 3** (no action), NMFS could likely only implement equal allocations in both areas (e.g., if a sector receives a 40% BSAI allocation, it would receive 40% in the BS and 40% in the AI upon a TAC split). While this is one of the methodologies evaluated, the public and the Council raised concerns about this methodology being the only potential solution by default. The primary concern being that it does not reflect recent historical catch by sector in the Aleutian Islands subarea. In general, the trawl sectors have increased the percentage of their total harvest taken from the AI in recent years, and the fixed gear sectors have reduced their share in the AI.

**Alternative 4** proposes to maintain Pacific cod sector allocations at the BSAI level as determined in Part I, and a sector could fish that allocation anywhere in the BS or AI as long as TAC was available in the subarea. This alternative provides the greatest flexibility for sectors and may be the easiest for NMFS inseason management to monitor. However, one may risk creating a race for fish in one subarea, most likely the AI, depending on shifts in the location of the stock, desire to deliver to a new port, or a number of factors that may prompt a sector to shift more of its fishing in the AI than has historically been harvested.

**Alternative 5** proposes allocating to sectors the same percentage of the BS TAC and AI TAC as determined by the BSAI sector allocations determined in Part I. Thus, Alternative 5 has the same result as Alternative 3 (no action). In effect, each sector would be allowed to harvest 85% of its BSAI allocation determined in Part I in the BS and 15% in the AI. Most sector's recent historical harvest patterns in the BS and AI do not closely mirror an 85% (BS) and 15% (AI) split. In general, Alternative 5 would allocate a lower share of the trawl sectors' BSAI allocations to the AI than has been harvested in the AI in the recent past. In contrast, Alternative 5 would allocate a higher share of the fixed and jig gear sectors' BSAI allocations to the AI than has been harvested there in the recent past.

**Alternative 6** proposes to define the sector allocations for the BS and AI based on the relative percentages of Pacific cod that were harvested by the sectors during a specified series of years. There are three options for the series of years: 1995 – 2002; 1997 – 2003; 2000 – 2003. The overall BSAI allocation would remain for each sector, as determined in Part I. Each sector would then receive its historical share of the AI TAC, and the remainder of the sector's allocation is established in the BS. One concern noted under Alternative 6 is that TAC fluctuations will have disproportionate impacts on sectors that are allocated the greatest percentage of the subarea with the declining TAC.

## Environmental Effects

Overall, the environmental analysis of the alternatives did not identify significant effects on the biological, physical, and human environment. The current fishery management program was analyzed in detail in the Groundfish Programmatic Supplemental Environmental Impact Statement (NOAA 2004a), and is updated in the annual Environmental Assessment of Harvest Specifications. The effects of Alternative 1 (no action) on Steller sea lions have been analyzed in the 2001 Biological Opinion and found not to cause jeopardy or adverse modification of critical habitat.

Alternative 2 changes sector and potentially seasonal allocations of Pacific cod to reflect average annual harvest share by sector. These catch patterns have been analyzed in the Programmatic SEIS (2004a) and in the biological opinions, and have been shown to have no adverse impact on marine mammals, including Steller sea lions. Under Alternative 2, the overall effort in the Pacific cod fishery will remain similar to recent years, as the TAC will continue to be set in accordance to Pacific cod biomass. There is a slight difference between the hook-and-line and trawl fisheries in terms of mean annual mortality rate of marine mammals and seabirds, however the likely change in catch by these gear types is minimal, and is not of such a degree as to have a significant impact at a population level. No significant impacts on marine mammals, seabirds, habitat, or the ecosystem are identified.

As discussed previously, there are some options under Alternative 2 that would allow changes to the seasonal apportionments of Pacific cod catch that may, at their extreme, change the ratio of catch in the first half of the year to slightly exceed 70% of the TAC. This would exceed the objective of the 2001 Steller sea lion protection measures, to limit Pacific cod catch during the first half of the year to 70% of the overall allowable harvest. NMFS Protected Resources Division has informed the Council that consultation, either informal or formal, may be required to change the seasonality of Pacific cod catch from the status quo. In effect, the implications of selecting a combination of options that would allow the seasonal catch for the first half of the year to exceed the 70% limit may trigger consultation.

Alternatives 3 – 6 define a methodology for apportioning BSAI allocations among the BS and AI subareas and are not likely to have significant environmental impacts. Under any of the alternatives, subarea TACs will not be exceeded, and thus no significant impact to the Pacific cod stock is expected. Current Pacific cod harvest by subarea approximates the amount of catch that would be allowed to occur in each subarea should subarea-specific TACs be established in the future, and existing spatial and temporal dispersion measures will continue to protect Steller sea lion habitat and forage availability under any of the alternatives.

## Economic Effects

Production efficiency, as defined as the difference between production revenues and production costs, is not expected to change significantly under either alternative in Part I; however, there are some potential increases in Alternative 2 worth noting compared to Alternative 1. Under the no action alternative, for the most part, production efficiency is limited by the race for fish in the current limited access fishery. Only the AFA trawl CV and CP sectors currently operate under the cooperative system. Sector allocations under Alternative 2 could provide additional production efficiency benefits, such that both AFA sectors and potentially the non-AFA catcher processor sector (upon implementation of proposed Amendment 80) should be able to better manage direct Pacific cod allocations through cooperatives. In addition, increased production efficiency could be realized by establishing a separate allocation to the AFA trawl CV sector and allowing the three participants with the greatest harvest history in the non-AFA trawl CV sector to fish off the AFA trawl CV allocation (given that their cod history would be attributed to the AFA trawl CV sector in determining that sector's allocation). This means that a greater percentage of the trawl CV allocation would be managed under a cooperative system, and the three participants with the greatest cod



history in the non-AFA trawl CV sector would be capable of fishing under a more rationalized system via contracts with the AFA CV sector.

Overall, the intent of Alternative 2 is to revise the BSAI Pacific cod allocation such that the initial allocations established at the beginning of the year better reflect the actual historical harvests by sector. Meaning, under Alternative 1, one would expect that substantial amounts of cod quota would continue to need to be reallocated among sectors near the end of the fishing year, in order to prevent foregone catch. To the extent that the options under Alternative 2 would establish distinct BSAI Pacific cod allocations that limit the need to reallocate catch during the year, participants in the sectors receiving those reallocations could benefit from the increased ability to plan their fishing year. Instead of being uncertain of the level and timing of reallocated quota from the trawl sectors late in the year, the harvest history that represents the reallocations would be incorporated in the fixed gear sector's initial allocation. This would reduce overall uncertainty and allow these sectors, particularly the hook-and-line catcher processor sector, to better plan their annual operations.

Production efficiency is not expected to change significantly under Alternatives 3 – 6. In effect, Alternatives 3 and 5 would result in the same sector allocation percentage in the BS and AI as the sector receives for the BSAI under Part I. Thus, regardless of harvest history between the two subareas, the sector would receive the same percentage in each area. If a sector had very little fishing history in one of the two areas, creating equal percentages in each area may serve to reduce production efficiency by forcing participants into unfamiliar fishing grounds. This could be either a short-term effect as participants gain experience in the fishing grounds of a new subarea or a long-term effect as a particular gear type may not be well suited for the subarea. The division of the TAC between the Aleutian Islands and Bering Sea could lower production efficiency, if it serves to create a greater race for fish in one subarea than exists overall in the BSAI. While speculative, this potential exists if the allowable catch allocated to a subarea is not sufficient to support the number of participants that want to fish in the area. This may be the case under Alternative 4, since each sector would be limited by an allocation that could be harvested in either area until the TAC for that area was fully harvested. Alternative 6 is based on catch history in the Aleutian Islands, which is likely the limiting factor for the BSAI sector allocations. If Alternative 6 establishes the sector allocations in the AI based on recent catch history, it is not expected to significantly affect production efficiency and would likely have less of an effect than Alternatives 3 – 5.

The allocations proposed under Alternative 2 are intended to reflect actual retained catch over a series of years, including reallocated quota. Production mixes are not anticipated to change significantly from previous years. Some minor quality improvement could occur because of the direct sector allocation made to sectors that operate under cooperatives (AFA trawl sectors and potentially the non-AFA trawl CP sector); however, they are unlikely to be substantial. Overall, U.S. consumers could realize a minor benefit from the improved product quality, but are unlikely to realize any notable change in benefits under this action.

In sum, a few factors could potentially contribute to an increase in net benefits to the Nation under this action. The increased certainty in the total annual allowable harvest by sector and the reduction in reallocated quota could increase the ability of participants to plan the fishing year, potentially increasing net benefits in production. In addition, given that ex-vessel and first wholesale prices are slightly higher for fixed gear compared to trawl gear, to the extent that this action provides the fixed gear sector with a more certain future allocation (by moving unused trawl quota that has historically been reallocated from the trawl sectors to the fixed gear sectors into the fixed gear sector's *initial* allocation) this may result in increased revenues. Absent cost data, however, whether this potential increase in revenues results in a net benefit to the Nation cannot be established.

## *Effects on Management, Monitoring, and Enforcement Costs*

No changes are expected to the existing management system under Alternative 1, thus, no effects on management, monitoring, or enforcement are expected. NMFS would continue to monitor eight separate sector allocations, with seasonal apportionments for each sector, with the exception of the <60' hook-and-line catcher vessel sector. NMFS would also be expected to continue its current practice of reallocating Pacific cod quota inseason that is projected to remain unused by a particular sector.

There is the option under Alternative 2 to create ten sector allocations, meaning NMFS would be required to monitor ten allocations of BSAI Pacific cod, as opposed to the current eight under Alternative 1. This results from splitting the current trawl CV and trawl CP allocations by AFA and non-AFA sectors. However, the frequency and level of inseason reallocations of cod quota among sectors is expected to decline, as the allocations are adjusted under Alternative 2 to better reflect actual catch history.

The sectors identified under Alternative 2 that continue to operate in a competitive limited access system, specifically the non-trawl sectors and the non-AFA trawl CV sector, would not expect any changes in agency management or monitoring. The current intent under Alternative 2 is for the AFA trawl CV and CP sectors, as well as the non-AFA trawl CP sector cooperatives, to manage their own Pacific cod allocations under a hard cap. If the industry can control and limit its catch, it can best decide how much of its allocation is necessary to apply to a directed fishery and how much is needed for incidental catch in other target fisheries. In effect, this allows the industry to realize the greater benefit from the fishery than by having NMFS determine the level of incidental catch needs. The greater the uncertainty, the greater the ICA established by NMFS. The greater the ICA, the less opportunity the industry has to extract the greatest value from the fishery.

Another important issue under Alternative 2 is the potential to divide the trawl cod fishery group halibut and crab bycatch allowances among the four trawl sectors. While it may be beneficial to the AFA sectors and non-AFA trawl CP sector to be able to manage a certain apportionment of the halibut and crab bycatch allowances, more refined apportionments can also make it difficult for a sector whose bycatch needs are relatively variable from year to year. Monitoring of trawl PSC will be a considerable task for both the trawl sectors and NMFS. While a further apportionment of the non-trawl halibut bycatch allowance is also proposed under Alternative 2 between the hook-and-line CP and CV sectors, the level and rate of halibut bycatch in the non-trawl sectors reduces this concern.

In a future TAC-setting process, the Council may recommend splitting the BSAI Pacific cod TAC into BS and AI subarea TACs. Under Alternative 1 and a TAC split, NMFS would effectively be managing two subarea allocations for each of eight sectors, notwithstanding seasonal apportionments. Under Alternative 2 and a TAC split, NMFS could potentially be managing two subarea allocations for each of ten sectors, notwithstanding seasonal apportionments. Under either alternative, this task may prove difficult if the seasonal allocations to a particular sector in the AI are extremely small, given the relatively small potential TAC and the number of apportionments. Note, however, that the action under Alternatives 3 – 6 is not to determine *whether* to split the BSAI TAC into BS and AI subareas; it is limited to determining how to divide the sector allocations by subarea should separate TACs be established in a future specifications process. Effects on industry and the ability of NMFS to manage seasonal sector allocations in each subarea as a result of the proposal to split the BSAI Pacific cod TAC by subarea would need to be addressed in the final TAC-setting environmental analysis.

AGENDA C-3  
FEBRUARY 2006  
Supplemental

January 31, 2006

Chris Oliver  
Executive Director  
North Pacific Fishery Management Council  
Anchorage, Alaska

RE: AGENDA ITEM C-3, BSAI PACIFIC COD SECTOR ALLOCATION REVIEW.

Dear Mr. Oliver:

The undersigned are all Bering Sea Pacific cod, catcher vessel, pot cod fishermen. It has recently been brought to our attention through the BSAI Amendment 85, Initial Review Draft, January 13, 2006, (pages 77-81) that a loophole has developed under the provisions of Amendment 77, which separated the Pacific cod allocation between pot catcher vessels (CVs) and catcher processors (CPs), with each sector being allocated a portion of the pot gear TAC. The intent of Amendment 77 as adopted was that vessels endorsed under the two sectors would be restricted to making landings based on their respective allocations. Under the provisions of Amendment 77, 8 catcher processors share 1.65 percent of the pot cod TAC of 9.3 percent, (of the total BSAI TAC) while 53 catcher vessels share the remaining 7.65 percent of the TAC.

Currently, a few qualified pot CPs sometimes opt not to process the fish they catch on board, instead they are operating part of the time in the CV mode and delivering their catch ashore. Amendment 67, defining LLPs for the fixed gear sector allows this. However, shorebased deliveries for CPs operating in the CV mode are credited to the CV sector instead of the CP sector under which they have an Amendment 77 endorsement. Other CPs could exploit this loophole to fish when the CV season is open and following the closure of the CV season, they could begin harvesting the CP allocation. So far only two or three of the CP boats have delivered ashore, but more could start doing this if the loophole is not closed.

It was the intent of the council action under Amendment 77 to restrict qualified CPs and CVs to their respective sector allocations. A simple solution would be a NPFMC directive or a regulatory amendment directing the NMFS to credit cod harvested by pot boats to whatever sector the boat has an Amendment 77 endorsement, CV or CP. It is important that this issue be addressed in the current Pacific cod sector allocation analysis that will be reviewed at the February 2006 NPFMC meeting.

Thank you for your attention to this matter.

See the attached list of BSAI Amendment 77 CV qualified owners and operators.

Lance Farr,  
Kevleen K LLC.  
8941 179 Pl. S.W.  
Edmonds, WA 98020  
[fffish@hotmail.com](mailto:fffish@hotmail.com)



NAMES OF OWNERS/OPERATORS

NAMES OF VESSELS

M. McWoodley M. Woodley

Atlantico

RICK TUNNEY

R. Tunney

BIG BLUE

Willow Prout

W. Prout

Silver Spray

TIM LUKERICH

Tim Lukerich

F/V KUDIAK

TIM LUKERICH

Tim Lukerich

F/V KUDIAK

Dale Christoffersen

Dale Christoffersen

F/V Alaska Challenger

Dan O'Leary

F/V Arctic Fox

B. L. R.

F/V NORTH BELAND

B. L. R. / B. L. R.

F/V Amos



Staff  
North Pacific Fisheries Management Council  
605 West 4<sup>th</sup>, Suite 306  
Anchorage, Ak 99501  
PH (907) 271-2809  
FAX (907) 271-2817

February 2, 2006

Please note that in our written testimony dated January 31, 2006 an error was overlooked. Under the first Paragraph titled "Amendment 80", it should have read "Amendment 85". If it is timely to note this change prior to being copied, we would appreciate your help.

Julie Kavanaugh  
FV Sylvia Star LLC  
PO Box 3890 Kodiak Alaska 99615  
sylstar@ak.net

Attention Stephanie Madsen, Chair  
North Pacific Fisheries Management Council  
605 West 4<sup>th</sup>, Suite 306  
Anchorage, Ak 99501  
PH (907) 271-2809  
FAX (907) 271-2817

January 31, 2006

#### Amendment 85

We are addressing the allocation of P-cod TAC for vessels 60' ft and under. An allocation should be set at the full 4 % as described in your options. The 60' ft and under fishery should have an opening date of March 15<sup>th</sup>. This addresses the safety concerns of this small vessel fleet. Our preference would be to have access to the majority, if not all, of this fish during the A season. The fall season presents safety concerns due to inclement weather.

In viewing this as a sector allocation only, we do not believe this requires the Council to adjust the CDQ quota.

#### GOA Groundfish Rat'l

1. Address the federal fish caught inside 3 miles
2. Identify a preferred option without processor linkage for all gear types
3. Community Protection Programs should recognize only Skipper and Crew
4. Identify sector allocations and qualified vessels for years inclusive of all options
5. To properly address the GOA RAT'L problem statement, Rationalization of all sectors must be concurrent.

To fully participate in the process, we must first understand if we have federal history (i.e. Fish caught inside 3 miles). It is important that the Council take action to recognize this group. Processor linkage has unforeseen consequences in the BSAI Crab Rat'l, and should not be considered as an option at this time. A true community protection program recognizes the fisherman, living and working in their community, not an entity charging rents and marginalizing its intended benefactor. Sector allocation and naming qualified vessels would be a step towards preserving the historical make-up of the groundfish fleet. Concurrent Rationalization of the groundfish fleet as a whole would ensure a defensible Rationalization Plan.

Ron & Julie Kavanaugh  
FV Sylvia Star LLC  
PO Box 3890 Kodiak AK 99615  
[sylstar@ak.net](mailto:sylstar@ak.net)

\* Kodiak Residents, pot fishing P-cod in Kodiak, Chignik, Sand Point, and Akutan with groundfish history dating back to 1990.

**Excerpt from November 2005 BSAI Pacific Cod SAFE Report**

**Area Allocation of Harvests**

At present, ABC of BSAI Pacific cod is not allocated by area. Pacific cod is something of an exception in this regard. Based on a Kalman filter analysis of the shelf bottom trawl survey time series in the EBS and AI, last year's assessment concluded that the best estimate of the BSAI Pacific cod biomass distribution was 85% EBS and 15% AI (Thompson and Dorn 2004). The analysis was not repeated for this year's assessment, because no AI survey was conducted this year. If a 2006 ABC of 183,000 t were apportioned accordingly, the EBS and AI portions would be 156,000 t and 27,000 t, respectively (rounded to the nearest thousand t). An ABC of 27,000 t in the AI would be about 6% lower than the 2004 AI catch of 28,865 t. Thus, if there were no other management complications, setting a separate ABC for the AI would be expected to impose only a modest new constraint on the existing fishery while helping to control future expansion of the fishery in this area. However, at present, there are potentially significant management complications arising from certain allocation formulas (by gear type, CDQ, etc.) pertaining to Pacific cod in the Fishery Management Plan. Until such time as these complications can be resolved, specification of separate ABCs for the EBS and AI is not recommended.



## Alternative 2: Bottom line under Component 3, combined with allocations under Component 2

### Option 3.1

Under Option 3.1, the result is that any possible reduction in the trawl allocation would be distributed proportionally among each of its existing three seasons. Likewise, any potential increase to the fixed gear allocation would be distributed proportionally between its existing A and B seasons. The intent is for the seasonal allocations between the trawl CP and trawl CV sectors to continue (which combined, represent a 60% - 20% - 20% split).

Table 3-68 shows how the seasonal allocations would be established under current regulations, such that the current 60/20/20 split would be applied to the new allocation to the trawl sector and the current 60/40 split would be applied to the new allocation to the fixed gear sector. *For example, 60% of the 10% allocation increase to the fixed gear sector is apportioned to the A season, and 40% of the 10% increase is apportioned to the B season. While the seasonal percentage of the gear allocations do not change, the seasonal percentage of the ITAC taken by each sector necessarily changes, as does the overall percent of the ITAC harvested in the first and second halves of the year.* The overall percent of the ITAC harvested in the first half of the year is reduced to about 67.4% and the second half of the year is increased to 32.6%. (Compare this to the status quo in Table 3-66 and Table 3.67.)

### Option 3.2

**Option 3.2 has problems with creating a negative C season allocation for the trawl CP sectors. Option 3.2 does not exceed the 70% overall seasonal apportionment to the first half of the year under the SSL measures.**

Note that under the maximum allocation change considered between the trawl and fixed gear sectors (10%), Option 3.2 would increase the amount of the BSAI Pacific cod ITAC harvested in the first half of the year compared to Option 3.1 (from 67.4% to 69.4%) but would not exceed the 70% seasonal target that was established under the 2001 Steller sea lion mitigation measures. **Instead, Option 3.2 mirrors what is allowed under current regulations in terms of harvest in the first and second halves of the year.** The great majority of the trawl sectors' harvest would necessarily be allocated to and harvested in the A and B seasons. By contrast, the fixed gear sectors would harvest half of their allocation in the A season and half in the B season.

Note also that under the maximum change between the overall trawl and fixed gear allocations (10%), applying Option 3.2 results in a negative allocation to the trawl CP sectors in the C season. Upon determination of a preferred alternative and allocations for each sector, the seasonal apportionments can be determined to ensure that no negative allocations are established. **If Component 3, Option 3.2 is preferred, the combined trawl CP allocation would need to be at least 18.8% in order to avoid establishing a negative allocation in the C season.** With an allocation of 18.8% to the trawl CP sector, the trawl CP sector would be apportioned 11.8% of the ITAC in the A season, 7.1% in the B season, and 0% in the C season. Note, however, that there are not currently any options that would meet this threshold. **Under the current options proposed in Component 2, the highest (combined) allocation to the trawl CP sectors is 18.0%.<sup>1</sup>**

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<sup>1</sup>This is under Component 2, Option 2.2, including the AFA 9 and the drop year provision.

### **Option 3.3, Suboption 1**

**Option 3.3, Suboption 1 has problems with exceeding the 70% overall seasonal apportionment to the first half of the year under the SSL measures, but only under a few allocation scenarios. Option 3.3 does not create any negative C season apportionments.**

Note that under the maximum allocation change considered between the trawl and fixed gear sectors (10%), Option 3.3, Suboption 1 would increase the amount of the allowable harvest of the BSAI Pacific cod ITAC in the first half of the year compared to what is allowable under status quo or Option 3.2 (from 69.4% to 70.3%) or compared to what is allowable under Option 3.1 (from 67.4% to 70.3%). **Option 3.3, Suboption 1 appears to very slightly exceed the 70% seasonal target that was established under the 2001 Steller sea lion mitigation measures, when combined with the maximum allocation change proposed between trawl and fixed gear under Component 2. Note, however, that this is not the case for every allocation option proposed under Component 2.** For example, any of the allocation options shown in Table 3-58 (allocations based on catch history only) combined with Option 3.3, Suboption 1, would not exceed the 70% threshold. In addition, if small boat allocations are fixed under Option 2.8, only those allocations combined with Option 2.6 (with one exception)<sup>2</sup> would result in exceeding the 70% threshold (see Table 3-64).

### **Option 3.3, Suboption 2**

**Option 3.3, Suboption 2 has problems with exceeding the 70% overall seasonal apportionment to the first half of the year under the SSL measures, under almost every allocation scenario. Option 3.3 does not create any negative C season apportionments.**

Note that under the maximum allocation change considered between the trawl and fixed gear sectors (10%), Option 3.3, Suboption 2 would increase the amount of the allowable harvest of the BSAI Pacific cod ITAC in the first half of the year compared to what is allowable under status quo or Option 3.2 (from 69.4% to 70.4%) or compared to what is allowable under Option 3.1 (from 67.4% to 70.4%). **Option 3.3, Suboption 2 appears to very slightly exceed the 70% seasonal target that was established under the 2001 Steller sea lion mitigation measures when combined with almost every allocation scenario proposed under Component 2. The only allocation scenario under Component 2 that does not result in exceeding the 70% threshold when combined with Option 3.3, Suboption 2, is Option 2.2 (including AFA 9 and the drop year provision.)**

### **Option 3.4**

The proposed change to the jig sector seasonal apportionments under Option 3.4 would potentially redistribute 20% of the jig allocation, which represents 0.4% of the BSAI Pacific cod ITAC, to the first half of the year. **The effect of Options 3.1 – 3.3 are shown in Table 3-68 to Table 3-71. To understand the effects of Option 3.4 on Options 3.1 – 3.3, 0.4% would be added to the amount of the Pacific cod ITAC that could be harvested in the first half of the year, and 0.4% less in the second half of the year.**

### **Summary**

While all possible combinations under Alternative 2 can be determined using the data and tables provided in this analysis, the Council and public may benefit from selecting a preferred alternative before further combinations are explored.

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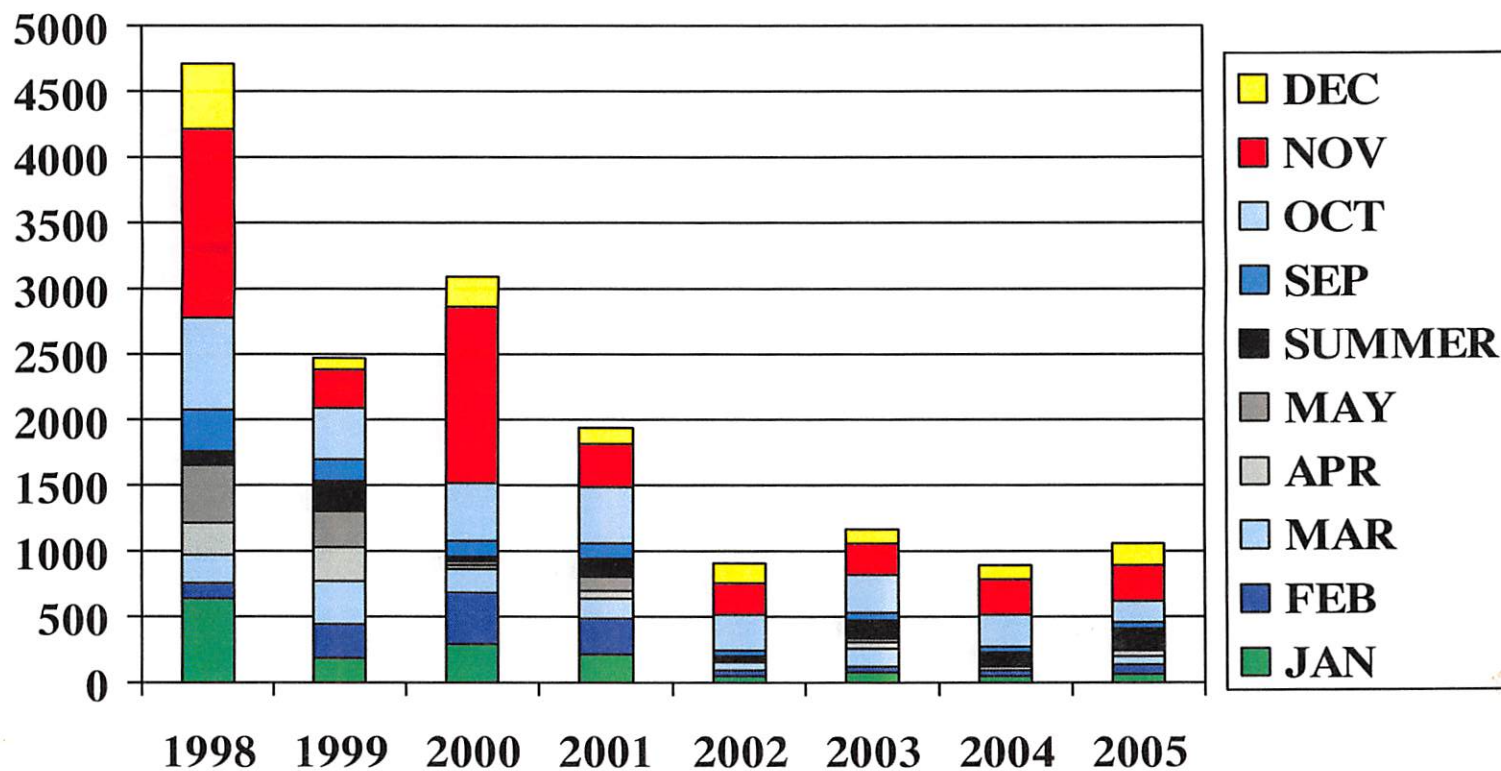
<sup>2</sup>Component 2, Option 2.5 combined with Option 2.8, Suboption 4, and in combination with Component 3, Option 3.3, Suboption 1, would also result in exceeding the 70% threshold.

# FREEZER-LONGLINER INCIDENTAL TAKE OF SEABIRDS IN THE BERING SEA / ALEUTIAN ISLANDS AND GULF OF ALASKA

(OBSERVED BIRDS UNEXTRAPOLATED)

Data provided by Fisheries Information Services

Information complete thru 12/31/05



T Smith  
0-3

	1998	1999	2000	2001	2002	2003	2004	2005
Jan	630	177	290	210	40	78	40	59
Feb	123	255	394	272	58	37	53	73
Mar	224	347	175	150	53	136	29	63
Apr	238	254	40	58	14	45	16	50
May	429	272	20	106	2	36	13	9
Summer	117	231	34	138	31	131	80	159
Sep	314	154	118	127	43	73	46	44
Oct	694	395	451	423	271	279	241	160
Nov	1447	292	1343	340	243	240	270	270
Dec	493	86	227	114	147	107	107	175
Totals	4709	2463	3092	1938	902	1162	895	1062

Percentage of Seabird Incidental Take from Sept - Dec

1998	63%
1999	38%
2000	69%
2001	52%
2002	78%
2003	60%
2004	74%
2005	61%

**Thorn Smith**

---

**From:** Janet Smoker [smokeror@peak.org]  
**Sent:** Monday, January 23, 2006 4:31 PM  
**To:** Thorndog@npla.net  
**Subject:** Re: Halibut

Fall halibut rates are always twice or more than in winter.

Attached 2005 rates.

I know I did this exercise for other sp. once too, I just need to dig around a bit.

JS

----- Original Message -----

**From:** Thorn Smith  
**To:** 'Janet Smoker'  
**Sent:** Monday, January 23, 2006 2:43 PM  
**Subject:** Halibut

More halibut late in the year? Oct. – Dec.

Thorn Smith  
Executive Director  
North Pacific Longline Association  
4209 21st Ave W, STE 300  
Seattle, WA 98199  
(206) 282-4639  
(206) 282-4684 Fax

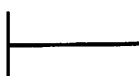
2005

average (from raw data, not column to left)

Week	rate	kg/mt
1-Jan-05		36
8-Jan-05		25
15-Jan-05		20
22-Jan-05		23
29-Jan-05		23
5-Feb-05		20
#####		19
#####		23
#####		30
#####		38
2-Jul-05		91
23-Jul-05		7
6-Aug-05	148	
#####		59
#####		55
3-Sep-05		51
#####		52
#####		56
#####		52
1-Oct-05		57
8-Oct-05		40
15-Oct-05		36
22-Oct-05		43
29-Oct-05		59
5-Nov-05		63
#####		44
#####		49
#####		45
3-Dec-05		44
#####		46
#####		40

spring 23 kg/mt

fall 50 kg/mt



T. Smith  
C-3

1 **"SEC. 316. BYCATCH REDUCTION ENGINEERING PROGRAM.**

2       “(a) BYCATCH REDUCTION ENGINEERING PRO-  
3 GRAM.—Not later than 1 year after the date of enactment  
4 of the Magnuson-Stevens Fishery Conservation and Man-  
5 agement Reauthorization Act of 2005, the Secretary, in  
6 cooperation with the Councils and other affected interests,  
7 and based upon the best scientific information available,  
8 shall establish a bycatch reduction program to develop  
9 technological devices and other conservation engineering  
10 changes designed to minimize bycatch, seabird bycatch,  
11 bycatch mortality, and post-release mortality in Federally  
12 managed fisheries. The program shall—

13               “(1) be regionally based;

14               “(2) be coordinated with projects conducted  
15 under the cooperative research and management  
16 program established under this Act;

17               “(3) provide information and outreach to fish-  
18 ery participants that will encourage adoption and  
19 use of technologies developed under the program;  
20 and

21               “(4) provide for routine consultation with the  
22 Councils in order to maximize opportunities to incor-  
23 porate results of the program in Council actions and  
24 provide incentives for adoption of methods developed  
25 under the program in fishery management plans de-  
26 veloped by the Councils.

1       “(b) INCENTIVES.—Any fishery management plan  
2 prepared by a Council or by the Secretary may establish  
3 a system of incentives to reduce total bycatch and seabird  
4 bycatch amounts, bycatch rates, and post-release mortality  
5 in fisheries under the Council’s or Secretary’s jurisdiction,  
6 including—

7           “(1) measures to incorporate bycatch into  
8 quotas, including the establishment of collective or  
9 individual bycatch quotas;

10          “(2) measures to promote the use of gear with  
11 verifiable and monitored low bycatch and seabird by-  
12 catch rates; and

13          “(3) measures that, based on the best scientific  
14 information available, will reduce bycatch and  
15 seabird bycatch, bycatch mortality, post-release mor-  
16 tality, or regulatory discards in the fishery.”.

17 **SEC. 118. COMMUNITY-BASED RESTORATION PROGRAM**  
18 **FOR FISHERY AND COASTAL HABITATS.**

19       (a) IN GENERAL.—The Secretary of Commerce shall  
20 establish a community-based fishery and coastal habitat  
21 restoration program to implement and support the res-  
22 toration of fishery and coastal habitats.

23       (b) AUTHORIZED ACTIVITIES.—In carrying out the  
24 program, the Secretary may—



**Alaska Crab Coalition**  
3901 Leary Way N.W. Suite #6  
Seattle, Washington 98107  
206.547.7560  
Fax 206.547.0130  
accrabak@earthlink.net

February 10, 2006

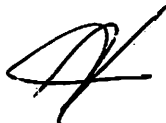
**Agenda Item C-3, BSAI Pacific Cod Sector Allocations:**

There are presently 53 pot catcher vessels and 8 pot catcher processors qualified to fish for cod in the Bering Sea under the Amendment 67. The current allocation for the sector is 9.3 percent of the BSAI ITAC. It is worth noting that the pot cod fleet has a very low bycatch of halibut and that it is exempt from the halibut PSC.

**Recommendations:**

1. The ACC supports maintaining the suite of alternatives on sector allocations in the analysis without picking a preferred alternative at this meeting.
2. The ACC supports the Advisory Panel recommendation that the NMFS catch accounting system be modified such that future shoreside landings by pot CPs are counted against the CP allocation, not the pot CV allocation. Otherwise, if favorable market prices in excess of 40 cents a pound could result ~~and~~ several of these vessels change over to the more simplified CV mode, the CV ~~sector~~ catch could be significantly reduced.
3. In regards to the Bering Sea and Aleutian Islands cod TAC split, the ACC sees this issue fraught with inequities for several sectors including the pot sectors. There are only 3 of 53 CVs and 3 of 8 CPs with permanent Aleutian Islands cod LLP endorsements. A split could create a disproportionate reallocation of pot sector cod to the Aleutian Islands sub area.
4. In regards to the issue of the potential increase in the under 60 foot fixed gear allocation, if the Council takes this action the ACC recommends the Council allocate it from the total ITAC, as distinct from reallocating it from only the fixed gear allocation.

Arni Thomson  
Alaska Crab Coalition



D. C-3 FRASER



**RE: Amendment 85 – P. Cod Allocations**

Adak Fisheries supports the following general actions under Amendment 85:

- Allocation of cod to AFA trawl CV sector.
- Allocation of cod to non-AFA trawl CVs in Federal and parallel P. cod fisheries in the Aleutian Islands that maintain their recent harvest levels.
- Provide opportunity for new participation in the CV Pot and Hook-and-line CVs under 60' and jig vessels in Federal and parallel P. cod fisheries the Aleutian Islands.
- Adopt the CV rollover hierarchy in Alt. 4.2.

Under Part II Adak Fisheries supports adopting a CV trawl allocation in the Aleutian Islands based on recent harvest patterns. Since the adoption of SSL mitigation measures in 2001, there has been a significant shift in harvest patterns by sector. **None of the existing options captures the area harvest patterns by sector that has occurred over the last four years.**

**Cod catches by area**

Year	BS	AI	total	ABC	AI% ABC	AI trawl	trawl % of AI
1998	158,526	34,726	193,252	210,000	16.5%	20,531	59.1%
1999	145,865	28,130	173,995	177,000	15.9%	16,437	58.4%
2000	151,372	39,684	191,056	193,000	20.6%	20,362	51.3%
2001	142,452	34,207	176,659	188,000	18.2%	15,826	46.3%
2002	166,552	30,801	197,353	223,000	13.8%	27,929	90.7%
2003	176,659	32,455	209,114	223,000	14.6%	31,478	97.0%
2004	184,945	28,865	213,810	223,000	12.9%	25,766	89.3%
2005	143,492	20,911	204,877*	206,000	10.2%	18,975	90.7%

- from Nov. 2005 SAFE document (\* 2005 total from NMFS in-season reports)

Under Alt. 6.3 the maximum possible CV Trawl AI allocation is 10,938 mt. This is a 37% reduction of what they harvested in 2003. Adak Fisheries requests that the Council:

- **Add a sub-option 6.4 to the analysis based on the years 2002-2003.**
- **Ask staff to add available data for area catch distribution by sector for 2004 and 2005, to provide information on recent fishing patterns by various sectors.**

Under Alt. 6 the maximum AI allocation to <60' Pot and Hook & Line, plus Jig, CVs is 73 tons. This precludes any development of a small boat cod fishery. Adak Fisheries requests that the Council:

- **Add a sub-option be added to Alt. 6 to allow a range of up to 50% of the allocation to the <60' Pot and Hook-and-line CV sector and the Jig sector chosen under Option 2.8 to be harvested in the Aleutian Islands.**

Chair Madsen and Council members

My name is Matt Hegge, I own and operate a 58' fishing vessel that participates in the <60' fixed gear sector of the BSAI cod fishery.

The <60' fixed gear sector was established in 2000 under Amendment 64. Quota allocated to the <60' sector is .7% of the BSAI TAC. This separate Allocation provided opportunity for small vessels to harvest cod in the Bering sea with out directly competing against the high powered large vessels that dominate the Bering sea cod fishery.

The license restrictions have remained lax for the <60' sector. There are currently 116 <60' fixed gear licenses eligible to harvest cod in the Bering sea, with between 25 and 40 vessels participating from 2000 to present each year. At this level of effort, the current quota allocated under amendment 64 does not support a viable fishery for the <60' sector.

Many of us participating in the <60' sector have made significant investments in gear and equipment, and have high expenses to operate in the Bering sea fishery, not unlike many large vessels in other sectors.

Under Amendment 85: Alternative 2: Component 2: sector allocations

Options 2.1 through 2.6 provide sets of years that establish each sectors catch history. The range of years being considered are 1995 through 2003.

The <60' fixed gear sector began harvesting fish under it's own quota allocation in the fall of 2000. Since 2002 we have harvested our entire allocation, harvesting additional quota from the >60' general sectors. In 2004 and 2005 a large percentage of the unused jig Quota was also harvested by the <60' sector.

None of the options 2.1 through 2.6 accurately represent the recent <60' sectors catch history. Most of these options would severely reduce our allocation, and likely put many of us out of the Bering sea cod fishery.

I ask you not to support any of the options 2.1 through 2.6 for the <60' fixed gear sector allocation.

Option 2.8:

Sub-option 4: Provides a direct allocation of 4% of the BSAI TAC to the <60' sector and the jig sector. 2% allocated to each sector.

Increasing the <60' sector allocation from .7% to 2% would provide long term stability to the sector and reduce the heavy reliance on fish from the other sectors and rollovers to support our fishery.

In 2004 and 2005 the < 60' sector harvested around 2% of the BSAI TAC in each year. Increasing our direct allocation would make it much easier to plan our season and know what we will have to harvest. This would be a significant improvement to the <60' sectors fishery. Providing additional quota to our allocation would not cause any large change to other sectors allocation. With the <60' sector allocation coming out of TAC prior to the other sectors allocations, only small changes occur to other sector allocations.

Amendment 85 would no longer allow <60' vessels to harvest cod In the >60' sectors, current regulations allow this and it attributes to part of the <60' sector season.

Option 4.2 would continue to allow projected unused jig quota to be reallocated to the <60' sector if we can harvest it. 4.2 Also has better rollover direction to keep inshore quota within the inshore sectors. Inshore processors depend on the inshore allocations. Every opportunity should be made to support them with inshore quota prior letting it go offshore and away from the communities they support.

Component 3: Option 3.4 would reapportion the jig allocation on a trimester basis of 60%-20%-20%. This allows for projected unused jig quota to be better utilized by the <60' sector. While continuing to provide enough quota to meet the jig fishery needs through out the year.

The Bering sea cod fishery is a very important part of our year. Amendment 85 provides opportunity to adjust the <60' fixed gear allocation to support the current participants.

Thank you.  
Matt hegge

February 7, 2006

NPFMC  
605mW. 4<sup>th</sup> Ave Ste 306  
Anchorage, AK 99501

Dear Council Members,

I would like to offer the following comments on the economic portion of the initial review draft for the GHL measures. My comments will focus on two sections of that analysis, Sec 2.7.3 Economic Effects of Industry and Communities and Sec 2.7.5 Effects on Net Benefits to the Nation.

Sec 2.7.3 uses key informant interviews with charter and lodge operators to complement the numerical analysis of the alternatives. Completely omitted from this analysis is any discussion of the effects of the proposed alternatives on the commercial fishermen, their crews, and the processing workers in shore based plants. In area 2C, the 2004 GHL overage caused a direct reduction in the 2006 commercial quota of 200,000 to 300,000lbs resulting in a 1 million dollar loss to the commercial sector. Page 36 considers the impact of Alternative 2 on charter crew members, but does not discuss the estimated \$200,000 to \$400,000 dollars in lost crew wages caused by the GHL overage in the commercial sector. Likewise, this section discusses the possible secondary effects of reduced annual limits on communities, but does not mention the losses the to these communities from processing work, fuel, raw fish tax and other secondary effects of commercial fishing activity which were precluded by the GHL overage.

**I recommend Sec 2.7.3 be revised to include a discussion of the economic effects of the alternatives on the commercial sector and support services within costal communities. Specifically, the analysis should note the impact of GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.**

With respect to Section 2.7.5, Effects on Net National Benefits, this section should note that the charter businesses do not depend directly in the number of halibut caught, but on the number of clients serviced each year and the cost of servicing those clients to generate benefits. Currently, there is no limit on the amount of halibut the guided sport sector as a whole can take so there is no incentive to make the most efficient use of the halibut resource. The analysis should note that if charter operators can adapt their business plans to service the same number of clients using less fish, then an efficiency is gained which results in net national benefits. The analysis notes that marketing costs may increase and reduce the realized benefits, but fails to note that if this increase is a transitional cost, then its effect on net national benefits over the long term is negligible.

**I recommend this Section 2.7.5 be revised to provide more context on the effect of the alternatives if charter businesses can service the same number of clients using less fish and the effect of short term vs. long term cost, and on net national benefit.**

Thank you for your consideration

Dan Falvey  
F/V Myriad