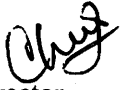


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver 
Executive Director

DATE: June 2, 2010

SUBJECT: Central Gulf of Alaska Rockfish Program

ESTIMATED TIME 12 HOURS

ACTION REQUIRED

- (a) Final action on CGOA Rockfish Catch Share Program

BACKGROUND

At this meeting the Council is scheduled to take final action on the Central Gulf of Alaska rockfish program. In April 2010, the Council conducted an initial review of the Central Gulf of Alaska rockfish program analysis and direct staff to address certain additional issues and release the document for public review. The public review draft was mailed on May 7, 2010. An executive summary of that analysis is attached as Item C-5(a). The Council also took the opportunity to signal its intent to include certain elements in (and exclude others from) its preferred alternative for the Central Gulf rockfish program. Many of these choices are not reflected in changes in the analysis, as the Council chose not to establish its preferred alternative at the April meeting, but only to provide notice concerning elements that it may (or may not) include in the preferred alternative. Attached as Item C-5(b) are the elements and options under consideration, reflecting Council actions at the April meeting. Finally, two environmental assessment tables (3-15 and 3-19) were updated to include 2008 and 2009 catch after the document was mailed and a new environmental assessment table was prepared showing discarded and retained incidental catch of unallocated species in the CGOA target rockfish fishery. The updated tables and the new table are provided as Item C-5(c).

Executive Summary

In 2003, the U.S. Congress directed the Secretary of Commerce to establish, in consultation with the North Pacific Fishery Management Council (the Council), a pilot program (the rockfish pilot program) for management of the Pacific Ocean perch, northern rockfish, and pelagic shelf rockfish¹ fisheries (the target rockfish fisheries) in the Central Gulf of Alaska. Following this directive, in 2005, the Council adopted a share-based management program under which the total allowable catch is apportioned as exclusive shares to cooperatives based on the catch history of the members of those cooperatives. Although originally subject to a sunset after 2 years, the 2007 reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act (the MSA) extended the term of the program to 5 years. Under this extension, the program is scheduled to sunset after the 2011 season. In the absence of Council action, management of the fisheries would revert to the License Limitation Program (the LLP). This action considers alternatives to allowing the fishery to return to LLP management, in order to maintain the benefits derived under the rockfish pilot program.

Problem Statement

The intent of this action is to retain the conservation, management, safety, and economic gains created by the Rockfish Pilot Program to the extent practicable, while also considering the goals and limitations of the Magnuson-Stevens Fisheries Conservation and Management Act Limited Access Privilege Program (LAPP) provisions.

The existing CGOA Rockfish Pilot Program (RPP) will sunset after 2011. Consequently, if the management, economic, safety and conservation gains enjoyed under the RPP are to be continued, the Council must act to create a long term CGOA rockfish LAPP. For both the onshore and offshore sectors, the RPP has improved safety at sea, controlled capacity of the fleets, improved NMFS' ability to conserve and manage the species in the program, increased vessel accountability, reduced sea floor contact, allowed full retention of allocated species and reduced halibut bycatch. In addition, the rockfish fishery dependent community in the CGOA and the shorebased processing sector have benefited from stabilization of the work force, more shoreside deliveries of rockfish, additional non-rockfish deliveries with the RPP halibut savings, and increased rockfish quality and diversity of rockfish products. Moreover, the CGOA fishermen, and the shorebased processing sector have benefited from the removal of processing conflicts with GOA salmon product. The Council needs to resolve identified issues in the management and viability of the entry level fishery.

The portion of the catcher processor sector currently participating in the rockfish cooperatives has also benefitted from the RPP. These benefits include greater spatial and temporal flexibility in prosecuting the fishery, which result in lower bycatch, a more rational distribution of effort and more stable markets. Certain provisions of the current RPP act as disincentives to some CP operators from joining the cooperative sector and achieving these benefits. These disincentives should be eliminated to the extent practicable in the new RPP.

¹ Pelagic shelf rockfish comprises light dusky rockfish, yellowtail rockfish, and widow rockfish.

Alternatives

To address its problem statement, the Council has adopted for analysis alternatives for three different sectors (i.e., entry level, catcher vessels, and catcher processors). These program alternatives are generally derived from a common set of elements and options with sector specific elements and options that reflect operational differences. The specific elements and options that define the alternatives follow the description of the alternatives (including the no action alternative) below.

For the **entry level sector**, three alternatives have been defined. The first is the no action alternative, under which management would revert to the LLP and any holder of an LLP license (or person exempt from LLP license requirements) could enter a vessel in the rockfish fishery. The second alternative is the current entry level management structure under the pilot program. Under this alternative, catcher vessel license holders that do not qualify for participation in catcher vessel program can participate in a derby fishery for 5 percent of the target rockfish TAC. This entry level TAC is divided equally with half available to trawl gear participants and half available to fixed gear participants. The third entry level alternative would provide for only fixed gear entry level fishery.

Three alternatives are defined for the **catcher processor sector**. The first is the no action alternative, under which the fishery would revert to LLP management. The second alternative would create a cooperative program, which allocates to the trawl catcher processor sector target rockfish and secondary species (historically harvested in conjunction with target rockfish) and halibut prohibited species catch (PSC) based on the harvest history of sector members. Eligible sector participants could then access exclusive allocations, through cooperative membership. The third alternative is the existing pilot program structure, which is similar to the cooperative alternative, but also allows eligible catcher processors to enter a limited access fishery, instead of joining a cooperative.

Four alternatives are defined for the **catcher vessel sector**. The first is the no action alternative, under which the fishery would revert to LLP management. The second alternative would establish a cooperative program for catcher vessel sector under which eligible catcher vessels could participate in the fishery only by joining a cooperative, which would receive an allocation of target rockfish, secondary species, and halibut PSC based on historic catches. The third alternative would divide harvest share allocations of target rockfish, secondary species, and halibut PSC between historic catcher vessel participants and historic processing participants, with allocations within each sector based relative historic participation within that sector. Under the final alternative, a harvester must join a cooperative in association with a processor. The harvester has full discretion in choosing a cooperative both initially and annually thereafter and may change cooperatives (and accompanying processor associations) without penalty or forfeiture of harvest quota.

Analysis of the Alternatives

No action alternative

Under the no action alternative, the CGOA rockfish fishery would revert to LLP management. Reverting back to LLP management is likely to result in fishing practices and patterns similar to those seen prior to the pilot program. In that fishery, trawl vessels raced for catch of rockfish when the trawl season opened in July. Typically, Pacific ocean perch was caught first, followed by northern rockfish and pelagic shelf rockfish.

The quality of fish harvest would likely suffer from a return to the race for fish. In addition, catcher processors must also process the rockfish rapidly to maintain quality and accommodate additional catch. A modest increase in participation might be expected, if the fishery reverts to LLP management.

Processing participation and practices are likely to be similar to those seen under LLP management prior to implementation of the rockfish pilot program. Catcher processors in the rockfish fisheries prior to the rockfish pilot program produced mostly whole and 'headed and gutted' products. These vessels would likely process catch in a similar manner under the no action alternative. Production efficiency for the catcher processors sector would likely be limited slightly by the race for fish under an LLP managed fishery. Although catcher processors process their catch quickly relative to catcher vessels, the quality of harvests could suffer to some extent as participants race to maximize their catch rates. Diminished quality would dissipate a portion of the resource rents that would otherwise be available.

Production efficiency of catcher vessels under the no action alternative would also be limited by the short, race for fish that will likely result. Increasing catch in each tow and filling holds can damage rockfish, owing to their being difficult to handle. The no action alternative would also likely extend trip lengths, to increase catch per trip which can result in a decline in the quality of rockfish and other species caught in the rockfish fishery. Returns to catcher vessels under this alternative would likely be limited, both by the quality of their landings and the compressed time period in which those landings must be made. Most processors would likely process deliveries quickly to keep pace with the landings. These conditions could dampen competition for landings among the participating processors to some extent. Quality would likely suffer because of the rapid rate of harvest and processing, which would likely lead to the production of relatively lower value and lower quality products (including headed and gutted fish and surimi). Efficiency in the processing sector would suffer, as lower value products of lesser quality are likely to be produced in greater quantities. Efficiency would also be lost, as crews scale up for a short period of time to accommodate the rapid pace of landings during the compressed season.

Consumers are likely to be supplied with products from the rockfish fishery similar to those supplied prior to the pilot program. Catcher processors are likely to produce high quality frozen headed and gutted and whole fish. Production from catcher vessel catch is likely to suffer from poor handling.

Crew participation and compensation would likely remain similar to current crew participation and compensation (as little change has occurred under the pilot program). Most crewmembers work in several different fisheries (including the rockfish fishery) on the same vessel, while others move to other vessels for particular fisheries. Crew members' compensation would likely continue to be a share of the vessel's revenues (after certain adjustments for operating expenses).

For shore based processing crew, the no action alternative would result in similar processing practices seen before implementation of the pilot program. During that period, most of the processing took place in Kodiak and was undertaken by resident crews. Crews were employed processing rockfish for a relatively short period of time. When rockfish was processed, relatively large crews were necessary to maintain a flow of fish through the plants. Because the fishery coincided with the pink salmon fishery, some plants employed substantially larger crews that were juggled between lines to process landings from both fisheries.

Catcher Processor Sector - Cooperative Only – CP-2

Under this alternative, eligible catcher processors could either join a cooperative or not participate in the Central Gulf rockfish fisheries. Within each cooperative, it is anticipated that each member would receive revenues based on the allocation that the person brings to the cooperative, with participants that fish shares of others receiving compensation for their fishing expenses. Persons eligible for the program that receive relatively small allocations could either choose to join a cooperative to allow other members of the cooperative to fish their allocations or choose to opt-out of the program for the year, forgoing the opportunity to fish CGOA rockfish. Other members of the sector could decide to consolidate their

rockfish allocations to realize efficiencies in the rockfish fisheries and other fisheries. Whether some or all of these vessels would choose to remain out of a cooperative cannot be predicted, and depends on their opportunities in other fisheries.

Allocations of secondary species should not constrain harvests of target rockfish, unless the rates of incidental catch of secondary species in the rockfish fishery change substantially. Cooperatives should prove useful for addressing any constraints arising from the secondary species allocations, given that cooperatives would allow for the redistribution of secondary species allocations among cooperative members. One factor some sector participants have sighted as creating an incentive for not joining cooperatives under the existing pilot program is the shortraker rockfish allocation. Included in the proposed action is an option to increase the allocation of shortraker to cooperatives from 30.03 percent to 50 percent or to manage shortraker and rougheye rockfish under a combined MRA of 2 percent for catcher processors fishing in a cooperative. It is possible that one of these suggested changes could eliminate any perceived constrain these species allocations have on the harvest of the primary species.

Processing by catcher processors under this alternative is likely to remain similar to the current (pilot program) processing by this sector. Most vessels in the sector are equipped for producing a few simple products (frozen whole and headed and gutted fish). Because of size limitations, it is unlikely that any of these vessels will change plant configurations to process higher-valued, more processed products. Although catcher processors product mix may not change under this alternative when compared to the no action alternative, it is possible that some improvement in quality may be made by some participants. Generally, catcher processors produce a relatively high quality product, so the ability to make quality improvements may be limited. Any improvements in consumer benefits arising from improved quality are likely to be realized by Asian consumers, as most of the production from this sector is sold into that market.

The primary production efficiency gains in the catcher processor sector under this alternative are like to result from participants being able to slow the pace of fishing and processing. In the slower fishery, participants may be able to reduce expenditures on inputs to some degree (possible scaling down crews slightly) and increasing outputs slightly (with less loss due to diminished quality). Additional production efficiencies could arise because of the cooperative structure of the alternative. In a cooperative, participants will be free to consolidate fishing up to the 60 percent harvest cap. Consolidating catch on fewer vessels in the fishery could also reduce aggregate harvest costs.

Specific sideboard provisions include a limit on West Yakutat pelagic shelf rockfish, Pacific ocean perch, as well as Western GOA pelagic shelf rockfish, Pacific ocean perch, and northern rockfish. There would also be a limit on halibut PSC, to constrain harvest from fisheries that are typically halibut constrained.

Complicating the rockfish program sideboards for the catcher processor sector are Amendment 80 sideboards. Implemented in 2008, the Amendment 80 program includes sideboards for pollock, Pacific cod, Pacific ocean perch, northern rockfish, pelagic shelf rockfish, and halibut PSC for the same catcher processor fleet that would likely be limited by sideboards in the new rockfish program. Amendment 80 GOA sideboards appear less restrictive relative to the proposed rockfish program sideboards, but rockfish program sideboards would apply only for the month of July, while the Amendment 80 sideboards apply all year. Given that both rockfish program sideboards and Amendment 80 sideboards are based on historical retained catch by the sector, it is likely that both sideboards are constraining of fishing effort in a similar fashion. Given that rockfish program and Amendment 80 sideboard limits would likely curtail the same catcher processor fleet from encroaching on other fisheries, it is likely that having both sets of sideboards would only duplicate management costs and increase the complexity of the sideboard fisheries, albeit at relatively insignificant levels, with no added benefit.

Catcher Processor Sector - Cooperative or Limited Access – CP-3

This alternative differs from the cooperative only alternative only in that eligible catcher processors may choose to participate in a limited access fishery (instead of a cooperative). The catcher processor limited access fishery will be managed in a manner similar to the pilot program limited access fishery. Under the pilot program, several vessels have registered for the limited access fishery, with only a few vessels participating. As a result, no race for fish has developed. Instead participants have coordinated catch allowing each to harvest an agreed share. Since most of the limited access vessels are members of a common cooperative in the Bering Sea, it is possible that some vessels registered for the limited access that do not participate have chosen to register for the limited access to benefit their Bering Sea cooperative associates (rather than see their allocations redistributed among the rockfish cooperatives). As a result of these arrangements, the limited access fishery has functioned more like a cooperative than a limited access fishery. Limited access registered vessels, however, cannot begin harvests prior to the early July opening and, under sideboards, cannot fish in other fisheries in early July, until a large portion of the rockfish harvests are made. These limitations are intended to prevent encroachment of vessels in those other fisheries.

Processing by catcher processors under this alternative is likely to be the same as under the previous alternative where catcher processors will continue to produce a relatively high quality product, so the ability to make quality improvements may be limited. Catcher processors would be likely to realize similar gains in production efficiency as the cooperative-only alternative, with differences arising from the ability to participate in the limited access fishery. Catcher processors may receive a benefit under this alternative, if the MRA management in the limited access fishery removes a harvest constraint that would have affected vessels fishing in a cooperative. To date in the pilot program, no constraint appears to have arisen. Alternatively, periodic losses in efficiency could result under this alternative, if a race for fish develops in the limited access fishery.

Sideboards proposed under this alternative are the same as those under the preceding, except that catcher processors that elect to fish in the limited access fishery that have in excess of 5 percent of the sector's qualified catch of Central GOA Pacific ocean perch could be subject to additional limits from July 1, until 90 percent of the Central GOA Pacific ocean perch that is allocated to the catcher processor limited access fishery has been harvested. Qualified participants that choose to opt-out of the rockfish program would be prevented from participating in any directed fishery that the license holder did not participate in during the first week of July in at least two of seven qualifying periods.

Catcher Vessel Sector - Harvester Only Cooperative – CV-2

Under this alternative, eligible harvesters would receive exclusive allocations that can be accessed through cooperatives. These cooperatives will have the flexibility to make deliveries to any processor, which should ensure that harvester delivery preferences are recognized. It is possible that a harvester might make concessions to a processor in choosing delivery dates, but these concessions are likely to be compensated. Cooperatives will have the flexibility of delivering to multiple processors, allowing the opportunity to choose fishing timing. Despite this flexibility, it is likely that established relationships will have an important influence on harvester delivery choices and cooperative membership (at least at the outset of the program). Over time, changes in delivery patterns may change as harvesters perceive better opportunities with other processors.

The structure of the market for landings would likely be competitive under this alternative, increasing the incentive for processors to aggressively pursue product improvements to attract additional landings. This competition should resolve delivery terms, including the timing of landings to accommodate processing

schedules. This timing of landings could be critical to processors meeting some market demands, particularly if a fresh market were to develop.

Under this alternative, the ability to coordinate harvest activity and remove vessels from the fleet without loss of harvest share, together with a relative improvement in bargaining strength arising from no processor protection should result in substantial improvements in harvest sector efficiency over the no action alternative. Fishing will be slowed, as cooperatives receive exclusive allocations. Production efficiency in processing should improve as processors are better able to schedule crews to process landings and processors improve product quality and produce higher quality products that cannot be produced under the no action alternative, because of the relatively low quality of landings and the need to process those landings rapidly. However, processors may experience little improvement in their overall efficiency under this alternative because of their relatively weak negotiating position in the market for landings.² Instead, cooperatives (and their catcher vessel fleets) should receive most of the benefits of these improvements through ex vessel price negotiations. Notwithstanding the relatively strong position fishermen may have under this alternative, processors should obtain normal profits from their processing, and in some cases may be able to use relationships in other fisheries to leverage their negotiating position.

All of the catcher vessel alternatives include an option for an individual use cap of between 3 percent and 5 percent of the catcher vessel shares. Under the various qualifying year options and proposed caps, a maximum of 14 license holders could be constrained by the individual use cap at the initial allocation. To avoid this constraint, a grandfather clause could be adopted. Given that between 42 and 50 license holders would be allocated primary rockfish depending on the qualifying years, between one-quarter and more than one-half of those license holders could leave the fishery before all owners reach the 3 percent cap. Another option considered in all of the catcher vessel alternatives would establish a cooperative use cap of 30 percent of the catcher vessel harvest share pool.

A vessel use cap of between 4 percent and 10 percent is also being considered for the catcher vessel alternatives. As many as 12 vessels in the catcher vessel sector have historically harvested more than 4 percent of the sector's total catch in a given year. Few vessels have historically exceeded the proposed 8 percent cap and in only one year did any vessels exceed the 10 percent cap. Finally, a processing cap of 20 percent, 25 percent, 30 percent, or 33 percent is being considered for the catcher vessel alternatives. A processing cap would ensure that no processor purchases over the specific share of the landings in the fishery. In each case, grandfather clauses could be adopted to allow historic participants to maintain their historic level of activity, should that level exceed the cap. Overall, processing caps would reduce production efficiency to the extent that competition for landings is decreased. Harvesters, in the short run at least, could receive a lower price for landings to the extent that competition is constrained. This reduction in competition could, in turn, reduce the incentive for processors to improve products and enhance marketing efforts to maintain their competitiveness in product markets. Processors could derive a benefit from this provision to the extent that ex vessel price reductions occur, but those benefits will not necessarily accrue to historical processors.

The Council motion contains an option to add a port delivery requirement for allocations of the primary and secondary species to the catcher vessel sector. The port delivery requirement is intended to protect the community of Kodiak from changes in the location of shore based processing activities that could occur in the rockfish program. If adopted, this option would ensure that Kodiak remains the processing base for the fishery and that Kodiak processors and the community continue to benefit from the fishery, at some cost to competing Alaska communities and fishermen.

² Although an option could require all landings to be made in Kodiak, since that community is home to several processors, it is unlikely that the limitation of landings to Kodiak would affect the degree of competition in the fishery.

As would be applied to catcher processors, a general sideboard could be adopted to limit catcher vessel participants, in the aggregate, to their historical harvests in other fisheries during the month of July. Given that NOAA Fisheries would likely close the WGOA and WYAK rockfish fisheries and the deep water complex to directed fishing for the catcher vessel sector due to insufficient catch history, prohibiting eligible catcher vessel license holders from directed fishing in these fisheries would likely reduce management costs, observer costs to the sector, and simplify sideboard regulations for the rockfish program.

Catcher Vessel Sector – Allocation of Harvester Shares to Processors – CV-3

Under this alternative, eligible processors would receive allocations of harvest shares from the catcher vessel harvest share pool. Allocations of target rockfish would be divided between eligible harvesters and eligible processors, with eligible processors receiving 10 percent, 20 percent, or 30 percent of the sector's pool of all allocated species based on processing in the fisheries during the qualifying period. In general, the processors receiving these allocations will receive the resource rents associated with that allocation.

Catcher vessel efficiency gains under this alternative are likely to be different, with resource rents divided between catcher vessels and processors based on the division of the harvest share allocation between these sectors (i.e., 90/10, 80/20, or 70/30). The returns to participants in the catcher vessel sector may vary slightly depending on the approach taken by holders of processor allocations in using their harvester shares. These different methods are likely to result in a similar distribution of resource rents, but may result in slightly different distributions of normal profits and operation levels of independent harvesters. If a processor elects to harvest its allocation on its own (or an affiliated vessel), the processor would receive resources rents and normal profits from the harvest, annually.³ If a processor elects to sell its allocation (i.e., long term share), the processor would receive the presumed resource rents (discounted to their present value equivalent) embodied in the allocation at the time of the sale. The purchaser would assume the risk associated with the allocation and gain any normal profits (or losses) from the harvest of the shares over the long term. If a processor enters an arm's length lease for its allocation (or the annual allocation yielded by its allocation), it would receive the annual rents embodied in the allocation at the time of each lease, with the lessee assuming all risks of profits or losses from harvest of the annual allocation. Lastly, a processor may use its shares as part of a broader negotiation with a cooperative (or vessels in a cooperative) to establish a relationship that extends to all (or a large segment of) the landings of the cooperative.

Under this alternative, processors that receive an allocation of harvest shares are likely to realize substantially greater benefits from the fishery, than under the other catcher vessel alternatives. This benefit would be derived from the share allocation, as opposed to operational efficiencies, as this alternative is likely result in similar operational efficiencies as other cooperative alternatives. Processors will have several choices for using their shares, including selling their long term shares, leasing annual allocations, and (in some cases) harvesting annual allocations on affiliated vessels. While each of these would be expected to bring the share holder the resource rent arising from the shares, it is likely that most processors holding harvest shares will negotiate the harvest of their allocations with cooperatives, to gain additional landings and coordinate processing activity in the fishery.

In addition to the many different caps included in the catcher vessel alternatives, this alternative would include an additional limit on processor holdings of harvest shares. Under one option, the general harvest share limits could be applied to all holdings, effectively constraining harvest share holdings. It is possible under this option that all processors initially allocated harvest shares could exceed the cap. A grandfather provision could allow these processors to maintain holdings received in the initial allocation. A second option would establish a 20 to 25 percent use cap on holdings of shares initially allocated to processors.

³ These profits might be captured only after sale of finished products by the processors.

With the exception of a limit on processor holding of harvest shares, the effects of excessive share limits and sideboards described under the previous catcher vessel alternative also apply to this alternative.

The specific effects of the processor allocations will also depend, in part, on the rules governing their use and transfer. A holder of quota shares, originally allocated to a processor, would be permitted to divide those quota shares on transfer. In addition, three options defining persons eligible to acquire shares have been proposed. The first option would qualify processors that meet a minimum processing threshold in the fishery to acquire these shares. The second option would allow processors receiving an initial allocation of shares to acquire additional shares. In general, opportunities for processor acquisition of shares are likely to be few. The third option would allow any qualified license holder to acquire shares initially allocated to a processor. Unless a processor is exiting the fishery, it is unlikely that a processor would wish to sell its shares to a possible processing competitor (or harvester). It is also likely that, if a processor were to exit, it would attempt to sell its entire operation, including any shares. This type of a transfer is unlikely to change the processing market, except when a plant is bought by a competitor who is consolidating processing. If limited by the excessive share cap, a processor acquiring another plant and its interests in the fishery is likely to require any shares beyond the cap to be transferred to a harvester, rather than a competing processor.

Catcher Vessel Sector – Cooperative with Severable Processor Association (no forfeiture) – CV-4

Under this alternative, a cooperative would be required to annually associate with a processor to access its allocation. Harvester will have full discretion to choose a cooperative, initially, and may freely move among cooperatives, annually, thereafter. In addition, cooperatives are free to associate with any processor in the community in any year without forfeiture or penalty. The terms of the cooperative agreement, and consequently, the cooperative/processor association are subject to negotiation between the cooperative members and the processor. Given the flexibility of the harvesters to move among cooperatives, and of cooperatives to change associations, it is likely that any limitation established under the terms of an association (such as delivery requirements or terms) will be fully voluntary and harvesters will receive compensation for any concessions. Long term relationships and relationships in other fisheries are likely to be important factors that affect cooperative and processor association choices.

While some cooperatives may use the processor association to establish delivery relationships, it is possible that some cooperatives may minimally comply with the requirement, by establishing a relationship on paper, but maintaining no operating relationship. With unlimited choice in processor associations, such an arrangement is plausible. In this case, the cooperative would be free to deliver to any processor and negotiate delivery arrangements independent of the processor association requirement.

It is expected that processors will pursue markets and production opportunities, to establish and maintain annual associations and to attract deliveries. Historical relationships will likely influence the formation of cooperative/processor associations, but these relationships are likely to be tested, if a processor fails to compete in product markets (or fails to match others' ex vessel prices).

As noted above, there is an option for an individual use cap of between 3 percent and 5 percent of the catcher vessel shares that would be exceeded by approximately 14 license holders at the initial allocation. Another option would establish a cooperative use cap of 30 percent of the catcher vessel harvest share pool, which would prevent consolidation within cooperatives. A vessel use cap of between 4 percent and 10 percent is also being considered. As many as 12 vessels in the catcher vessel sector have historically harvested more than 4 percent of the sector's total catch in a given year. Few vessels have historically exceeded the proposed 8 percent cap and in only one year did any vessels exceed the 10 percent cap. Finally, a processing cap of 20 percent, 25 percent, 30 percent, or 33 percent is also being considered. As noted above, this cap could reduce competition for landings, which could, in the short, reduce the ex

vessel price, to the extent that competition is constrained, and the incentive for processors to improve products and enhance marketing efforts. Some processors could derive a benefit from this provision to the extent of any ex vessel price reductions, but those benefits will not necessarily accrue to historical processors.

Overall, the ability to coordinate harvest activity, together with a relative improvement in bargaining strength arising from no direct processor allocation, should result in substantial improvements in harvest sector efficiency over the no action alternative.

The effects of excessive share limits and sideboards noted in CV-2 and CV-3 also apply to this alternative.

Entry Level Trawl/Fixed Gear Fisheries – EL-2

Under this alternative, 5 percent of each of the target rockfish species is set aside for the entry level fisheries. This set aside is divided equally between the trawl and fixed gear sectors. With fixed gear vessels taking less than one percent of the TAC of any rockfish species historically, it is unlikely that the fixed gear allocation will constrain that fleet. To reduce the potential for the fixed gear allocation to go unharvested, that TAC is available for harvest by entry level trawl vessels late in the year.

The trawl allocation would be available for harvest by all applicants for the entry level program. Despite the large number of persons eligible for the fishery, the trawl fishery could draw few applicants as the allocation is relatively small and few potential participants have experience in the fishery. Given the potential for relatively small allocations to the fishery (approximately 350 tons of Pacific ocean perch), the ability of NOAA Fisheries to effectively manage the trawl portion of the entry level fishery to prevent TAC overages could be limited, if a substantial number of applications for the entry level trawl fishery are received. If several vessels enter the fishery, it is likely that managers would have to close the fishery or use short openings of 24 hours or less to manage catches to the available portion of the TAC.⁴ Management of the small allocation to trawl vessels in the entry level fishery is likely to be problematic under this alternative.

Entry Level Fixed Gear Only Fishery – EL-3

Under this alternative, only fixed gear sector would receive an entry level allocation of the primary rockfish species. The starting entry level set aside under this alternative would be between 1 metric tons and 10 metric tons of Pacific ocean perch, between 1 metric tons and 10 metric tons of northern rockfish, and between 10 metric tons and 30 metric tons of pelagic shelf rockfish.

Limiting the entry level fishery to fixed gear vessels and reducing the set aside to the fishery would resolve complications associated with the entry level trawl fishery. Not including trawl participants in the entry level fishery eliminates the potential for trawl effort to result in the TAC being exceeded. Reducing the set aside for the fixed gear vessels would also reduce the potential for the allocation to go unharvested. Historically, fixed gear vessels have very minimal participation in the CGOA target rockfish fisheries. However, allocations less than 5 metric tons for Pacific ocean perch and northern rockfish could be very difficult to manage, so NOAA Fisheries would likely close those entry level fisheries. To avoid closures in the entry level program prior to the season opening, the Council would have to select Pacific ocean perch and northern rockfish allocations greater than or equal to 5 metric tons.

⁴ No similar problem exists for the fixed gear sector under this alternative, as that fleet has shown limited capacity to quickly harvest the allocations. This slower rate of harvest allows managers the opportunity to close the fishery in a timely manner to avoid TAC overages.

Included in the alternative is the ability to expand the fixed gear entry level allocation as harvests increase. If the fixed gear entry level participants harvest 90 percent or more of their allocation of a rockfish species in a year, the set-aside would be increased by the amount of the initial allocation of the species. Allocation increases would be capped at a maximum of between 1 percent and 5 percent of Pacific ocean perch TAC, between 2 percent and 5 percent of northern rockfish TAC, and between 2.5 percent and 5 percent of pelagic shelf rockfish TAC. Overall, the use of a relatively small starting fixed gear allocation (more in line with historical catches), and a mechanism for increasing the allocations with growth in the sector, could help prevent unharvested portions of the TAC, which would occur, if the allocation to the fixed gear sector was disproportionate to their catches.

Effects on Net Benefits to the Nation

The net benefits to the Nation arising out of the change in management may accrue from several sources. First, production efficiencies in harvesting and processing could occur as a direct result of management changes. These production changes may affect the benefits realized by U.S. consumers, through changes in product quality, availability, variety, and price. This change is likely to be relatively small, unless U.S. markets for rockfish products expand from their current levels. Further, the changes in conduct of the fisheries and management could result in desirable changes in the biological and ecological environment, which yield benefits to the Nation through ecosystem productivity changes and welfare changes associated with non-use/passive use values.

No action alternative

If the no action alternative is selected, net benefits to the Nation are likely to be similar to those levels seen prior to the implementation of the rockfish pilot program in 2007. For catcher processors, quality of the whole and 'headed and gutted' production during that period was relatively high. Few consumer benefits from this production would be realized in the U.S., as most fish is sold into foreign markets. For the shore-based sector, quality of landings and value of processed products may suffer decreased production efficiency. Consumer benefits of these harvests would be diminished by the quality and product value. In addition, a substantial portion of any consumer benefit is not realized by U.S. consumers, as much of the production is sold into foreign markets. Costs of monitoring and management are relatively low, as catch is monitored at the fleet level. Non-use benefits to the public could decrease to some unknown extent, due to waste and bycatch, and PSC mortality.

Catcher processor cooperative alternatives

Net benefits to the Nation will be affected by a few different factors under the catcher processor sector cooperative alternatives. Production efficiency should increase slightly, as some participants realize moderate improvements in quality of production. Few, if any, benefits of production improvements will be realized by U.S. consumers, as this fleet is likely to continue to serve international markets. Costs of management, monitoring, and enforcement will increase to administer and oversee the cooperative allocations. Some additional benefits to the Nation could arise through reduction in bycatch mortality, since the program requires full retention of several species. Since discard rates of these species are relatively low in the current fishery, these benefits are likely not substantial.

The existing rockfish pilot program provides a foundation for examining potential net benefits to the Nation from these rockfish program alternatives. First, both catcher processors fishing in cooperatives and in the limited access fishery have reduced their halibut mortality rates. To a small degree, the halibut PSC savings from the catcher processors has enabled the GOA flatfish fishery to remain open during a 5th season, which was normally closed due to shortfalls in available halibut PSC. The degree to which the

Nation would benefit from halibut PSC savings in the proposed action depends on the options selected. Options that maintain the incentive to save halibut PSC, while ensuring that some of those halibut are unavailable in the later season fisheries, would increase net benefits to the Nation. Generally, the pilot program has provided catcher processors with the ability to time fishing to avoid conflicts with activities in other fisheries, for most catcher processors providing synergies between the Amendment 80 fisheries and the Central Gulf rockfish fishery. These benefits should persist under either of the program alternatives.

Catcher vessel cooperative alternatives

A few different factors will affect net benefits to the Nation under the catcher vessel cooperatives alternatives. Slowing the race for fish and extending the season should lead to substantial increases in production efficiency, as participants in both harvesters and processors improve quality and higher value products are produced. Some production benefit could flow to foreign-owned processing entities, but since increases in processor net benefits under this alternative are relatively minor, almost all of the gain in production efficiency should be realized by U.S. entities and citizens. Production improvements could lead to benefits for U.S. consumers, but those gains will be minor unless the fishery increases production for domestic markets. Again, depending on changes in domestic markets, greater production may occur domestically, if fewer primary products are shipped abroad for reprocessing. Increased administration and oversight necessary for cooperative allocations and an extended season will result in an increase in costs of management, monitoring, and enforcement. Participants will also require additional observer coverage.

The pilot program for catcher vessels has also demonstrated a number of benefits to the Nation that would likely be present under the proposed action. First, similar to the catcher processors, catcher vessels fishing in cooperatives have also reduced their halibut mortality rates allowing those halibut to be used to support a longer GOA flatfish fishery. These halibut PSC reductions have arisen through the use of pelagic gear and semi-pelagic gear, which has reduced the amount of bottom contact by gear in the fishery. If options are selected that maintain these incentives, the halibut mortality savings and reduced bottom contact by gear will likely result in comparable benefits to Nation. Targeting behavior has also provided benefits under the pilot program. Specifically, by targeting allocated Pacific cod and sablefish on separate trips, catcher vessels have improved quality of landings and reduced costs associated travel and handling need to keep those species separated from rockfish to prevent damage. Rockfish product improvements may also arise under the program alternatives. Two processors increased production of fresh fillets under the pilot program. Although these changes brought little change in prices under the pilot program, they demonstrate the potential for production changes that could be beneficial, if markets can be developed. A further benefit demonstrated by the pilot program is the redistribution of rockfish landings over a substantially period. The redistribution has allowed processors to avoid conflicts with other fisheries, most importantly salmon fisheries that peak during the month of July. This rescheduling has decreased the time vessels have needed to wait to offload their catch and allowed processors to provide more consistent employment for their crews. Finally, elimination of the race for fish under the pilot program has improved safety at sea by reducing the incentive for fishery participants to take risks to maintain their share of the fishery. These benefits arising under the pilot program should continue to be realized under the program alternatives, as described.

**Elements and options defining the program alternatives
(showing Council strikeouts from April 2010 meeting)**

Entry-Level Fishery Alternatives (EL)

1. No action (revert back to LLP management)
2. Trawl/fixed gear fisheries (the pilot program structure)
3. Fixed gear only fishery

Catcher Processor Alternatives (CP)

1. No action (revert back to LLP management)
2. Catcher processor cooperative only
- ~~3. Cooperative or limited access (the pilot program structure)~~

Catcher Vessel Alternatives (CV)

1. No action (revert back to LLP management)
2. Harvester only cooperative
3. Harvester cooperatives with allocation of harvest shares to processors
4. Severable harvester/processor association – no forfeiture

The above alternatives are defined by the following elements and options.

1 ICA Set Aside

Prior to allocation of catch history to the sectors, NMFS shall set aside an Incidental Catch Allocation (ICA) of Pacific ocean perch (POP), northern rockfish, and pelagic shelf rockfish to meet the incidental catch needs of fisheries not included in the cooperative program. (EL – all)

2 Entry-level Set Aside (EL – all)

A percentage of CGOA POP, northern rockfish, and pelagic shelf rockfish for catcher vessels not eligible to participate in the program.

2.1 Trawl and fixed gear (non-trawl) entry level fisheries (EL – 2)

The annual set aside will be 5 percent of each of these target rockfish species.

Set-asides shall be apportioned at 50% for trawl gear and 50% for fixed gear.

The trawl sector's allocation by weight (based on the aggregate TAC for Pacific ocean perch, northern rockfish, and pelagic shelf rockfish) shall first be Pacific ocean perch.

Unharvested allocations to either sector shall be available to both sectors at the end of the third quarter.

The entry level fishery will be managed as a limited entry fishery.

Start dates for the entry level fishery should be January 1, for fixed gear, and approximately May 1, for trawl gear.

2.1.2 Halibut PSC Limit Allowances

Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.

Trawl halibut PSC options

Option 1: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), the start date will be on the next release of halibut PSC.

Option 2: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), halibut usage will be deducted against the following quarter's halibut PSC allowance.

Vessels that can participate in the entry level fishery are those vessels that did not qualify for the CGOA rockfish cooperative program. Before the beginning of each fishing year an application must be filed with NMFS by the interested vessel that includes a statement from a processor confirming an available market.

Option: Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply).

2.2 Fixed gear (non-trawl) only entry level fishery (EL-3)

The annual set aside will be;

5 mt ~~1 mt~~ ~~10 mt~~ of the POP TAC

5 mt ~~1 mt~~ ~~10 mt~~ of the northern rockfish TAC

10 mt - 30 mt of the pelagic shelf rockfish TAC.

If the entry-level fishery has retained harvests of 90% or more of their allocation of a species, the set-aside would increase by the amount of the initial allocation the following year:

5 mt ~~1 mt~~ ~~10 mt~~ POP

5 mt ~~1 mt~~ ~~10 mt~~ Northern rockfish

10 mt - 30 mt pelagic shelf rockfish

This increase would be capped at a maximum of:

POP

a. 1%

b. 3%

c. 5%

Northern Rockfish

a. 2%

b. 3%

c. 5%

Pelagic Shelf Rockfish

a. 2.5%

b. 3%

c. 5%

The entry level fishery will be managed as a limited entry fishery.

Start date for the entry level fishery should be January 1.

Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.

Any fixed gear vessel or gear type exempt from CGOA LLP requirements or any holder of a CGOA fixed gear LLP may enter a vessel in the entry level fishery.

Option: Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply).

3 Program eligibility (CP – all and CV – all)

The eligibility for entry into the cooperative program is one targeted landing of POP, Northern rockfish or PSR caught in CGOA during the qualifying period using a CGOA trawl LLP license.

Option: In addition, the following participants would be eligible to enter the program:

those persons whose vessel had one targeted landing of POP, northern rockfish or PSR caught in CGOA during the qualifying period with interim trawl CGOA license that was later determined to be an invalid trawl CGOA endorsement, but who acquired a valid CGOA trawl license prior to December 31, 2003, which has been continuously assigned to the vessel with the target landing since acquired until the date of final Council action.

4 Qualified catch (CP – all and CV – all)

4.1 Basis for the allocation to the LLP license holder is the catch history of the vessel on which the LLP license is based, and shall be determined on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the allocation of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based, up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

Option: For licenses qualified based on catch of a vessel using an interim license, the basis for the allocation will be the catch history of such vessel, notwithstanding the invalidity of the interim Central Gulf trawl LLP endorsement under which the vessel operated during the qualifying period. History allocated under this provision shall be assigned to the LLP license.

4.2 Catch history will be the history during the following qualifying period (dates inclusive):

- 1) 1996-2002 (drop two)
- 2) 1998-2006 (drop two ~~or four~~)
- 3) 2000-2006 (drop two)

4.3 Qualified target species history is allocated based on retained catch (excluding meal) during the rockfish target fishery. Different years may be used (or dropped) for determining the history of each of the three rockfish species.

The CP catch history will be based on WPR data.
CV catch history will be based on fish tickets.

Note: Only legal landings will be considered in determining catch history.

4.4 Entry level trawl qualification/allocation for the main program:

- 1) Vessels / LLPs that do not qualify for Cooperative quota (CQ) for the CGOA rockfish cooperative program.
- 2) The trawl LLP must have registered for the entry level fishery in 2007, 2008, and 2009.

Option: The trawl LLP must have registered for the entry level fishery in two of three years, 2007-2009.

- 3) The trawl LLP must have made a landing of fish in the entry level fishery with trawl gear in 2007, 2008, or 2009.

Option: A vessel that qualifies for the entry level allocation under this section may elect to opt out of the rockfish program.

4.5 The qualified entry level trawl LLP would receive an allocation of QS for the primary rockfish species equivalent to:

- 1) Average of the lowest one-quarter to one-third of the qualified CV LLPs that actively fished in the RPP program in either 2007 or 2008.
- 2) Actual catch history of the vessel/LLP in 2007 or 2008 or 2009 (information would be withheld due to confidentiality restrictions unless the vessel(s) agrees to have the data released to the public).
- 3) Average of all qualified CV LLPs.

Option: The qualified entry level trawl LLP's, in aggregate, would receive an allocation of QS for the primary rockfish species in an amount between 1.5% and 5% (the set-aside for the entry level trawl fishery and full entry level fishery under the Rockfish Pilot Program), to be determined by the Council. Within that allocation, each of the qualified entry level LLP's would receive:

- a) an allocation of QS for the primary rockfish species in proportion to the number of years they made a delivery to an entry level processor from 2007 to 2009 or
- b) an equal allocation.

Note: secondary allocations and halibut PSC allowances are calculated the same as the other qualified LLPs.

Allocations of QS for qualified entry level trawl LLPs would be established as a set aside, prior to allocations to the other CV sector licenses or CP sector.

5 Sector definitions (CP – all and CV – all)

Trawl catcher vessel – A trawl catcher-vessel that has a CV or CP LLP license, but does not process its catch on board.

Trawl catcher processor - A trawl catcher-processor is a trawl vessel that has a CP LLP license and that processes its catch on board.

6 Rationalized areas (CP – all and CV – all)

History is allocated for the CGOA only (NMFS statistical areas 620 and 630).

7 Sector allocations (CP – all and CV – all)

7.1 Target rockfish species

Catch history is determined by the sector's qualified catch in pounds as a proportion of the total qualified catch in pounds.

Sector allocations of target rockfish species are based on individual qualified vessel histories applying any applicable drop year provision at the vessel level.

Full retention of the target rockfish species is required

7.2 Secondary species

Secondary species history is allocated based on retained catch of the species while targeting rockfish, over retained catch in all fisheries.

7.2.1 Except as provided below, history will be allocated to each sector for the following secondary species:

sablefish,
shortraker rockfish,
rougheye rockfish,
thornyhead rockfish, and
Pacific cod.

7.2.3 Except as otherwise provided below, secondary species allocations will be based on: The sector's average annual percentage of retained catch of the secondary species by the rockfish target fisheries during the qualifying period. For each qualifying year calculate the sector's retained catch of the species in the target rockfish fisheries divided by the retained catch of all CGOA fisheries. Sum these percentages and divided by the number of qualifying years. The calculated average annual percentage is multiplied by the secondary species TAC for that fishery year and allocated to each sector in the cooperative program.

7.2.4 Exceptions:

Shortraker and rougheye

For shortraker and rougheye:

For the CP sector:

a shortraker allocation of the TAC will be:

Option 1a: 30.03 percent

Option 1b: 50 percent

To be managed as a hard cap, and a rougheye allocation of 58.87% of the TAC, to be managed as a hard cap.

Option 2: shortraker and rougheye will be managed with a combined MRA of 2%.

For the CV sector, shortraker and rougheye will be managed with a combined MRA of 2 percent. If harvest of shortraker by the CV sector reaches 9.72% of the shortraker TAC, then shortraker will go on PSC status for that sector.

Sablefish and Pacific cod

For the catcher processor sector, Pacific cod history will be managed by MRA of 4 percent.

Option 1: No directed fishing for secondary species Pacific cod and sablefish

Option 2: Manage Pacific cod and sablefish under a modified MRA.

Secondary species allocations may be fished independently of the primary species allocations.

Full retention of all allocated species is required.

Participants must retain all allocated secondary species and stop fishing when cap is reached.

Option 1: MRAs in the CP sector will be enforced on a trip-by-trip basis.

Option 2: MRAs in the CP sector will be enforced on an instantaneous basis.

7.3 Prohibited species (halibut mortality)

Option 1: Allowance to the rockfish cooperative program will be based on historical average usage, calculated by dividing the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, by the number of years.

Option 2: Allowance to the rockfish cooperative program will be based on the historical average usage, calculated as:

- 1) 50 percent of the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, divided by the number of qualifying years plus
- 2) 50 percent of the total number of metric tons of halibut mortality in the first three years of the rockfish pilot program, divided by three (i.e., the number of years).

The halibut PSC allowance will be divided between sectors based on the relative amount of target rockfish species allocated to each sector (e.g., the sector's share of total qualified catch).

Option for supplementing the last seasonal halibut apportionment for trawl gear

10 percent, 25 percent, 50 percent, 75 percent, or 100 percent of any allowance of halibut PSC that has not been utilized by November 15 or after the declaration to terminate fishing will be added to the last seasonal apportionment for trawl gear, during the current fishing year. The remaining portion of any allowance will remain unavailable for use.

8 Allocation from sector to vessel (CP – all and CV – all)

Within each sector, history will be assigned to LLP holders with CGOA endorsement that qualify for a sector under the 'sector allocations' above. The allocations will be to the current owner of the LLP of the vessel which earned the history.

Target Species

Each LLP holder will receive an allocation of catch history equivalent to the license's proportion of the total of the sector qualifying catch history.

Secondary Species

Each LLP holder will receive an allocation of allocated secondary species equal to the license's proportion of the sector's target rockfish catch history.

PSC (Halibut Mortality)

Each LLP holder will receive an allowance of halibut mortality equivalent to the license's proportion of the sector's target rockfish catch history.

Halibut PSC in the CP sector shall be divided between the co-op(s) and limited access fisheries according to the history of the participating vessels.

Allocations are revocable privileges

The allocations under this program:

- 1) may be revoked, limited, or modified at any time,
- 2) shall not confer any right of compensation to the holder, if it is revoked, limited, or modified, and
- 3) shall not create or be construed to create any right, title, or interest in or to any fish before the fish is harvested by the holder.

Domestic processing

All fish harvested with an allocation from this program must undergo primary processing in the U.S.

Regionalization – Apply to catcher vessel sector only:

All CV CQ must be landed in the City of Kodiak at a shorebased processing facility.

Option: Entry-level fixed gear landings must be landed at a shorebased processing facility in the Kodiak Island Borough.

9 Catcher vessel/shore based processor provisions (CV – all)

9.1 Processor eligibility (CV-3)

An eligible processor is a processing facility that has purchased:

Option 1 - 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish harvest per year, for 4 years, from 1996 to 2000 (inclusive).

Option 2 - 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish per year, for 4 years, from 2000 to 2006 (inclusive).

Suboption: (entry level fishery processor): 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish for two years from 2007 to 2009 (inclusive).

Processor qualifying years

Each eligible shore based processor is allocated processor catch history based on individual processor histories of CGOA target rockfish for the years (inclusive) (Option: based on individual annual average processing history)

Option 1 - 1996-2000 (drop 1 year)

Option 2 - 2000–2006 (drop 2 year)

Suboption 1: (entry level processors): 2007–2009 (drop 1 year)

Suboption 2: (entry level processors) Eligible entry level processors will be allocated target rockfish, secondary species, and halibut PSC from the processor pool of harvest shares that are derived from those trawl LLPs that received allocations based on participation in the entry level trawl fishery into the main program.

9.2 Option A - Harvester only cooperative (CV-2)

Allocation of the primary rockfish and secondary species and halibut PSC allowance to the CV sector shall be to harvesters (i.e., 100/0).

A holder of catcher vessel harvest history must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations, except as permitted by general antitrust law.

Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

9.3 Option B - Harvester cooperatives with processor allocation of harvest shares (CV – 3)

Allocation of the primary rockfish and secondary species and halibut PSC allowances to the CV sector shall be apportioned between harvesters (CV only) and shore based processors:

- Option 1: 90/10
- Option 2: 80/20
- Option 3: 70/30

Eligible processors will be allocated target rockfish and secondary species and halibut PSC allowances from the processor pool of harvest shares in proportion to its qualifying processing history. Annual allocations will be of the same species and subject to the same allocation and harvest rules governing catcher vessel allocations.

A holder of catcher vessel harvest history or processor histories must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

9.4 Option C - Harvester cooperatives with severable processor associations and no forfeiture (CV-4)

Harvesters must join a cooperative to participate in the target rockfish fisheries.

The shorebased Kodiak processor must have a federal processor permit and an approved Catch Monitoring and Control Plan (CMCP).

10 **Catcher processor cooperatives**

More than one co-op may form within the sector.

Allocations may be transferred between co-ops of at least two LLPs.

Participants have a choice of participating in:

- ~~Option 1: a co-op or opt out of the rockfish program,~~
- ~~Option 2: a co-op, a limited access fishery, or opt of the rockfish program~~

~~Under the LLP/open access fishery option, the LLP's historical share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative. The secondary species would be managed under the following reduced MRAs, intended to maintain catch levels below the allocated amount: Pacific cod — 4 percent, sablefish — 3 percent, shortraker/rougheye — 2 percent, and thornyhead — 4 percent. All other species would be managed with MRAs at their current levels.~~

11 **General cooperative provisions – apply to both sectors**

Duration of cooperative agreements is 1 year.

The cooperative membership agreement (and an ancillary agreement with an associated processor, if applicable) will be filed with the RAM Division. The cooperative membership agreement must contain a fishing plan for the harvest of all cooperative fish.

Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative agreement.

Subject to any harvesting caps that may be adopted, allocated history may be transferred and consolidated within the cooperative.

The cooperative agreement must have a monitoring program. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target rockfish species, secondary species and PSC mortality allowance, as may be adjusted by intercooperative transfers.

A cooperative may adopt and enforce fishing practice codes of conduct as part of their membership agreement.

Cooperatives will report annually to the Council, as per AFA.

Cooperatives will be required to notify RAM division which LLP holders are in a cooperative by March 1st of the fishing year.

12 **Sector Transfer provisions**

CP annual allocations may be transferred to CV cooperatives. CV annual allocations may not be transferred to CP cooperatives.

All transfers of annual allocations would be temporary, and history would revert to the original LLP at the beginning of the next year.

A person holding an LLP that is eligible for this program may transfer that LLP. That transfer will effectively transfer all history associated with the LLP and any privilege to participate in this program that might be derived from the LLP.

Permit post-delivery transfers of cooperative quota (annual allocations to cooperatives).

There would be no limits on the number or magnitude of post-delivery transfers. All post-delivery transfers must be completed by December 31st.

No cooperative vessel shall be permitted to begin a fishing trip, unless the cooperative holds unused cooperative quota.

Harvest shares held by processors will be divisible for transfer.

Harvest shares held by processors may be transferred to:

Option 1: Those processors, at the plant level, who were initially issued harvest shares

Option 2: Those processors who have processed at least 100 metric tons to 250 metric tons of rockfish delivered by catcher vessels within any two-year period during the new program

Suboption 1: a shorebased processing facility in the City of Kodiak

Suboption 2: to a shoreside processing facility

Option 3: a holder of a Central GOA rockfish program eligible CV LLP

Note: More than one option can be chosen.

13 Cooperative Harvest Use Caps

CV cooperatives

No person may hold or use more than 3% to 5% of the CV QS (including any shares allocated to processors), using the individual and collective rule (Option: with grandfather provision).

Control of harvest shares by a CV cooperative shall be capped at 30% of aggregate POP, northern rockfish and PSR for the CV sector.

No CV may catch more than 4-10 % of the target CV allocation in the aggregate
(Option: with grandfather provision).

No person may hold or use more than 20-25% of the QS initially allocated to processors, using the individual and collective rule (Option: with grandfather provision).

CP cooperatives

No person may hold or use more than 20%, 30%, or 40% of the CP historical shares, using the individual and collective rule
(Option: with grandfather provision).

Control of harvest share by a CP shall be capped at 60% of aggregate POP, northern rockfish and PSR for the CP sector.

Option: Eligible CPs will be grandfathered at the current level.

Shoreside Processor Use Caps

Shoreside processors shall be capped at the entity level.

No processor shall process more than 10%, 20%, 25%, 30% or 33% of aggregate POP, Northern Rockfish and PSR for the CV sector.

No processor shall process more than 10%, 20%, 25%, 30%, or 33% of the sablefish allocated to the CV sector.

Option: Eligible processors will be grandfathered for the processing cap based on total processed catch during the qualifying years.

Note: The Council requested staff to examine methods of adjusting the cap and grandfather amounts, in the event that a grandfathered processor is not available for processing, and the cap creates a potential barrier to complete harvest of the fishery.

(The average annual received catch over the qualifying years used to allocate CV QS will be used as a base (or index) for applying the aggregate caps.)

14 Harvesting provisions

The cooperative season start date is May 1, and closing date is November 15. ~~Any limited access fishery will open in early July, as under the previous License Limitation Program management.~~

All non-allocated species will be managed by MRA, as in the current regime. This includes arrowtooth flounder, deep water flatfish, shallow water flatfish, flathead sole, rex sole, pollock, 'other species', Atka mackerel, and 'other rockfish'. Basis species for purposes of determining MRAs will be:

All allocated species

~~Secondary species allocations may be fished independently of the primary species allocations.
Option: No directed fishing for secondary species Pacific cod and sablefish.~~
MOVED TO 7.2.4

Full retention of all allocated species is required.

15 Program review

A formal detailed review of the program shall be undertaken 5 years after implementation. The review shall assess:

- 1) the progress of the program in achieving the goals identified in the purpose and need statement and the MSA, and
- 2) whether management, data collection and analysis, and enforcement needs are adequately met. Additional reviews will be conducted every 7 years, thereafter, coinciding with the fishery management plan policy review.

16 Duration

Share Duration

The duration of all CGOA rockfish LAPP program permits are 10 years. These permits shall be renewed before their expiration, unless the permit has been revoked, limited, or modified.

Option: Program Duration

Absent Council review and recommendation to extend, the CGOA rockfish LAPP program expires 10 years after implementation.

17 Cost recovery

A fee, not to exceed 3 percent of ex vessel value, will be charged on all program landings to cover the costs of administration of the program.

18 Sideboards

18.1 Catcher vessel options

West Yakutat and Western Gulf Primary Rockfish Species

~~Option 1: For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher vessel sector would be limited, in aggregate, in the month of July to the historic average catch of those vessels based on the retained catch as a percentage of the retained catch in the fishery in the month of July during the qualification years. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and Western Gulf rockfish.~~

~~Option 2: For catcher vessels, prohibit directed fishing for WYAK and WGOA primary rockfish species.~~

~~Suboption: Exempt a vessel that participated in the WYAK rockfish fishery for 2006-2008 and participated in the entry level pilot fishery at least one year. These vessels will be sideboarded at their catch history for 2006-2008.~~

Halibut PSC

~~Option 1: For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher vessel sector would be limited, in the aggregate, in the month of July~~

~~to the historical average halibut mortality taken by those vessels in the target flatfish fisheries in the month of July, by deep and shallow complex target fisheries, as a Gulf wide cap.~~

~~Option 2:~~ For the month of July, limit all CVs to the shallow water complex fisheries (except for rockfish target fisheries in CGOA, WYAK and WGOA).

IFQ halibut and sablefish are exempt from sideboard provisions

Bering Sea and Aleutian Island Sideboard Provisions

Yellowfin sole, other flatfish, and Pacific ocean perch fisheries

~~Option 1:~~ The qualifying vessels in the trawl catcher vessel sector may not participate in the directed yellowfin sole, other flatfish (flathead, etc.) or Pacific ocean perch fisheries in the BSAI in the month of July.

~~Option 2:~~ The qualifying vessels in the trawl catcher vessel sector may participate in the limited access yellowfin sole, other flatfish, or Pacific ocean perch fisheries in the BSAI in the month of July.

Pacific cod fishery

~~Option 1:~~ Qualifying vessels in the trawl catcher vessel sector may fish in the BSAI Pacific cod fishery in the month of July and would be limited, in aggregate, to the historical average catch of those vessels in the BSAI Pacific cod fishery, based on the retained catch as a percentage of retained catch in the catcher vessel trawl fishery in July, during the qualifying years.

~~Option 2:~~ The qualifying vessels in the trawl CV sector may participate in the BSAI Pacific cod fishery in the month of July, without any sideboard limit.

AFA non-GOA exempt CVs qualified under this program are subject to the restraints of AFA sideboards and their co-op agreements, and not subject to additional sideboards under this program.

18.2 Catcher processor options

West Yakutat and Western Gulf Primary Rockfish Species

~~Option 1:~~ For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher processor sector would be limited, in aggregate, in the month of July, to the historical average catch of those vessels, based on the retained catch as a percentage of the retained catch in the fishery in the month of July, during the qualification years. Fisheries that this sideboard provision would apply to are the West Yakutat and Western Gulf primary rockfish species fisheries.

~~Option 2:~~ For catcher processors, no sideboard limits will apply to the West Yakutat and Western Gulf primary rockfish species fisheries (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Non-Amendment 80 catcher processors will be prohibited from West Yakutat and Western Gulf rockfish species fisheries for the month of July.

Halibut PSC

~~Option 1:~~ For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher processor sector would be limited, in the aggregate, in the month of

~~July, to the historical average halibut mortality taken by those vessels in the target groundfish fisheries in the month of July, by deep water and shallow water complex targets, as a Gulf wide cap.~~

~~Option 2:~~ For catcher processors, no July GOA halibut sideboard limit (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Suboption: Limit all CPs to the deep water complex fisheries in the CGOA for the month of July.

Note: IFQ halibut and sablefish are exempt from sideboard provisions

Standdown for vessels that opt out of the rockfish fisheries

~~Option 1: CP vessels may decide to opt out of the CGOA cooperative program on an annual basis. These CP vessels may not target POP, northern rockfish or pelagic shelf rockfish in the CGOA, in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries. They will be sideboarded at the sector level in the GOA, as described in the general provisions.~~

~~The history of CP vessels which opt out will remain with the sector.~~

~~CPs that opt out of the rockfish cooperative program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering other GOA fisheries in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least two of the qualifying years. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WY). The following week ending dates will be used for determining participation in a target fishery:~~

~~1996— July 6
1997— July 5
1998— July 4
1999— July 10
2000— July 15
2001— July 7
2002— July 6
2003— July 5
2004— July 10
2005— July 9
2006— July 8~~

Opting out is an annual decision. CP vessels which do not join cooperatives will be assigned opt out status. The decision to opt out should not, in any way, alter the status of their catch history for future rationalization programs.

~~Option 2:~~ No standdown for vessels that opt out of the rockfish fishery.

Standdown for vessels that join cooperatives

~~Option 1: For the CP sector, the cooperative program fishery participants must either:~~

- ~~1) start fishing in the target rockfish fisheries at the same time as the opening of the CGOA rockfish limited access fisheries (in July) and harvest 90% of their CGOA rockfish allocation prior to entering any other GOA non-pollock groundfish fishery, or 2)~~

~~standdown for two weeks from the opening of the CGOA rockfish limited access fishery, prior to participating in any other GOA non-pollock groundfish fishery.~~

~~A vessel which has met either standdown requirement can then move into the GOA open access fisheries, subject to the sector level limitations in the GOA in the general sideboard provisions.~~

~~To the extent permitted by the motion, history may be leased between vessels. Each member of a cooperative that transfers its history to another CP or CV must still refrain from operating in any other GOA groundfish fishery, until the earlier of:~~

- ~~1) 90% of all of the CGOA rockfish allocation on the stacked vessel is harvested in the CGOA, provided fishing of the allocation began on or after the opening of the limited access fishery;~~
- ~~2) two weeks from the opening of the limited access fishery, prior to participating in any other GOA groundfish fishery.~~

~~Members of a cooperative will be subject to all limitations and restrictions described in the general sideboard provisions and CP specific sideboard provisions, except that cooperative members shall not be subject to any standdown in the GOA groundfish fisheries, if all vessels in the co-op maintain adequate monitoring plans during all fishing for CGOA rockfish sideboard fisheries.~~

~~In addition to the other limitations and restrictions described above, each cooperative will be limited in the aggregate:~~

- ~~1) for fisheries that close on TAC in the GOA in the month of July, to the historical average total catch of the cooperative members in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish, and~~
- ~~2) for flatfish fisheries in the GOA that close because of halibut PSC in the month of July, to the historical average halibut PSC mortality taken by cooperative members in the target flatfish fisheries in the month of July, by deep water and shallow water complex fisheries.~~

~~Option 2: No standdown (or alternative cooperative limit) for vessels that join cooperatives in the rockfish fishery.~~

~~Standdown for vessels that join the limited access fishery~~

~~Option 1: The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). For vessels that account for less than 5% of the allocated CP history in the Pacific Ocean perch fishery that participate in the limited access rockfish fishery, there are no additional intra-sector sideboards. For vessels that account for greater than or equal to 5 percent of the allocated CP history in the Pacific ocean perch fishery that participate in the limited access rockfish fishery and GOA standdowns are in place until 90% of the limited access Pacific Ocean perch quota is achieved.~~

~~Option 2: No standdown for any vessels that join the limited access rockfish fishery.~~

19 Observer Coverage

Shoreside observer coverage

Shoreside processor observer coverage requirements for all rockfish program deliveries will be:

Option 1: An observer will be on duty whenever program deliveries are made. No observer will be allowed to work more than 12 hours per day.

Option 2: Same observer coverage requirement for shoreside processors as in other groundfish fisheries.

Option 3: Employ a CMCP Monitor to oversee deliveries

Catcher vessel observer coverage

Fishing days and observer coverage under the rockfish program will be separate from and not count towards meeting a vessel's overall groundfish observer coverage requirement.

Updated Table 3-15 - Prohibited species catch in the targeted CGOA rockfish fishery (1996 through 2009)

Year	Sector	Targeted groundfish (mt)	Halibut mortality (mt)	Bairdi mortality (count)	Red king crab mortality (count)	Chinook salmon mortality (count)	Other salmon mortality (count)	Other king crab mortality (count)	Other tanner crab mortality (count)	Herring mortality (kgs)
1996	CP totals	7,225.3	53.1	84.8	0.0	17.1	11.4	423.3	394.0	20.4
1997	CP totals	10,543.8	148.9	94.8	0.0	2,316.4	368.1	456.3	0.0	0.0
1998	CP totals	10,753.0	146.4	19.2	0.0	51.8	145.6	276.7	0.0	0.0
1999	CP totals	11,404.4	169.0	173.5	226.1	141.2	619.7	333.4	1.6	0.0
2000	CP totals	6,883.4	48.0	0.2	0.0	905.7	81.5	279.2	0.0	57.5
2001	CP totals	8,941.9	110.6	1,615.1	0.0	177.0	129.9	324.7	36.0	0.0
2002	CP totals	7,420.0	111.1	726.2	0.0	1,141.6	671.5	354.3	0.0	0.0
2003	CP totals	7,218.2	65.5	0.1	57.0	0.4	29.9	1.6	0.0	0.0
2004	CP totals	6,954.6	48.8	0.0	253.7	75.1	136.0	237.7	0.0	0.0
2005	CP totals	7,973.1	68.1	0.0	0.0	361.8	0.0	0.0	0.0	0.0
2006	CP totals	7,725.6	57.8	34.5	0.0	0.0	195.1	0.0	0.0	0.0
2007	CP totals	4,833.7	25.8	0.0	0.0	1,506.0	0.0	98.0	0.0	0.0
2008	CP totals	5,884.1	30.4	0.0	0.0	280.0	117.0	93.0	0.0	0.0
2009	CP totals	5,434.6	19.2	0.0	0.0	299.0	107.0	0.0	0.0	0.0
1996	CV totals	7,340.2	93.0	4,172.4	0.0	121.2	49.7	75.4	163.8	0.0
1997	CV totals	4,908.3	49.5	6,770.8	0.0	0.0	0.0	0.0	0.0	0.0
1998	CV totals	6,225.3	86.8	2,727.0	0.0	55.4	207.7	82.4	0.0	0.0
1999	CV totals	10,492.3	124.3	384.5	5.2	328.0	909.4	130.6	0.0	0.0
2000	CV totals	12,816.5	136.5	224.6	0.0	212.5	485.5	0.2	0.3	0.0
2001	CV totals	10,101.6	206.3	778.8	0.0	0.0	254.7	0.0	0.0	91.4
2002	CV totals	11,330.4	95.1	178.4	0.0	107.9	222.9	21.1	0.0	0.0
2003	CV totals	13,565.9	154.6	171.0	0.0	800.3	2,150.1	0.0	0.0	0.0
2004	CV totals	12,760.7	215.0	1,517.2	0.0	809.5	311.2	52.9	0.0	0.0
2005	CV totals	10,026.1	138.8	1,575.1	0.0	98.3	3,270.1	0.0	0.0	0.0
2006	CV totals	9,195.3	75.1	795.2	0.0	263.4	1,062.2	0.0	0.0	0.0
2007	CV totals	8,921.7	19.7	7.8	0.0	502.0	277.7	0.0	0.0	21.2
2008	CV totals	8,064.5	12.3	64.9	0.0	1,628.0	130.6	1.0	0.0	39.7
2009	CV totals	8,164.8	11.0	195.0	0.0	874.0	344.6	34.7	0.0	0.0

Source: NMFS PSC data for PSC data and Catch Accounting/Blend Data for targeted groundfish data

Updated Table 3-19 - Incidental catch of unallocated species by sector in the Central Gulf of Alaska target rockfish fishery (1996 through 2009)

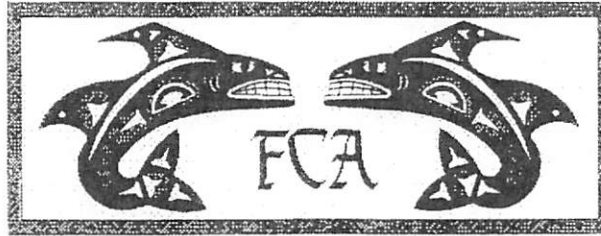
Year	Atka Mackerel			Arrowtooth flounder			Flathead sole			Other flatfish		
	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)
	CP	CV		CP	CV		CP	CV		CP	CV	
1996	1	3	9	271	1,507	19,740	7	100	2,166	60	579	10,854
1997	1	0	7	525	477	12,620	14	32	1,934	116	159	9,985
1998	0	0	38	774	664	9,610	6	13	1,168	39	98	5,388
1999	0	0	1	938	1,233	11,902	7	51	687	33	157	4,163
2000	0	1	3	589	1,660	17,640	2	72	1,274	28	491	7,136
2001	7	0	18	341	1,035	13,442	20	71	1,311	70	460	6,623
2002	11	15	30	394	747	14,895	3	17	1,725	49	155	7,445
2003	130	19	161	328	884	22,149	5	73	1,934	60	176	5,361
2004	30	6	39	266	1,473	16,169	6	50	2,473	46	148	3,658
2005	379	1	387	212	606	17,379	0	70	1,941	42	75	5,079
2006	272	22	317	151	733	25,579	0	23	2,679	23	93	7,783
2007	86	1	176	140	213	22,194	1	8	2,466	19	25	8,771
2008	316	1	324	89	162	26,261	2	9	3,149	11	36	9,516
2009	360	4	508	89	119	23,305	2	16	3,355	7	31	8,837
Year	Other rockfish			Other species			Pollock			Rex sole		
	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)	Sector Harvest (mt)		Total CGOA harvest (mt)
	CP	CV		CP	CV		CP	CV		CP	CV	
1996	490	28	618	54	65	3,700	27	49	25,654	41	202	5,202
1997	844	33	1,185	98	64	4,510	130	47	57,978	87	52	2,438
1998	574	58	851	65	46	2,704	37	48	88,136	28	25	2,195
1999	253	307	689	60	76	3,130	19	31	68,274	32	116	2,393
2000	222	62	553	55	124	4,991	17	117	47,690	12	73	2,702
2001	221	35	462	118	179	4,406	12	53	37,664	65	152	2,507
2002	366	50	601	116	103	3,445	8	93	31,438	56	163	2,619
2003	486	51	704	30	134	4,917	26	41	32,078	59	70	2,727
2004	390	98	536	50	58	3,997	49	80	39,014	27	44	940
2005	431	41	516	63	60	4,226	89	89	47,243	17	40	1,603
2006	398	54	607	57	49	6,037	49	123	44,237	20	53	2,944
2007	282	51	740	19	19	5,445	19	31	33,839	20	12	2,440
2008	359	74	901	18	18	5,219	47	50	33,469	19	14	2,522
2009	321	78	685	23	16	5,073	217	218	26,232	21	12	4,410

Source: Catch accounting and Blend Data

New EA Table – Retained and discarded incidental catch of unallocated species in the Central Gulf of Alaska target rockfish fishery (2003 through 2009)

Year	Arrowtooth Flounder			Atka Mackerel			Flathead Sole			Other Flatfish		
	Discarded	Retained	Total	Discarded	Retained	Total	Discarded	Retained	Total	Discarded	Retained	Total
2003	901	311	1,213	22	127	149	22	56	78	157	79	236
2004	1,407	332	1,739	17	18	35	37	20	56	85	108	193
2005	618	200	818	0	380	381	7	63	70	76	41	117
2006	808	76	884	146	148	294	10	13	23	97	19	116
Pre-pilot program average	934	230	1,164	46	169	215	19	38	57	104	62	166
2007	296	57	353	0	86	86	2	8	9	13	31	44
2008	142	109	251	11	306	317	3	8	11	28	20	48
2009	155	53	207	11	253	263	1	18	19	11	27	38
Pilot program average	198	73	270	7	215	222	2	11	13	17	26	43
Year	Other Rockfish			Other Species			Pollock			Rex Sole		
	Discarded	Retained	Total	Discarded	Retained	Total	Discarded	Retained	Total	Discarded	Retained	Total
2003	350	218	568	136	27	164	20	47	67	55	74	129
2004	325	174	499	92	16	108	43	85	129	35	36	71
2005	174	507	681	106	17	123	15	163	178	26	31	57
2006	293	356	649	100	6	106	33	139	172	49	23	73
Pre-pilot program average	286	314	599	109	17	125	28	109	136	41	41	82
2007	116	217	333	33	5	38	12	38	50	6	26	31
2008	236	198	433	24	11	36	5	92	97	9	24	33
2009	172	226	398	28	10	39	37	398	435	3	31	33
Pilot program average	175	214	388	29	9	37	18	176	194	6	27	33

Source: Catch accounting



Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Ste 306
Anchorage, AK 99501-2252

May 31, 2010

Re: **C-5 CGOA Rockfish Program**

Dear Chairman Olson:

FCA presents the following comments to the proposed Central Gulf of Alaska Rockfish Program after almost twenty years of fishing Rockfish in the Central Gulf and operating the only continuous offshore Pilot Program cooperative for the past three years.

Although the Rockfish Pilot Program has gone through a few minor changes since it started, for the most part it has been successful in demonstrating how Central Gulf inshore and offshore sectors can operate in a stable environment without a race for fish. FCA would recommend that the pilot program and sideboards be carried forward into the new Rockfish Program with only one minor change. We would recommend the offshore sector Shortraker be managed on a MRA basis, because the current hard cap allocation to the offshore cooperatives will result in underutilization of the target species. Without an increased allocation of Shortraker or being allowed as an MRA we feel will be forced to cut short our directed fishing for POP, Northern and DSR rockfish.

Some have suggested that the "pilot program" sideboards should be eliminated in the new program and only the Am 80 sideboards should be imposed on the West Yakutat (WY) and Western GOA (WGOA) under the new program. We feel the same reasons that justified the pilot program sideboards under the original program still exist today. The "pilot program" sideboards are designed to reduce the race for fish and preclude those who benefit from the Central Gulf program from increasing catch history in the other GOA sub-areas. The pilot program sideboards only allow vessels that participate in the program to harvest their historical catch history in the WY and WGOA sub-areas during July. If the only protections are the Am 80 sideboards, we will see some of those who are protected and benefiting in the Central GOA program join the traditional participants in the WY and WGOA areas on July 1st of each year and fish on the almost unrestricted Am 80 sideboard history. With no pilot program sideboards in place, a vessel with a small amount of pilot program sideboard history participating in a CGOA cooperative could simply fish its CGOA history in May and then start fishing on Am 80 sideboards starting July 1st of each year. More vessels entering these areas will undoubtedly result in NMFS not opening or reducing the fishing time by 50% in one or both of the un-rationalized WY and WGOA sub areas.

Simply put, when adopting the new Central Gulf Rockfish program we should consider the old saying, if it is not broken, we should not attempt to fix it.

Sincerely

Mike Szymanski
Government Affairs

cc: NPFMC members

The Fishing Company of Alaska, Inc.
200 WEST THOMAS, SUITE 440 • SEATTLE, WASHINGTON 98119

Alaska Whitefish Trawlers Association

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99615
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Eric Olson, Chairman
North Pacific Fisheries Management Council
605 W. 4th Avenue, Suite 306
Anchorage, AK 99501-2252
FAX 907-271-2817

RE: Agenda item C-5 CGOA Rockfish Program

Mr. Olson:

Our member vessels comprise the majority of participants in the CGOA Rockfish fishery and the outcome of the current action will have a significant impact on these vessels. We have supplied you with our positions on a number of issues but we will also be present in Sitka to further engage in the restructuring of this program.

4.4 Entry Level qualification/allocations for the main program

2) We are in favor of the Option which reads "The trawl LLP must have registered for the entry level fishery in two of three years, 2007-2009".

4.5 Entry Level Allocations

We are in favor of the Option: "The qualified entry level trawl LLP's, in aggregate, would receive an allocation of QS for the primary rockfish species in an amount between 1.5% and 5% (the set-aside for the entry level trawl fishery and full entry level fishery under the Rockfish Pilot Program), to be determined by the Council". We believe that 1.5% of the total Rockfish species should be allocated to those entry level vessels that graduate into the main program. We do not have a position on how the allocations would be split between the graduating vessels.

7.2 Secondary Species

7.2.4 Exceptions

We are against Option 1: No directed fishing for secondary species Pacific cod and sablefish. A major goal of the Rockfish program, as well as other rationalized fisheries, is to create efficiencies within the industry and the enhancement of the value of the resource being landed. Both Pacific Cod and Sablefish are more delicate species that are severely damaged when harvested and stored in conjunction with Rockfish species. There is little doubt that a prohibition on directed fishing is likely to decrease the value of the Pacific cod and sablefish harvested and it is these species that support the economic viability of the Rockfish fishery.

We are against Option 2: Manage Pacific cod and sablefish under a modified MRA. Under the MRA management scenario, participants must retain all allocated secondary species and stop fishing when cap is reached. Rockfish vessels exceeding the MRA at any point in a trip would be required to discard catches above the MRA. Since both Pacific Cod and sablefish are the highest valued species harvested by Rockfish vessels the requirement for an MRA will encourage vessels to catch up to the maximum amount, knowing that the overharvest of the MRA species would be discarded without penalty.

Alaska Whitefish Trawlers Association
June 2010 C-5 CGOA Rockfish Program comments
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Both of the Options try to create a solution to a problem that does not exist and should be removed from this action. As currently exists in the Rockfish program, the provisions that provide for specific allocations of these important secondary species to harvesters, as well as the ability to maximize the value of the secondary species by allowing directed fishing for them, should remain in place.

7.3 Prohibited species (halibut mortality)

We are in favor of Option 1: Allocation to the rockfish cooperative program will be based on historic average usage, calculated by dividing the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years by the number of years. The structure of the RPP, with individual allocations and coops, enabled the rockfish fleet to operate more efficiently and we achieved significant Halibut savings. To penalize us for those efficiencies by selecting Option 2 is not only unfair but will absolutely minimize the interest of the fleet towards achieving those efficiencies. Also, this option to allocate Halibut PSC based 50% on the original RPP formula and 50% on the first 3 years of the RPP program will not have any significant impact on Halibut savings since any fish not allocated to the program will be available to the fleet during the 3rd quarter deep-water flatfish fishery and utilized there.

Option for supplementing the last seasonal halibut apportionment for the trawl sector

One Hundred percent (100%) of Halibut savings achieved during the rockfish fishery should be available to the trawl sector for use in the final fall fishery. This Halibut came from an allocation given to the trawl sector along with tools to manage this allocation more efficiently, but this savings was achieved at a cost to the fleet that changed fishing patterns and timing to achieve this savings. Taking away this savings will significantly undermine the interest of the fleet to pay the additional costs to achieve them. Also, this late fishing season is usually a very slow fishing period so any reduction in fishing opportunities during this time will result in less production for harvesters and processors as well as reduced revenues for Kodiak.

8 Allocation from sector to vessel

Regionalization

We feel that all fish harvested in this program, both primary and secondary should be landed in Kodiak. We also agree that this fish should be landed at a shore-based processing facility. It is very important to protect the interests of the processors that have been involved in this fishery and the Port of Kodiak that provides the infrastructure for this fishery and this regional delivery requirement does that.

9 Catcher vessel/shore based processor provisions

9.4 Harvester cooperatives with severable processor association and no forfeiture

We are in favor of Alternative CV4 Harvester cooperatives with severable processor associations and no forfeiture. We feel that under this alternative, the requirement to associate with, and commit to deliver to a processor on an annual basis, is the best approach. Processors need to know how much fish they can expect and also have a say in when and how fish are delivered and we feel that this can be accomplished through the fishing agreements that would be required under this provision. We believe that Regional delivery requirements and proper caps on the amount of fish that a processor can process provide adequate protection under this alternative. The added requirement that all fish harvested must be delivered to a shore-based processor along with a cap that prevents excessive consolidation insures that historic processors will continue to have access to this fishery.

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13 Cooperative Harvest Use Caps

CV use cap – 5% (with grandfather provision)

CV catch cap – 10% (with grandfather provision)

CV Cooperative cap - 30%

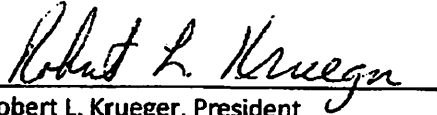
Processor cap both Primary and Secondary Species 33%

(Note: We would like to see the grandfather provisions removed as an "option" and included as a integral part of each cap.)

16 Duration

We are in favor of keeping the original language regarding the program duration in place specifically "These permits shall be renewed before their expiration, unless the permit has been revoked, limited, or modified." The option that states that this LAPP program will automatically expire after 10 years undermines all of the hard work done by the council, with input from the public, and this option should be removed from consideration.

Best Regards,



Robert L. Krueger, President

Alaska Whitefish Trawlers Association

May 31, 2010
Box 69
Kodiak, AK 99615

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501

RE: CGOA Rockfish Program C-5

Dear Mr. Olson:

As a long-term participant in the Central Gulf rockfish fishery and RPP, I would like to address the elements of the program that I think are necessary to achieve the improvements and benefits that were envisioned when the RPP was first proposed. My boat, Excallbur II, is a catcher vessel delivering in Kodiak.

I feel the format that would bring the most stability and improved utilization for everyone involved would be a harvester cooperative with processor associations (CV-4 in element 9), and a requirement of regionalized landings in Kodiak (element 8). This would ensure a predictable stake in the fishery for the processors, their work force, and the City of Kodiak, and would obviate the need for harvest shares to processors. I am adamantly opposed to harvest shares being awarded to anyone other than harvesters.

Other elements:

4.2 Qualifying period - use the longest suite of years possible. This will give the truest picture of who is dependent upon this fishery.

4.4 Entry level trawl - incorporate entry level trawlers into the main program with an allocation equal to the lowest one-quarter of the qualified CVs. To award a higher level would put new entrants ahead of many vessels that had much greater effort and production.

7.2 Secondary species - allocate history for all of the secondary species listed, and use them as a basis species for determining MRAs. This will improve utilization of all that is caught.

7.3 Prohibited species - allocate halibut mortality to the rockfish program based on historic average usage. Don't punish the fleet for good behavior by taking away any savings they might realize.

13 CV Harvest Use Caps - set the use cap at 5%. Anything less might be very restrictive if quotas or markets become limited in the future.

16 Duration - renew the permits with any necessary revisions in 10 years. To leave the program in potential limbo is not conducive to stability for any portion of the industry.

Thank you very much for your consideration.

Kent Leslie, captain/owner
F/V Excalibur II

Global Seafoods North America, LLC
 1750 112th Avenue NE., Suite B221
 Bellevue, WA 98004 USA
 Phone: 425-223-3116



North Pacific Fishery Management Council (NPFMC)
 198th Plenary Session — For the Record by Fax to 907-271-2817
 June 9-15, 2010 Centennial Hall Sitka, Alaska
 Public Comment from: Global Seafoods North America, LLC (“GSNA”)

**Re C-5 GOA Rockfish Program – Final Action
 on CGOA Rockfish Catch Share Program (12 hours)**

Discontinuing an Anticompetitive ‘Catch Shares’ Program Designed in Restraint of Trade

Dear Secretary Gary Locke, Chair Eric Olson and members of the NPFMC:

GSNA is a U.S. owned company. The GOA Rockfish program should be immediately halted until such time as proper analysis and legal review by the Department of Commerce Inspector General’s Office, the Department of Justice and Federal Trade Commission occur. This should be in the new judicial light of the New England catch share lawsuits, as well.

It is also imperative to give stakeholders sufficient time and due process on GOA Rockfish, given ongoing rapid changes in motions and supporting documents and reworked analyses, and any further review should occur in a location suitable for GOA stakeholders (not at a remote town in Southeast Alaska). More specifically,

- **The newest version of the EA/RIR-IRFA, its Alternatives, Options and Elements, is decidedly incomplete. By its nature, the arbitrary and capricious choice of original incongruent (and otherwise flawed) qualifying years in the processing sector consequently distort the EA/RIR-IRFA and the newly released May 13, 2010 “Appendix A – Kodiak Community Profile.” In particular, it repeats the mistake of under-representing the role that GSNA and its large capital investments played in local employment and other economic sectors during the key years just before RPP’s unreasonable and non-objective legislative mandates and discriminatory “recency” ranges.**
- **How can the Council justify Final Action in June 2010 with the late introduction of this Community Profile and its inherent flaws? Why doesn’t the Council do the right thing and end the alleged applicability of the initially flawed pilot program legislative language cooked up by corrupt intents nearly a decade ago? Why not begin with a new and supportable Problem Statement, adhere to the National Standards and otherwise follow the MSA, MSAR and applicable fisheries and antitrust law?**

We are also appalled at the recent title of “Catch Shares” being given to the Rockfish program as those combined words appear nowhere in the Magnuson-Stevens Act or related Fisheries law. It is more *prima facie* evidence that, as indicated in earlier public comments, NOAA Fisheries is railroading this anticompetitive and irrational program into place regardless of MSA National Standards and Constitutional Rights to Due Process and Equal Protections, and other law.

Given the recent spate of New England States lawsuits on "Catch Shares" it is imperative that the Secretary halt this agenda item and place the entire GOA Rockfish program, and its genesis and evolution, under special scrutiny. GSNA also believes that there was a violation of Due Process regarding the originating language within the Consolidated Appropriations Act of 2001 (Pub. L. No. 106-554, app. D, div. B, title 1, sec 144(b), 114 Stat. 2763, 2763A-238 (2000) and related) that directed the Council (underlines added) "*to determine whether rationalization is needed*" and "*this analysis should include an economic analysis of the impact of all options on communities and processors as well as the fishing fleets*" and "*shall present its analysis to the appropriations and authorizing committees of the Senate and House of Representatives in a timely manner.*"

The Council's submittal letter to Congress of August 5, 2002 covered the Bering Sea crab fisheries, but we know of no timely and full analysis presented that complied for groundfish, in particular with regards to the impact on small processors like GSNA in Kodiak. Does such a document in full compliance with CAA2001 exist? Why is it not included and discussed in the current EA/RIR-IRFA?

GSNA continues to believe fleet cooperatives linked to a specific "closed class" of processors are illegal, and any attempt to duplicate this structure under the guise of other subjective regulatory language and reasoning is by construct equally illegal. GSNA believes that it was part of a collusion among other processors and their representatives, especially the Alaska Groundfish Data Bank (AGDB), as based upon evidence of a January 11, 2000 meeting at the Kodiak Chamber of Commerce conference room. "Subject - Continued discussion on Gulf Coop Provisions" regarding "New Information" whereby a teleconference discussion was led by Brad Gilman of Robertson, Monagle and Eastbaugh (RME).

Specifically, the document boldly stated "*Brad advises eliminating as much of the opposition as possible - (i.e.) including Norquist's (sic) Chignik operation, Icicle's Seward operation and Global's Kodiak operation in the closed class of processors. His thinking is that Norquist (sic) and Icicle will not put in pollock processing capacity & that Global cannot succeed unless it can get boats.*"

The anticompetitive effects were comprised of two types of offenses - "exploitative and exclusionary." The RPP favored specific competitors instead of protecting competition itself. The RPP and its continued evolution in the current GOA Rockfish program are a government created "non-market economy" as defined in the U.S. Department of State *Glossary of Trade* whereby through invasive control and planning, "government seeks to determine economic activity largely through a mechanism" of agency centralized planning "in contrast to a market economy, which depends heavily on market forces to allocate productive resources." Market economies rest upon the fundamental principle of economic freedoms, which the RPP and its evolutionary versions continue to deny, not only to the fleet but to those processors opposed to the coercive monopolization of a closed class of large, and mainly foreign-controlled, processors who wish to abridge these constitutional freedoms and subject GSNA to illegal restraints of trade.

The NPFMC has been presented with these assessments and the related evidence in the past, which included a February 3, 2000 letter from James M. Beaulaurier, attorney for Global Seafoods Kodiak, LLC to the major processors, AGDB and RME/Gilman regarding the misconduct "*that suggests extremely serious violations of federal and state antitrust laws.*" It appropriately identified "*Gilman's explicit invitation for collusive action to exclude Global Seafoods from the market... including threats of boycott, to reduce the number of boats willing to do business with Global Seafoods.*"

Since then, the RPP and Stevens' corrupt legislative language enacted the very fleet boycott and restraints of trade, and did harm the investments of GSNA through the RPP (via the Consolidated Appropriations Act of 2004, P.L. No. 108-199, section 802) and its 3-year extension under the equally fraudulent Pombo Amendment in the Reauthorization of the MSA. What is most clear is the knowingly

illegal linked cooperative mechanism (linking specific fleet vessels to closed-class processors) was a NOAA backed restraint of trade that brought multi-million dollar harms to GSNA and its employees, suppliers and others.

The locking out of GSNA from qualifying as a processor in all but the miniscule "new entrant" category continues in most of the options still on the table in the current rendition of the flawed EA/RIR-IRFA. Many of the new options are designed by the same conspirators who continued to hold meetings we believe violate antitrust laws, often in the same Chamber of Commerce conference room, and their ongoing (evolutionary) proposals continue to favor apportionment of exclusive shares to cooperatives based on the far out-of-date demonstration program legislative language that originally led to the illegal fleet boycott against GSNA.

Any attempts to now rearrange qualifying year options leaves out the high significance of the harms done to GSNA under the RPP and how it skewed more recent history, as well. Under this glaring flaw, it is clear that the continued plan of those colluding against GSNA is to enact more economic harms against our firm. Given the reduction in ex-vessel prices the closed-class domination has also meant, it is also clear that the RPP's (and current renewal options for GOA rockfish) served a coordinated horizontal price-fixing purpose, once more competitive pricing by GSNA was restrained.

All of GSNA's past public comments and attempts to illuminate the harms and clear illegalities have been met with silence by the Secretary, NPFMC and NOAA General Council. At this time, we are going to formally request the Inspector General's office of the Department of Commerce to ensure that all of our submittals to the Council over the years have actually made it to the Secretary's office and appropriate legal counsel.

GSNA also believes the advice of the U.S. Department of Justice Antitrust Division in its August 17, 2003 letter (re BSAI crab privatization) to James R. Walpole, GC of the DOC/NOAA, regarding harms to competition and its warnings of "Horizontal Agreements on Price" (per se violations of Sherman Act §1, 15 U.S.C. §1) applies equally to the Rockfish program. Please heed its warnings on inefficiencies, reduced incentives for optimal investment decisions by processors, and other warnings.

In addition, its (page 8) assessment of "Arguments by IPQ Proponents" stated that *"If NOAA believes that processors should be compensated, a direct one-time buyback of capital from processors would be more desirable."* Does this not directly apply to GSNA and its investment of over \$8 million in groundfish that was harmed by the RPP? Does GSNA not stand in a priority position for such a "buyback" preference – especially given the Restraints of Trade enacted under the illicit program and the subjective language of Stevens' Rider (especially considering which processors and related fleets were behind the lobbying for this arbitrary and capricious legislative end-run)?

We have long stated the reasons for return to Status Quo, and other relevant testimony. Once more, we continue to believe that:

- **The NPFMC should let the Rockfish Pilot Program expire – it is a failed demonstration.** The current options and alternatives of the CGOA Rockfish program is an ongoing attempt to convert privileges to fish public resources to private rights, for a select few winners (certainly not GSNA) and ignores other means and management tools to resolve problems.
- **The Problem Statement remains critically flawed and inadequate as a basis of an FMP.**
- **Accordingly, the current convoluted Motion is biased and irreparably flawed,** and all stakeholders are not fairly represented, especially small processors, crewmembers, and local businesses; accordingly,

- We believe it is also largely based on biased bycatch information in violation of the Information Quality Act (P.L. 106-544) by the very entities pushing for these allocations.
- Anticompetitive review — considering both exploitative and exclusionary offenses — especially regarding Restraint of Trade (against GSNA and others) is long overdue, and must occur before proceeding.
- The CGOA Rockfish LAP process should not proceed until the Steller Sea Lion Biological Opinion is publicly released, and fully reviewed. The public needs to know how all groundfish species figure in to the SSL problem, and elements and options adjusted accordingly.
- The Rockfish pilot program eliminated some processors from and used GSNA's share (10-15% of the total rockfish fisheries) to split it between all of the larger, closed-class processors.
- Given Section 802's genesis, fairness and equitable distributions, and containment of excessive shares cannot be attained by rolling over the RPP into an equally flawed FMP for GOA Rockfish.
- The Scoping Process needs to be restarted, renewed, from ground zero. It deliberately targeted GSNA and harmed its investments, our employees, and suppliers and buyers.
- The Problem Statement is highly flawed, and at the least 7 years outdated. Again, the linked fleet cooperatives were illegal; and AGDB has serious conflicts of interest.
- The outdated RPP legislative end-run language is now being used to design and govern the choice of a Preferred Alternative — nearly a decade after its genesis in the 2001 legislative instruction to determine "whether rationalization is needed" or not, through the proper jurisdictional committees of the Congress.

In closing, NOAA Fisheries' recently demonstrated national relentless push for more "Catch Share" regimes foretells more of the "full speed ahead" economic shock paradigm to serve only special interests. NOAA is consequently desperate to rollover the RPP regardless of all of its severe flaws, regardless of due process, and in spite of its anticompetitive design. For these and other reasons, we believe that Commerce Secretary Gary Locke should immediately halt the Rockfish privatization program, the IG Office should investigate, and no Final Action should be taken, nor any preferred alternative identified or implemented by NOAA and the Secretary.

As our attorney's letter in 2000 reminded, treble damages may apply and antitrust enforcement can be either in a civil or criminal context. Please revisit our prior Public Comments. Thank you.

Sincerely,

Oleg Nikitenko, President

**North Pacific Fishery Management Council
198th Plenary Session – June 9-15, 2010
Centennial Hall; Sitka, Alaska**

Public Comment re C-5 GOA Rockfish & D-3 Staff Tasking

Submitted June 1, 2010 – For the Record by Fax to 907-271-2817

**SHARING THE BURDEN OF BYCATCH:
Advising NPFMC of upcoming Board of Fish Proposal to move
Trawlers from the Central GOA to Southeast Alaska waters.**

By: Mr. Ludger Dochtermann - F/V North Point, F/V Stormbird
P.O. Box 714, Kodiak, Alaska 99615 Tel: (907) 486-5450

Mr. Secretary, Chairman Olson and Council members:

My name is Ludger Dochtermann of Kodiak, an Alaskan commercial fisherman for 36 years. I hold BSAI crab and CGOA crab quotas, and Halibut quota – the majority of the latter in the Central Gulf of Alaska.

Because of the undue burden (reduced quotas under the IPHC etc.) and blame placed upon the CGOA longline fisheries for Halibut and Sablefish under the Rockfish and other groundfish FMPs in the GOA, I am advising you that I will be submitting to the Alaska Board of Fish a proposal for “sharing the burden” within State waters. It is time to open up Southeastern Alaska to bottom- and mid-water trawling in order to geographically spread the harms of allowing excess “secondary species” and “allocated Prohibited Species Catch” within the Central Gulf.

Kodiak’s tanner crab stocks are also being highly impacted by concentrated area trawling, due to the NPFMC and Board of Fish not shutting down damages to crab pods from druggers fishing in the CGOA who often let their mid-water trawls decimate stocks. NOAA has a responsibility to fairly and equitably distribute benefits, and by interpretation to also spread damages out, in a manner that best serves multispecies management.

I will be proposing that approximately 17 of the Kodiak trawlers, in particular the Oregon-based fleet, be permanently moved to Southeast Alaska, thereby de-stressing the CGOA. I will not be proposing that any Bering Sea trawlers enter the Southeast regions. These relocated

draggers will also be allowed to fish the rockfish stocks east of the Central GOA, in particular in state waters of Southeast Alaska. Canada can then help the U.S. delegation to properly adjust regional annual halibut and sablefish quotas in a manner that does not unduly and inequitably harm Kodiak's longliners and at the same time this will mitigate grave harms to our tanner stocks.

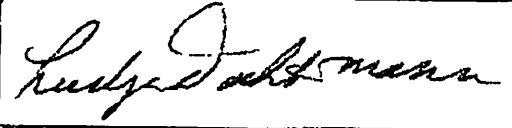
Halibut resources that fall under our Nation's and Canada's stewardship. It is time for the arbitrary and capricious adjustments (downward) of Central GOA halibut, sablefish and tanner and other crab stocks to end. By investing all Alaskans in the distributive effects and harms of the dragger-induced problem, a more politically fair and widely shared burden will invest the State of Alaska in resolving the problems at their root causes, once and for all.

This trawler relocation will help determine better research results regarding alleged migratory patterns of halibut, and result in better science being used in the IPHC annual allocations, with a more fair and equitable outcome and greater community protections for the CGOA. At the same time, this removal and relocation of approximately 17 draggers from the CGOA eastward should greatly increase the chances of crab stock rebuilding efforts and ensure the greater success, reducing the risk of wasting valuable taxpayer funds in rebuilding our Kodiak Island crab fisheries.

In addition, reallocation of the related "allocated" Prohibited Species Catch and secondary species take will lessen harmful effects in the CGOA for those valuable multispecies.

I look forward to the NPFMC in its joint sessions dealing with the State Board of Fisheries on "coordinated rationalization" to enhance multispecies conservation and management, and the equitable geographic sharing of the burden. Thank you.

Sincerely yours,

A rectangular box containing a handwritten signature in cursive script that reads "Ludger Dochtermann".

Ludger Dochtermann - F/V North Point, F/V Stormbird

North Pacific management Council

C 5 rockfish

Chairman Olsen and Council members,

From my prospective the rockfish pilot program is a success. The Council and participants have proven that we do not have to give a public resource to achieve real benefits. I urge the Council to not give away permanent rights of our resource.

The other success has been that there can be real savings of secondary species. Halibut savings are only real if there is a net savings. Rolling halibut psc into another fishery is not a savings. If the intent of the Council is to save halibut I feel there should be a reduction of some sort.

Observer coverage should stay at 100% and only apply to rockfish.

Sincerely, Alexis Kwachka



June 1, 2010

Eric Olson, Chair
North Pacific Fishery Management Council
605 W. Fourth Ave.
Anchorage, AK 99501

RE: Agenda Item C-5 CGOA Rockfish Program

Dear Chairman Olson,

Alaska Marine Conservation Council (AMCC) believes the bolded points outlined below will improve the Rockfish Program and address several issues of concern shared by many AMCC members in Kodiak.

One of the greatest challenges of a catch share program is getting it right at the onset. Despite the effort of Council members, it is difficult to foresee the various outcomes that may develop. Therefore, it is important that the Council maintain its ability to adjust the program as may be appropriate in the future, while providing benefits of rationalization to the program participants. **The program duration should be 10 years.** The program should expire unless the Council undertakes a thorough program review and recommends extending the program or adjusting it. The structure of a limited pilot program and the successes noted clearly shows this approach works.

The program should **minimize consolidation** to reduce negative impacts on the community of Kodiak and provide some level of stability for crew. There need to be limits on excessive shares with individual and cooperative share use and vessel share use. The National Research Council's study "Sharing the Fish" noted that use caps are a favored mechanism to prevent excessive shares. The caps need to be meaningful, with a percentage cap low enough to capture the make up of the existing fleet.

Aside from historical participation, there is a need to **maintain an entry level for fixed gear** with an initial allocation reflective of catching effort and a stair step provision up to 5% in each of the allocated species. The Council should encourage and support growth in fishing practices with minimal habitat impact. Providing opportunity for future generations of fishermen is one way to keep the door open to innovation.

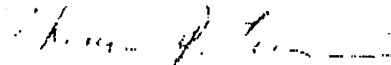
In terms of **harvest shares to processors**, it is not necessary in this program. Processor concerns are best addressed through regional landing requirements and a processor cap of 25%. There were no significant investments by the plants to process rockfish and this would set a bad precedent that takes away from fishermen dependent on the resource.

In regard to **catch accounting**, fishing days and observer coverage under the rockfish program should be separate and not count toward meeting a vessel's overall groundfish observer requirement. It is important to build in accurate catch accounting in the rockfish program without compromising observer coverage in other fisheries.

In order to provide a benefit to those not associated with the program and to address an enormous concern to thousands of fishermen in the Gulf of Alaska, there should be a **reduction of halibut PSC** that can roll over into other trawl fisheries. A reduction of 50% to 75% of any allowance of halibut PSC that has not been utilized in the rockfish program should remain unavailable for use in the trawl sector. A catch share program which declares success of minimizing bycatch of halibut in the rockfish fishery should result in a genuine savings, not just a roll over.

We believe these suggestions will augment the development of a rockfish program that will meet its intended goals and reduce negative impacts.

Sincerely,



Theresa Peterson
Alaska Marine Conservation Council
Kodiak Outreach Coordinator



Fishermen's
Finest

Fishermen's Finest, Inc.

1532 N.W. 56th Street ■ Seattle, WA 98107
TEL: (206) 283-1137 ■ FAX: (206) 281-8681

June 1, 2010

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Re: Agenda Item C-5: Rockfish Program

Dear Chairman Olson,

Fishermen's Finest, Inc. operates 2 trawl catcher processors which have a long solid history in the Gulf of Alaska rockfish fisheries. We first started fishing rockfish in the Gulf in 1986. We have continued to fish Central Gulf rockfish every year since. We have a long term dependency on the Gulf rockfish fisheries and helped to create the market for the domestic fishermen. We appreciate the opportunity to comment on our preferred positions in the elements and options for the CP sector in the Rockfish program.

Rockfish Qualification Years: 98-06 drop 2, 00-06 drop 2

According to the history of the fishery as presented in the GOA Slope Rockfish SAFE reports, 90% of the rockfish in the Gulf was taken by the catcher processor fleet prior to 1996. In order to capture years fully representing catcher vessel history, Congress legislated the Rockfish Pilot program qualifying years at the request of Kodiak, 1996-2002. The program was to expire after 2 years, and was extended for a total of 5. Final Action at the Council was taken at the Council in 2005. The program was implemented in 2007. This was a 'pilot program' so that coops could be developed. It was not intended to go on in perpetuity, nor necessarily capture those qualifying years in perpetuity.

The catch history qualifying years of 96-02 go back 9 – 15 years. More recent catch history must be taken into consideration. 5 years passed between the last qualifying year, 2002, and the first year of implementation, 2007. Not all of that history should be considered speculative because of knowledge of an impending program. No one can afford to fish speculatively for 5 years if it doesn't make economic sense. If it does, then some measure of dependency is established and recency should be taken into account.

Preferred: 00-06, drop 2

We support using the 00-06, drop 2, qualifying years. Our sector has had no new entrants, save one vessel in 1999. The CP sector participants in 96-02 are the same as those in 00-06. Even though these years (and 98-06) favor shoreside in the CP/CV allocation, the 00-06 years for the CP sector will capture the dependent CGOA players and will award them recent history as well. We do not believe that the RPP program created new incentives for history being created. When the LLP area endorsements went into effect in 2000, the CPs were either in or out of the CGOA. Those that were in, and were rockfish boats, continued on as normal. Those that were out, and were rockfish boats, continued in the WGOA and/or AI POP.

If some rockfish CPs have less effort in the 00-06 years in the CGOA, then it was due to fishing more in the other rockfish fisheries, or dropping out altogether. It could have been due to fishing more in the AI

Fishermen's Finest, Inc. June 1, 2010
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POP fishery, or going to where there were higher POP TACs. Those of us who are consistent CGOA rockfish boats earned no other July BSAI QS. Recency will award the truly dependent CGOA rockfish fishermen in our sector.

Alternative: 98-06, drop 2

Support seems to be divided between 96-02 and 00-06. A middle ground, which does not create really big winners or losers, could be 98-06, drop 2. These years straddle both older (98) and newer (06) history. These years also most closely reflect the A80 sideboards in the Gulf which are based on 98-04. A80 CPs would have one set of quota share and sideboards that represent a snapshot in time as closely matched between the GOA and BSAI as possible.

Limited Access: Keep In

We support Groundfish Forum's position to keep limited access. The CP RPP QS history represents 3 weeks of the entire year's fishing. The company (entity) quota shares range from under one-quarter percent to over 35%. For those vessels that have small amounts of QS, limited access is a good place to land.

Coop Formation Criteria: Status Quo 2 LLPs (with or without Limited Access)

The Council just relaxed the A80 fleet's coop formation criteria. The same reasons exist in the CGOA rockfish fishery in support of easier coop formation rules. Three companies (entities) (8 CPs total) hold over 85% of the QS of the CPs. They operate very differently and would not necessarily be a natural match for a coop. One inspired the coop relaxation rules for A80, the other sends its QS shoreside, and the last is our company. For coop formation purposes, the 8 CPs (3 entities) are at a disadvantage when having to form coops with 2 entities due to the number of vessels with such low quota shares (one-quarter to 2%). As a wholly dependent CGOA rockfish company, we do not want to be held hostage by a non-dependent entity in order to meet the coop threshold.

The coop formation criteria, as is, works well. This is a very different program from A80, with much lower tonnages, and higher enforcement stakes with the hard caps on the small volume secondary species allocations. The joint liability and hard cap secondary species alone makes cooping with another entity more difficult than in A80.

CP Ownership and Use Caps: Increase to 50% or only have Harvest Cap

The CGOA use cap has no impact on rockfish market share since it is small portion of the overall BSAI and GOA rockfish allocations, sideboards and incidental RF catch. The total CP rockfish is 32,500 mt. The CP rockfish is QS total is 7,379 mt. The highest cap, 40% of the CGOA CP rockfish, is 2,952 mt, or 9% of the overall CP rockfish.

Fishermen's Finest, Inc. June 1, 2010
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CGOA CP Use Caps	% of AI/CGOA RF QS	% of all CP RF
20%	7%	5%
30%	11%	7%
40%	15%	9%
50%	19%	11%

See attached for tonnages and QS/Sideboards/Incidental BSAI northern

Market Share and Competition:

The CGOA rockfish fishery is not a separate fishery for domestic competition or market share purposes. It is part of a much larger market.

POP goes to Japan for domestic consumption and also to China for reprocessing. The Aleutian Island POP and the Gulf POP compete in both of those markets, along with product produced primarily by Russia. Atlantic POP (*Sebastes sp.*) is preferred over AI/GOA POP in the Japanese market as it is more desirable due to its better color. It is harvested primarily by Icelandic and Norwegian fleets. The Atlantic POP production (approximately 25,000 mt H&G) dictates how much AI/GOA POP goes to Japan and sets the price for all POP, Northern and Dusky.

AI/GOA Northern and Dusky don't specifically compete with POP but can be substituted for POP fillets. There is a limited Korean round market, a China market for reprocessing, and Japanese market for domestic consumption for these species. The POP price sets the Northern and Dusky price. If the POP price drops, the Northern and Dusky prices also drop.

A 40% use cap for the CGOA rockfish fishery would not create an unfair market share advantage or allow an owner to exert any market control: it is but 9% of the overall A80 rockfish. The sole effect is that those CPs which pioneered the rockfish fisheries in the mid 1980's and have been the traditional, historic participants would be prohibited from expanding their business in the BSAI or GOA. If an entity is close to the use cap, any purchase of LPP or vessel to complement their business plan would have CGOA rockfish. But they would be precluded from investing in that vessel/LLP because of the 3 week CGOA fishery – even if they have a small percentage of the BSAI QS.

Conservation and Consolidation:

And finally, is concentrated effort in the CGOA CP rockfish fisheries bad, from a conservation or gear perspective? And wasn't some consolidation expected in the A80 fleet? We believe that those who have been fishing rockfish since the 1980's have a greater ability to fish cleanly and avoid bycatch than new entrants. The record for the original RPP will show that Fishermen's Finest was the only company to testify regarding concern for fishing in May, due to the rockfish spawning season, the fact of live birth, and at that time, the fairly recent POP rebuilt stock. We also testified concern about bycatch of salmon coming up the canyons in the spring, and what halibut bycatch might look like in the spring and early summer.

Fishermen's Finest, Inc. June 1, 2010
Rockfish Program

Sideboards: **Maintain CP/CV sideboards; Maintain WYAK protections;**
Delete intra-sector standdowns and WGOA sideboards,
No individual Coop sideboards

The RPP program was implemented in 2007. At the time of Final Action in 2005, there was no A80 program, so sideboards were created to protect non-CGOA rockfish CPs and CVs during the month of July.

Prior to A80, all rockfish fisheries and summer flatfish fisheries started on July 1, as per the Final Harvest Specifications for the BSAI and the GOA. Therefore, a vessel had to choose where to start fishing: AI POP, WGOA POP, CGOA POP, WYAK POP, BS Flatfish. This was essentially a fair start provision.

Upon implementation of the A80 QS program in 2008, the July 1 start date was removed for the AI POP and BS flatfish fisheries. BSAI QS holders could move into the July 1 WGOA rockfish fishery, and fish into the aggregate rockfish history of all A80 CPs.

The RPP QS holders had their own sideboards and standdowns which were never adjusted when A80 came into effect. Consequently, there are two different sets of sideboards for the A80 fleet:

RPP ineligible CPs: aggregate history of all 28 A80 CPs

RPP eligible CPs: coop history of RPP coop members (currently 2-3 CPs/coop)

Dropping the intra-sector RPP CP sideboards and standdowns, for all RPP QS holders will streamline the program as well as *level the playing field between A80 ineligible and eligible RPP CPs*. No one QS holder should have an advantage over another now that all H&G vessels have Qs for their primary targets.

A caveat is to retain RPP protections for the WYAK rockfish fisheries, as those fisheries have typically been fished by one or a small handful of participants and represent an atypical situation.

WGOA and WYAK RPP vs A80 closures:

Since 2008, when both A80 and RPP were in effect, the WGOA POP fishery has closed on July 4 to all CPs at the same time. In 2008 there was one re-opening on July 14, for 4 days, to non-RPP CPs. WGOA Northern and Pelagic had one closure, again to all CPs regardless of the 2 different sideboards. Even with separate sideboards, the WGOA is a short race for fish.

WYAK has closed each year to RPP CPs around 3rd week of July.

Secondary Species Management: **Trip by Trip MRA Enforcement,**
Increase SR to 50% of TAC

MRAs enforced on a trip by trip basis:

Table 2-15 shows the total catch as compared with total allowable catch for the limited access fishery. It appears that there were no overages for the overall fishery. However, there were some regulatory discards due to the instantaneous enforcement of the MRA. In 2008 and 2009 there was cod mixed in

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with the rockfish which resulted in discarded catch. By changing the enforcement period, this can be avoided.

Increasing shortraker cap to CPs to 50% of the TAC:

Contrasting Table 2-22 (2007 & 2008) with Table 2-6 (1996-2006) demonstrates the reduction of catch of shortraker by the CP fleet. This is directly a result of avoidance behavior. In the coops, CPs avoid shortraker because of the hard cap. In limited access, shortraker is avoided due to the reduced MRA which could result in discards. Scrutiny of the fleet's discarded secondary catches with these lowered MRAs would be unavoidable and cast the fleet in a politically negative light.

Increasing the cap to be more reflective of past catch history would greatly assist the fleet. The shortraker allocation to the CP fleet should be increased from 30% to 50% of the TAC.

For the Council's information, we have analyzed losses to the fleet due to the avoidance behavior from reduced MRAs in limited access and coop hard caps. Secondary species have always maximized the value of the rockfish fisheries. Reductions in the secondary species have cost the sector approximately \$1 million per year since the rockfish program started.

Secondary species losses to the CP fleet (Table 2-34) under current RPP management and allocations:

2003 - 2006 total value of secondary species:	\$ 8,696,671
2003 - 2006 average value	\$ 2,174,167
2007-2008 value of secondary species:	\$ 2,452,069
2007-2008 average value	\$ 1,226,034
Total fleet loss:	\$6 million
Annual fleet loss:	\$1 million

Summary of Recommendations

Fishermen's Finest supports the following Elements and Options and thanks the Council for the opportunity to reflect on the program and offer our recommendations for the CP fleet. Please see attached.

Sincerely,

Susan Robinson

Susan Robinson

Fishermen's Finest, Inc. June 1, 2010
Rockfish Program

Summary of Recommendations

4.2 Qualified Catch

- Option 2: 1998-2006, drop 2
- Option 3: 2000-2006, drop 2

7.2.4 Secondary Species

- Option 1b: 50 percent of TAC for shorttraker
- Option 1: MRAs in the CP sector will be enforced on a trip by trip basis

10 Catcher Processor cooperatives

- Option 2: a coop, a limited access fishery, or opt out of the rockfish program

13 Cooperative Use Caps

- Increase option to 50% use cap or delete and keep harvest cap of 60%
- Support grandfather provision

18.2 Sideboards – Catcher processor options

WYAK and WGOA sideboards

- Option 1: RPP sideboard for WYAK
- Option 2: no coop or limited access specific sideboard for WGOA

Standdown for Opt out CPs

- Option 2: no standdown

Standdown for Coop CPs

- Option 2: no standdown

Standdown for Limited Access CPs

- Option 2: no standdown

POP
Northern
Dusky
Total

Quota Share for CPs (MT)		
RPP CP Allocation CGOA	A80 Allocation Aleutian Isl	Total Allocations
4,900	12,363	17,263
842	-	842
1,637	-	1,637
7,379	12,363	19,742

Sideboards and Catch for CPs (MT)			
2009 A80 Northern Ret. Catch	A80 Sideboard WGOA	A80 Sideboard WYAK	Total Sideboards and Ret. Catch
-	2,878	1,926	4,804
1,662	2,703	2,703	7,068
-	497	389	886
1,662	6,078	5,018	12,758

Total CP Rockfish (MT)
22,067
7,910
2,523
32,500

CGOA Use Caps	% of AI/CGOA	% of A80 RF
20%	7%	5%
30%	11%	7%
40%	15%	9%
50%	19%	11%

Sources:

Table 2-63, use Caps by LLPs, CGOA Rockfish Program Public Review Draft RIR/EA/IRFA, June 2010

Table 24, Final 2010 GOA Groundfish Sideboard limits for A80 Vessels, GOA Harvest Specs.

Table 7A, Final 2010 A80 Allocations of Aleutian Islands POP, BSAI Harvest Specs.

2010 Central GOA Rockfish Pilot Program allocations, www.fakr.noaa.gov

A80 2009 BSAI retained Northern catch: NMFS In-Season Mgmt, pers. Comm.

Fishermen's Finest, Inc June 1, 2010
Rockfish Program

F/V Gold Rush Fisheries LLC
PO Box 425
Kodiak, AK 99615

Mr. Chairman/Members of the council,

My name is Bert Ashley, owner/operator of the F/V Gold Rush; A Kodiak based trawler since 1987. We have been on the ground floor of many fisheries.

We have helped produce fish excluders for halibut and salmon, worked on more efficient gear types and fishing techniques, even assisted with fishing policies. All of these efforts have been directed toward the reduction of the incidental catch of prohibited species.

We need every tool available to continue our quest of making the trawl industry as clean and efficient as possible.

The RPP has allowed us to: slow down the fishery; develop ways to reduce incidental catch; find efficiencies and create stability in the fishery for harvesters, their processing partners, and the communities they are both part of.

We support the following:

A regionalized Rock Fish program in the CGOA, delivering our fish back to Kodiak.

NO harvester shares to processors.

Support of option 1 allocating halibut PSC based on historical averages.

Respectfully,



Bert Ashley,
Captain F/V Gold Rush, President Golden Tide Inc.

IQUIQUE US LLC
4257 24th Avenue West
Seattle, WA 98199

June 1, 2010

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AAK 99501-2252

RE: Agenda Item C-5 GCOA Rockfish Pilot Program

Dear Mr. Chairman:

Iquique US LLC is the owner operator of the F/V Unimak, a trawl catcher/processor that fishes in the Bering Sea, Aleutian Islands and the Gulf of Alaska. I am writing to offer our comments on the proposed revisions to the Rockfish Pilot Program (RPP), specifically the option to eliminate the RPP catcher processor sideboards for the West Yakutat rockfish fishery.

The West Yakutat RPP sideboards are important components of the RPP, and should not be removed. The Amendment 80 sideboards and the RPP sideboards serve different functions, with the Amendment 80 sideboards curtailing effort to protect other sectors, while the RPP sideboards curtail effort to protect those within the sector. The removal of the RPP sideboards will destabilize what is currently a fishery with stable effort, and would enable some vessels participating in the RPP to use the economic advantage provided by the Program to expand their harvests in fisheries in which they have little or no history, at the expense of historic participants.

The F/V Unimak and its captain, Paul Ison, have participated in the Gulf rockfish fisheries for over twenty years. Until recently, the rockfish fisheries in the Aleutians, Bering Sea, and the Western/Central/Eastern Gulf all opened at the same time, on or about July 1. Fishermen would select an area to fish, and accumulate catch history based on that choice. Captain Ison and the Unimak initially concentrated on the Eastern Gulf, and when that area was closed to trawling, focused fishing effort in the West Yakutat area, with a limited amount of time also spent in the Central Gulf. The advent of the Rockfish Pilot Program could have changed the dynamics of these fisheries by allowing RPP qualified vessels to "bank" their Central Gulf quota and race for fish elsewhere. Sideboards were adopted to prevent adverse impacts on other fisheries.

The Unimak qualified the RPP, although its catch history in the Central Gulf equates to only a couple of days worth of fishing. During the term of the Program, the Unimak has harvested its share of the rockfish quota in the Central Gulf, then proceeded to West Yakutat to harvest rockfish. The Unimak's catch history accounts for over 70% of the

RPP West Yakutat sideboard. Only one other trawl catcher processor, a non-RPP qualified vessel, has participated in the West Yakutat fishery during this period.

During this period, Captain Ison has used pelagic trawls to harvest most of his pacific ocean perch in West Yakutat. He has worked with Craig Rose of NMFS using bottom sensors on the nets to monitor performance and bottom contact. He was able to use these methods and participate in the studies because there was not a concerted "race" for quota in the area.

This year, part of the trawl catcher processor RPP sideboard in West Yakutat was assigned to a cooperative. This sideboard, which was based on the catch history of vessels in that cooperative, was deducted from the sideboard amount available to other RPP qualified trawl catcher processors. If the RPP West Yakutat sideboard had already been eliminated, these cooperative vessels could have begun a race for fish in West Yakutat July 1, while preserving their Central Gulf QS. Management of this race would likely impose significant additional cost and effort on NMFS.

The RPP West Yakutat sideboards continue to serve their purpose of reducing negative impacts on a fishery as a result of the economic advantages bestowed by the RPP. Without these protections, it is unlikely that it would be practical for the Unimak to continue operating in the Gulf rockfish fisheries. The vessel is not endorsed to fish in the Western Gulf, its Central Gulf QS (about 150 mt) is not sufficient to cover the costs of the trip and its ability to harvest adequate quota in West Yakutat would suffer greatly with increased, unrestricted competition.

We acknowledge that the West Yakutat rockfish fishery is not rationalized, and the Unimak is not entitled to any special privileges or allocations in that area. We do, however, feel that participants in the West Yakutat fishery, including those qualified for the RPP, are entitled to the continued protection of sideboards that limit effort by participants in the RPP who would now like to increase their West Yakutat harvest beyond their historic amount. The Council should not remove these protections.

Sincerely,



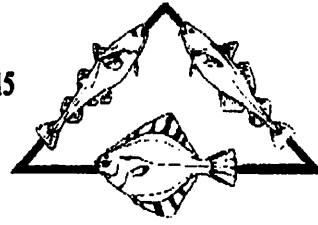
William R. Orr
Iquique US LLC

Groundfish Data Bank

Alaska

PH: 907-486-3033 FAX: 907-486-3461 P.O. BOX 788 - KODIAK, AK. 99615

Julie Bonney, Executive Director jbonney@gei.net
Katy McGauley, Fisheries Biologist agdb@gei.net



June 1, 2010

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501

RE: CGOA Rockfish Program C-5

Dear Mr. Olson:

Final action on the CGOA Rockfish Catch Share program is scheduled for the June 2010 NPFMC meeting. The Alaska Groundfish Data Bank (AGDB) is a member organization representing GOA shoreside trawlers and shoreside processors that presently participate in the CGOA Rockfish pilot program. The CGOA rockfish pilot program has brought significant benefits to the fishery in terms of conservation, fish quality and stability for participants. One of the main reasons for rationalizing the fishery originally was to stabilize the Kodiak residential processing work force by filling times of year where little to no processing occurred as well as removing the processing conflict with salmon.

There are several decisions that will continue the present program benefits as the Council considers how to roll the program over. The members of AGDB support the following:

- 1) The port landing requirement that requires all CV CQ to be landed in the City of Kodiak at a shorebased processing facility.
- 2) A cooperative fishery structure that facilitate harvesters and processors working together to coordinate landings. This allows development of new fish markets and the continued ability of processors to coordinate multiple fish species landings to gain processing efficiencies.
- 3) The present management for the CV sector for secondary species. Particularly for Pacific cod and Sablefish, the ability to take these species in a directed fishery mode has reduced regulatory discards since all CQ must be retained; allows vessels to reduce costs of traveling to the different fishing grounds; has increased quality of catch by limiting the extent of mixing of Pacific cod and sablefish with rockfish; and less bottom trawl fishing time.
- 4) The present halibut PSC allocation to cooperative participants and the rollover of Halibut PSC savings to the fall trawl fisheries with "no" tax applied (see detailed section that follows).

The members of AGDB support the following changes to the current program to fix identified issues in the current program:

- 1) Basis species for purposes of determining MRAs based on all allocated species (both primary and secondary species).
- 2) Simplifying the CV sideboard provisions for the month of July as outlined in the April Council motion.
- 3) A change in the shoreside observer coverage where a CMCP monitor is employed and funded by MSA cost recovery fees. This is a temporary solution until the observer program is restructured.

The members of AGDB also support 10-year duration of the LAPP program permits with these permits renewed before their expiration unless the permit has been revoked, limited, or modified. The members do not understand the purpose of the other option that would sunset the program after 10 years. The Council has the authority to amend a catch share program at anytime and thus does not need to wait for a 10-year period for the program to lapse and potentially be reauthorized. If selected, this option would likely result in a lengthy and costly Council process to design and implement a new program.

As the Alaska Supreme Court from *Ostrosky v. Alaska*, 1983 regarding limited entry found: (1) entry restrictions set forth in the Limited Entry Act do not violate the provisions of the Alaska Constitution reserving naturally occurring fish to the people for common use and guaranteeing all persons equal rights and opportunities, and (2) the transferability provisions under which entry permits can be sold or inherited do not violate the provisions of the Constitution prohibiting exclusive rights or special privileges of fishery, preserving naturally occurring fish to the people for common use, and guaranteeing all persons equal rights and opportunities.

The court ruling notes that for participants, durability of the permits offers stability. "For most fishermen, commercial fishing is a career choice. It would work an obvious hardship on a gear license holder whose permit expired after, for example, 10 years, to then force him out of his chosen career. This would be similar to restricting a license to practice law or medicine to a limited period after which the practitioner would have to make way for others and embark upon a second career. Further, the system suggested by the dissent would tend to lock a fisherman into owning only one vessel during his fishing career. It would be difficult for a fisherman having only 3 or 4 years left on his license to finance the acquisition of a new vessel. Moreover, the fixed termination aspect of such a system would tend to foster exploitation, rather than conservation, of the fisheries."

Halibut PSC allocations

The motion contemplates a reduced halibut PSC allocation for RPP cooperatives. The members of AGDB support option 1 that allocates PSC based on historical average usage. As the analysis points out on page 111, reducing the halibut PSC allocation reallocates halibut away from the highly monitored and controlled Rockfish program to other limited access trawl fisheries. The reduced allocation may also hamper the fleet's ability to catch 100% of the available targeted species CQ quotas - especially if TACs increase within the RPP program or if halibut abundance on the grounds increases. Reducing the allocation also sends a strong message that the fleet's good behavior to reduce bycatch in the first three years of the program will not be rewarded but in fact results in punishment by the Council.

Halibut PSC rollover usage

The present RPP program builds in incentives for careful use of halibut PSC where any remaining amount of halibut PSC can be rolled over to other limited access trawl fisheries in the fall. The motion contemplates imposing a Halibut PSC "tax" on the Halibut PSC savings of anywhere from 0 to 90% of rollover amount. Presently, the trawl fisheries harvests are limited because of the overall 2,000 MT halibut PSC cap and thus prevented from meeting optimum yield. For example in 2009 the ABC for all flatfish combined for the CGOA was 236,954 MT yet actual catch was only 39,344 MT.

The CGOA CV trawl fleet has made several improvements to more efficiently use their halibut PSC: the RPP program halibut PSC rollover incentive mechanism and halibut excluders in the cod target fishery. Some believe that there has been a dramatic increase in hard on-bottom trawling thanks to more efficient halibut PSC usage. While the Council considers whether to "tax" the Halibut PSC rollover savings it seems an appropriate time to correct the record with regards to this assertion. The reality is that the fleet has been struggling since 2001 when SSL measures split the Pacific cod fishery into two seasons allocating 60% to the "A" season and 40% to the "B" season. Cod is more difficult to prosecute in the fall with cod not schooled up, scratchier fishing, that has resulted in higher bycatch of halibut. The fleet has developed gear and a management regime to prosecute their fall flatfish and cod fisheries to mitigate impacts from the SSL measures. Starting in 2006, they were able to get back to where they were prior to the SSL measures.

Flatfish harvests tend to go up during years with low cod and/or pollock catch (Figures 1 and 2) to make up the revenue. Overall Non-Pelagic Trawl harvests in the CGOA (CV and CP) have remained fairly consistent since 1993 with a low of 32,181 mt in 2004 and a high of 69,718 mt in 1996 (Fig 2). Average from 1993-2009 is 47,227 mt. Catch in 2009 was 50,602 mt for cod and flatfish combined.

Figure 1. CGOA flatfish and cod catch 1993-2009.

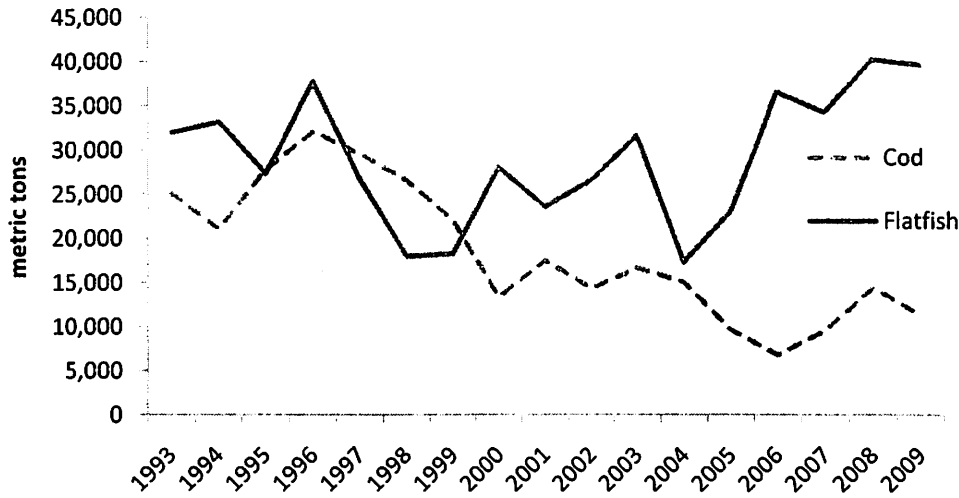
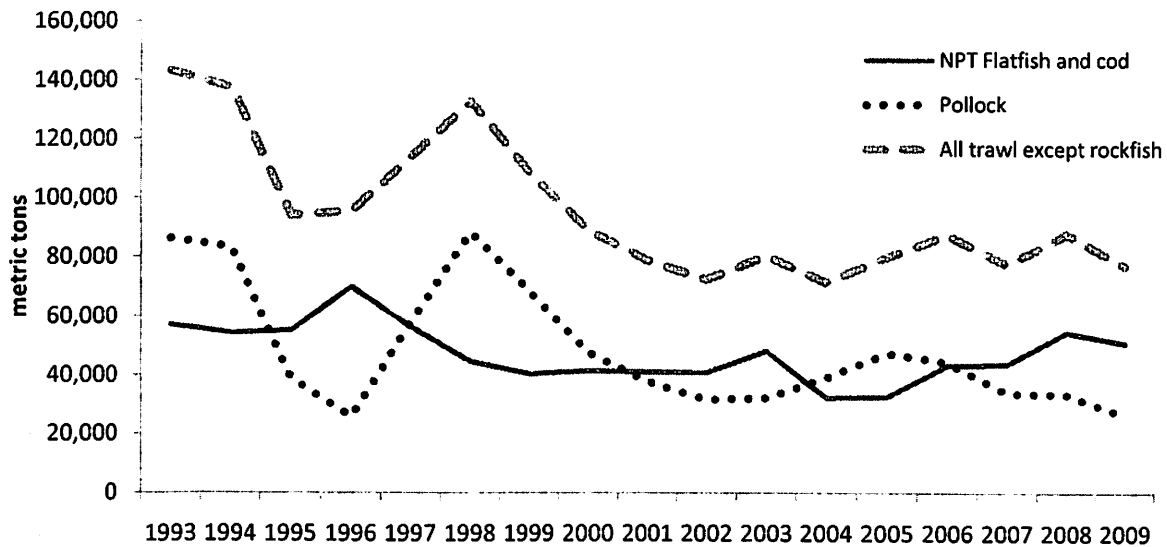


Figure 2. CGOA trawl catch, excluding rockfish, 1993-2009.



According to the analysis, the late season rollover can be estimated to have generated between \$1.4 million and \$2.8 million in ex vessel gross revenue (page 60). The late year deliveries have benefited the processing sector, both in terms of additional revenues and also by filling one of the processing landing voids for the year-round residential processing labor force. Typically, participation by vessels in the fifth season fishery is by catcher vessels only and by the local Kodiak vessels and crews. In other words, the fifth season is a hometown benefit package.

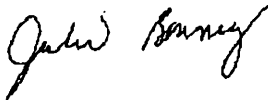
The CV sector has stepped up in several ways within the RPP program to reduce halibut bycatch. They have invested in semi-pelagic gear, changing to mid-water doors. Cost for this new fishing method is approximately \$750,000 for fleet. The cooperative agreements voluntarily include substantial measures to reduce halibut bycatch that incorporates standards for best fishing practices and penalties for member vessels.

The Council needs to be mindful of how they address this issue. If it is perceived that any voluntary improvements that industry makes will be reduced or taken away and all economic benefits diminished or removed, then the Council loses the opportunity to create incentives for good behavior (the carrot approach) and moves to regulatory regimes that forces change (the stick approach). Changes in behavior voluntarily versus mandatory always give a better result.

The Council is addressing the overall issue of the Halibut PSC caps in GOA and BSAI. The members of AGDB believe that those actions are the time to consider Halibut PSC usage and allocation, versus under the RPP rollover program action, since it will be difficult to understand the impact to a change in PSC cap across the fisheries across the two separate two actions.

AGDB members support the stability that the current RPP program has provided and the benefits the program has created for historical harvesters, processors and the community of Kodiak.

Thank you for the opportunity to comment.



Julie Bonney
Executive Director
Alaska Groundfish Data Bank

Groundfish Forum

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Seattle, WA 98199
206-213-5270 Fax 206-213-5272
www.groundfishforum.org

June 1, 2010

Mr. Eric Olson, Chairman
North Pacific Fishery Management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Re: Agenda Item C-5, Gulf of Alaska Rockfish

Dear Chairman Olson,

Groundfish Forum represents 15 vessels and permits which qualify under Amendment 80 to the Bering Sea/Aleutian Islands Fisheries Management Plan (BSAI FMP). Our vessels also fish in the Gulf of Alaska, and several are qualified for the catcher-processor (CP) sector of the existing CGOA 'rockfish pilot program.' We are writing to offer our comments on final action to revise and extend this program.

We request that the Council approve Catcher-Processor Alternative 3 (cooperative or limited access), MRA management of shortraker/rougheye rockfish with trip-to-trip MRA enforcement for the CP sector, and modifications to CP sideboards. We further encourage the Council to maintain the existing halibut allocation formula for the rockfish program.

Limited access fishery (CP alternative 3)

In the existing program, rockfish-qualified catcher-processors which opt in to the program may either form a coop (with two or more LLPs) or fish in a 'limited access' fishery with other non-coop vessels. This system has worked well. While some vessels have chosen to coop, many have found the cost of forming a coop excessive given the relatively short duration of the fisheries. These vessels have worked with each other, and with NMFS in-season management, to avoid halibut bycatch and stay within catch limits.

Some concern has been expressed that vessels in limited access are 'avoiding' the costs of cooperative formation while gaining the benefits. We wonder why this would be considered a problem. The intent of the limited access privilege program (LAPP) is being achieved through communication on the grounds and in the offices, no allocations have been exceeded, and the 'race for fish' in the CGOA no longer exists. It's unclear what benefit is achieved from requiring participants to formalize cooperative contract(s) in order to participate, as would be required under CP alternative 2.

Shortraker rockfish management (section 7.2.4)

During the qualifying years for the existing rockfish pilot program, the catcher-processor sector harvested the majority of the shortraker rockfish taken in the CGOA. Approval of the pilot program coincided with the decision to separate shortraker from rougheye rockfish in the specification process, which created a concern that there might be insufficient shortraker available to fund non-rockfish fisheries. As a result, the CP sector was allocated only about 30% of the shortraker rockfish, approximately half of its catch history. Many CP vessel owners and operators were concerned that this low allocation could be constraining if they chose to form a coop, and opted to instead fish under a 'maximum retainable allowance' (MRA) in limited access.

In fact, the shortraker allocation could have been restrictive to the one CP cooperative that fished (which received a transfer of shortraker from the other CP cooperative, which transferred its other allocations to shoreside vessels). The limited access sector, however, caught less than it would have been allocated under a hard cap. The MRA management system works, and we encourage the Council to use MRAs in the CP sector in the revised program.

Concerns have been expressed about discards resulting from MRA management. We believe those concerns can best be addressed by enforcing the MRA on a trip-by-trip basis, rather than instantaneously. Under this system, MRA compliance is measured at the end of a trip, which is (at most) one week. If a vessel catches more than the MRA amount early in the trip, it may retain the fish in anticipation of catching enough basis species (target rockfish) to balance the accounting.

CP sideboards (section 18.2)

In the existing rockfish pilot program, qualified catcher-processors are restricted in West Yakutat and Western Gulf fisheries by rockfish program sideboards, which include coop-level restrictions, stand-downs and limitations on participation based on history. The sideboards only affect catcher-processors. The rockfish sideboards are significantly lower than the Amendment 80 sideboards for the same species. The result is that the difference between the two sideboards can only be accessed, on the CP side, by vessels which did not qualify for the rockfish pilot program.

The circumstances are significantly different between West Yakutat and the Western Gulf. Almost all of the rockfish history in West Yakutat was accrued by one vessel (the *Unimak*), which qualifies for the rockfish program but has very little actual Central Gulf history. The current sideboards limit other qualified CPs to their historic amounts in West Yakutat. Through an industry agreement, one non-rockfish-qualified CP (the *Ocean Alaska*) has harvested the difference between the rockfish sideboards and the Amendment 80 sideboards. This combination of sideboard restrictions and industry agreement has essentially eliminated the race for fish among the CP portion of the West Yakutat rockfish fisheries. We recommend that the Council retain CP sideboards in West Yakutat to preserve this balance.

In the Western Gulf both the sideboard limits and the number of vessels are much higher than in West Yakutat (see tables 2-35 and 2-36, page 76, of the current EA/RIR/IRFA). In this case, elimination of the rockfish program sideboards could simplify management of the fishery. We recommend CP sideboards be eliminated in the Western Gulf.

Halibut PSC limits (section 7.3)

The existing rockfish program allocated halibut PSC to both the catcher-processor and catcher-vessel sectors based on historical halibut catch in rockfish fisheries. Both sectors have demonstrated the ability to reduce halibut bycatch in a rationalized fishery, whether under cooperative management or limited access.

We strongly encourage the Council to preserve the existing system of allocating halibut PSC to the CGOA rockfish program. The fact that some halibut savings have been achieved reflects efforts made by fishery participants to avoid halibut through gear modification and communication on the grounds. This is exactly the type of behavior that rationalization should produce and encourage. Reducing the initial allocation implies that vessels in rationalized programs must 'use it or lose it' and that improvements simply result in forfeiture. This is not a sound approach to fisheries management.

On the catcher-processor side, any unused rockfish-program halibut PSC is forfeited regardless. Amendment 80 sideboards represent hard caps by season and fisheries complex, and so unused sideboard amounts in one season cannot be accessed later in the year. As a result, halibut avoided by rockfish CPs rolls to shoreside trawl fisheries.

To the extent that all participants can avoid using halibut, the catcher vessel sector recognizes a benefit through an extended flatfish fishery in the fall and winter. Not only does this provide more jobs and more stability to shoreside operations, the rollover is a direct incentive to reduce halibut use in the rockfish fishery.

In summary, we request that the Council

- Retain the ability for catcher-processors in the rockfish program to either coop, fish in limited access, or opt out of the program (CP alternative 3)
- Manage shortraker/rougheye rockfish as an MRA for the CP sector on a trip-by-trip basis
- Retain rockfish program CP sideboards in West Yakutat
- Remove rockfish program CP sideboards in the Western Gulf
- Retain the existing formula for calculating halibut PSC allocations to rockfish-qualified vessels.

We believe that the rockfish pilot program has been successful in achieving the goals set out by the Council. We encourage the Council to continue the program with the above recommendations to continue to realize the benefits of the program, and to recognize the efforts made by all participants to harvest rockfish responsibly.

Thank you for the opportunity to comment.

Sincerely,



Lori Swanson
Executive Director



Kodiak Island Borough

Office of the Borough Mayor

710 Mill Bay Road

Kodiak, Alaska 99615

Phone (907) 486-9310 Fax (907) 486-9391

June 1, 2010

North Pacific Fishery Management Council
605 West 4th, Suite 306
Anchorage, Alaska
99501-2252

Re: Final Action on Gulf of Alaska Rockfish Program

Dear Council Members:

With regard to the final action of the Gulf of Alaska Rockfish Program, the Kodiak Island Borough (KIB) requests that the Council consider the following:

1. The KIB supports the approval of limiting rockfish landings to the Kodiak Island Borough.
2. The KIB has concerns about fleet reduction. It is in the community's best interest to ensure that the members of "active" vessels currently fishing rockfish remain viable when the new program is approved. We assume that individual caps and vessel caps will be crafted to achieve that goal.
3. The KIB supports the option for a 10 year sunset program which would allow the Council the opportunity to correct any unintended consequences.
4. The KIB encourages the Council to provide entry level opportunities to fish rockfish and for the expansion of these opportunities, when and "if" the rockfish jig fishery matures.

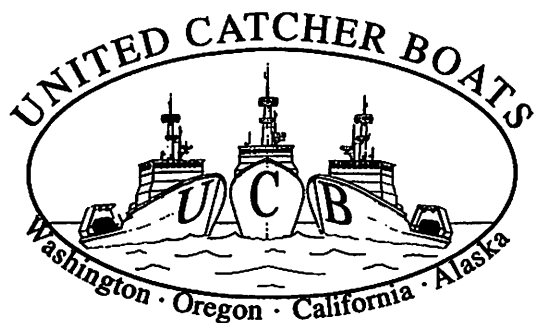
The KIB appreciates your consideration of these concerns as you move to final action. Since the rockfish pilot project has been a positive economic boost to the Kodiak Island economy and we would hope the program you approve will enhance this impact.

Sincerely,

KODIAK ISLAND BOROUGH

A handwritten signature in black ink, appearing to read "J. M. Selby". The signature is written in a cursive style and is positioned above the printed name.

Jerome M. Selby
Mayor



Eric Olson, Chairman
North Pacific Fishery Management Council
Sitka, Alaska

June 13, 2010

RE: Agenda Item C-5, CGOA Rockfish Program

Dear Chairman Olson and NPFMC Members,

We wish to provide the following comments on your final action for the CGOA Rockfish Program. We ask that you take final action at this meeting so the program takes effect when the Pilot program expires. United Catcher Boats supports the AP recommendations, and specifically the following components:

Section 4.2 Catch History: Option 1) 1996 – 2002 (drop 2).

We support the status quo years, or the years used for the current CGOA Rockfish Pilot program. The fishery has been rationalized via the Pilot Program since 2007 and participants' allocations were based on what they caught and these allocations are the basis for the current program. This option best meets the desires listed in the Problem Statement of providing stability to current and historic participants and the economic dependence of the current participants on this fishery due to the current program's allocations, which are based on harvest in 1996-02.

Section 9.4 CV/Shore Based Processor Provisions: Option C - CV Coops with severable processor association and no forfeiture. (CV4)

This option will promote and facilitate harvesters and processors working together to coordinate landings, develop new product forms, maximize value of the fishery to both harvesters and processors and realize efficiencies. This option, matched with a processor processing cap of 25%, and a Kodiak Port landing requirement, will allow for a fair balance of market price-setting power for both harvesters and processors and forge a partnership between harvesters and processors and maximize the benefits of this program to the community of Kodiak. Most, if not all, CVs will form a long-term partnership with a processor. However, if this partnership does not work out, Option C allows for a CV owner to move to another processor. We would support

a requirement that a CV stay with a processor for a 2-year period, however this is not an option in the current suite of alternatives.

We do not support Option 9.4 Option B, processor allocation of harvest shares (CV-3) for the following reasons:

- Processor allocations of harvest shares reinforce existing market power of processors in the ex-vessel market or price setting practices. Under the current program, harvesters are totally tied to a processor and cannot move to another processor.
- Processor allocations reduce incentives to generate market-side innovations. Fresh market product forms, fishing in times of highest value, and maximum efficiency actions by fishermen and harvesters working together is minimized when processors have their own allocations of harvest shares.
- Processor allocations reduce the efficiency of initial harvester allocations. The initial allocations to harvesters are based on what harvest the vessels need to be a viable operation. A reduction from a full amount of an allocation based on a vessel's historic performance will cause problems in the form of reduced cash flow and reduced total revenue from what is required.

Section 13 Use Caps:

- **Coop Harvest Use Cap: 30%**
- **CV Catch Cap: 10%**
- **CV Ownership Cap (hold or allocation) 5%, with a grandfather provision for those CV license/owners whose initial allocation exceeds 5%**
- **Processor Processing Cap: 25%**

The combination of these four use caps provide more than adequate control in terms of the number of participants, consolidation of ownership, and the ability of a coop to maximize the performance of the fleet by allowing flexibility of the coop to act in ways to maximize value and efficient operations. This is a coop-style rationalization program and it is the coop, made up of many members working cooperatively, to harvest its combined allocation. Placing too low of an ownership or vessel harvest cap will significantly dampen, or reduce the coop's ability to function efficiently. As an example, the Bering Sea CV coops have a harvest cap of 17.5%. There were 112 vessels participating in the fishery in 1999 and currently, 12 years into the program, there are 94 CVs participating. Even with a cap of 17.5%, there has been little consolidation and there is no need for a cap that guarantees at least 100 vessels (1% cap). Similarly in the CGOA Rockfish fishery, a cap of 10% will not result in a fleet of 10 vessels. However, it will result in the coop members having the flexibility to allow the coop to perform efficiently and effectively.

Section 7.3 Prohibited Species (Halibut PSC): Option 1 – Halibut PSC allocation to the rockfish coops based on historic average usage, and 100% of any remaining allowance not used will rollover to the fall trawl fisheries.

We support management measures that provide incentives to act in ways managers and policy makers' desire (a carrot), not penalties that take something away (a stick).

Section 8 Regionalization: All CV harvests must be landed in the City of Kodiak at a shorebased processing facility.

This provision ensures that the benefits of this rationalization program flow to the community Kodiak and recognizes the historic landings and value of this fishery to the community of Kodiak.

Thank you very much for considering this additional information and we hope it helps in your decision making process on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Paine", written over a horizontal line.

Brent Paine
Executive Director

Interim license provision

For licenses that qualify based on catch of an interim license (and for licenses used on a vessel that previously fished in the rockfish fishery during the qualifying years using an interim license), the basis of the allocation will be the catch history of such vessel using the interim license (plus the history of the vessel using the permanent license) during qualifying period, notwithstanding the invalidity of the interim endorsement under which the vessel operated during the qualifying period. However, 1) no permanent license shall be assigned history from two vessels for any portion of the qualifying period and 2) no history shall be assigned to two licenses. To qualify for this provision, the permanent license must be assigned to the vessel on or before December 31, 2003 and must have remained assigned to the vessel through the date of final Council action.

ANY
OTHER

NO
B2

passed unanimously

Central Gulf of Alaska Rockfish Program—Final Action (June 2010)

National Standards (see pp. 262-265 of RIR/EA/IRFA)

National Standard 1

Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery.

- Use of catch shares will enhance the ability of managers to ensure that catch stays within established biological parameters.

National Standard 2

Conservation and management measures shall be based upon the best scientific information available.

- The analysis uses the most up-to-date information and was provided to the Council's Science and Statistical Committee for review.

National Standard 3

To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

- All interrelated stocks or complexes are managed as a unit or are managed in close coordination to minimize conservation concerns.

National Standard 4

Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges among various U.S. fishermen, such allocations shall be (a) fair and equitable to all such fishermen, (b) reasonably calculated to promote conservation, and (c) carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

- All participants must meet the same eligibility criteria, regardless of state of residence. Allocations are based on historical participation in the fishery, consistent with standards for limited access privilege programs found in section 303A the Magnuson-Stevens Act.
- Total annual allocations in the Rockfish Program will be consistent with conservation measures specified in the Gulf of Alaska Fishery Management Plan.
- Limits on holding or using shares are included in the Rockfish Program to prevent excessive share acquisition by individuals, corporations, or other entities (such as cooperatives).

National Standard 5

Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources, except no such measure shall have economic allocation as its sole purpose.

- Fishery management through catch shares, as opposed to derby fishing, improves efficiency by allowing fishermen to choose fishing times and strategies. Allowing fishermen to make these choices will lead to better use of fishing resources. Also, the Rockfish Program contributes to more efficient use of the rockfish and other fish species by reducing discards and bycatch.

National Standard 6

Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

- Amounts of rockfish catch, and fish caught with rockfish, are reviewed annually and are managed consistent with conservation measures specified in the Gulf of Alaska Fishery Management Plan.

National Standard 7

Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

- Current Rockfish Program will expire in 2011. This program would replace, not duplicate, the expiring program.
- Fishery management through catch shares, as opposed to derby fishing, improves efficiency by allowing fishermen to choose fishing times and strategies. Allowing fishermen to make these choices will lead to better use of fishing resources and minimizing costs.

National Standard 8

Conservation and management measures shall, consistent with conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities in order to (a) provide for the sustained participation of such communities, and (b) to the extent practicable, minimize adverse economic impacts on such communities.

- Landing requirements for catcher vessels are designed to benefit Kodiak, a fishing community with historic dependence on the rockfish fishery in the Gulf of Alaska (refer to Magnuson-Stevens Act Section 303A(c)(5)(B)—port specific landing requirements and procedures to address concerns over excessive geographic or other consolidation, e.g., no port specific landing requirements for catcher processors).
- Increased efficiency and time management through use of catch shares will assist in sustained participation for fishing communities.

National Standard 9

Conservation and management measures shall, to the extent practicable, (a) minimize bycatch, and (b) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

- Fishery management through catch shares, as opposed to derby fishing, improves efficiency by allowing fishermen to choose fishing times and strategies. Allowing fishermen to make these choices will lead to better use of fishing resources. Also, the Rockfish Program contributes to more efficient use of the rockfish and other fish species by reducing discards and bycatch.
- Catch shares are managed as a “hard cap,” requiring participants to stop fishing when an allocation is fully harvested.
- The elimination of the “race for fish” through catch shares provides more time to carefully handle and return bycatch to reduce mortality.

National Standard 10

Conservation and management measures shall, to the extent practicable, promote safety of human life at sea.

- Fishery management through catch shares, as opposed to derby fishing, allows fishermen to choose fishing times to avoid inclement weather or other situations that might compromise safety of human life at sea (Analysis Section 2.4.18).

Magnuson-Stevens Act Section 303(b)(6)

Any fishery management plan which is prepared by any Council with respect to any fishery may establish a limited access system for a fishery in order to achieve optimum yield if in developing such system, the Council and the Secretary take into account:

Present participation in the fishery

- Analysis, Section 2.3—Existing Condition of the Fishery (2.3.3, 2.3.4, 2.3.5)
- Analysis, Section 2.4—Analysis of the Alternatives

Historical fishing practices in, and dependence on, the fishery

- Analysis, Section 2.3—Existing Condition of the Fishery (2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.7)
- Analysis, Section 2.4—Analysis of the Alternatives

Economics of the fishery

- Analysis, Section 2.3—Existing Condition of the Fishery (2.3.6, 2.3.7)
- Analysis, Section 2.4—Analysis of the Alternatives (2.4.7 – 2.4.14)

Capability of fishing vessels used in the fishery to engage in other fisheries

- Analysis, Section 2.3.8—Rockfish Pilot Program Sideboards
- Analysis, Section 2.4.19—Effects on Other Fisheries

Cultural and social framework relevant to the fishery and any affected fishing communities

- Analysis, Section 2.3—Existing Condition of the Fishery
- Analysis, Section 2.4—Analysis of the Alternatives

Fair and equitable distribution of access privileges in the fishery

- Analysis, Section 2.4.1—Allocations

Any other relevant considerations

- Analysis, Section 2.3—Existing Conditions of the Fishery
- Analysis, Section 2.4—Effects on Other Fisheries

Magnuson-Stevens Act Section 303A

Contribute to reducing capacity

- Rockfish Program would reduce capacity through efficiencies created by catch shares and through cooperative formation. Catch shares reduces the need to “race for fish.”

Promote fishing safety

- Analysis, Section 2.4.18—Effects on Safety

Promote fishery conservation and management

- Analysis, Section 2.4.3—Effects on management, monitoring, and enforcement
- Analysis, Section 3.4—Analysis of the Alternatives (3.4.1, 3.4.3, 3.4.4, 3.4.5, 3.4.6)

Promote social and economic benefits

- Analysis, Section 2.3.9—Community and Social Conditions
- Analysis, Section 2.4—Analysis of the Alternatives

Include provisions for regular monitoring and review, enforcement, an appeals process, and transferability

- Element 15 (Program review)
- Element 16 (Share duration)
- Analysis, Section 2.4.3—Effect on management, monitoring and enforcement
- Analysis, Section 2.4.20—Duration and Review
- Analysis, Section 3.4.1—Effects on Implementation, Management, Monitoring, and Enforcement
- Permit transfer process and Appeals process through NOAA Fisheries

Provide for cost recovery

- Element 17 (Cost recovery)
- Analysis, Section 2.4.21—Cost Recovery Fee

PUBLIC TESTIMONY SIGN-UP SHEET Page 1

Agenda Item: C5 GOA Rockfish

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
X 1	David Wood	US Seafoods, LLC
X 2	DAVID DAHL	SELF
X 3	John IANI	GOA Processor Group
X 4	Helena Park	American No. 1
X 5	PATRICK O'Donnell	MYSELF
X 6	JASON CHANDLER	SELF / F/V TOPAZ
X 7	Bob Krueger	Alaska Whitefish Traders Assoc
X 8	LORI SWANSON	GROUND FISH FORUM
X 9	Bill Orr / Paul Ison	Equique / Unimak
X 10	Curt Walters	SELF CANNERY W
X 11	GABRIEL SARAIVA	SELF ↓
X 12	Susan Robinson / Bob Hezel	Fishermen's Finest / State
X 13	GREGG WILLIAMS	IPHC
X 14	Margaret Hall	Ronops Inc
X 15	Kurt Cochran	F/V MARATHON
X 16	STOIAN IANKOV	F/V Michelle Renee
X 17	Don Ashley	F/V Gold Rush
X 18	Matt Hegge	F/V SEA MAC
X 19	Bob Hezel	U.S. Intrepid
X 20	Dan Hees / George Hall	F/V PROGRESS
X 21	Todd Loomis	Cascade Fishing, Inc.
X 22	Chuck McCallum	Lake of Pen Bore & GOACB
X 23	Mike Szymanski	FCA
X 24	Linda Behnken	ALFA
X 25	Heather McCreedy	Island Seafoods

NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: C-5 GOA Rockfish Pg 2

	NAME (PLEASE PRINT)	TESTIFYING ON BEHALF OF:
1	<i>Julie Benny</i>	<i>A-D B</i>
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

Catcher vessel harvests as a percentage of total catcher vessel harvests (including transfers from the catcher processor sector) and as a percentage of the catcher vessel allocation during the rockfish pilot program

Year		Vessels harvesting in excess of				
		3 percent	4 percent	5 percent	6 percent	7 percent
2007	as percent of catcher vessel catch	14	10	7	3	3
	as percent of catcher vessel allocation	17	13	8	7	3
2008	as percent of catcher vessel catch	14	9	7	5	3
	as percent of catcher vessel allocation	15	12	7	6	5

Note: vessel catch amounts are all harvests (including harvest of transfers from the catcher processor sector).

Table assumes 3 qualified entry level licenses that split allocation equally

Qualifying years	Number of qualifying licenses	1.5 percent of program pool allocated to entering licenses		2.0 percent of program pool allocated to entering licenses		2.5 percent of program pool allocated to entering licenses	
		Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation	Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation	Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation
1996-2002	49	1	15	1.3	18	1.6	21
1998-2006	53	0.9	19	1.2	19	1.5	23
2000-2006	44	0.8	10	1.1	10	1.4	11

Qualifying years	Number of qualifying licenses	3.0 percent of program pool allocated to entering licenses		4.0 percent of program pool allocated to entering licenses		5.0 percent of program pool allocated to entering licenses	
		Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation	Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation	Share of catcher vessel pool allocated to each entry level license	Number of qualifying catcher vessel licenses with smaller allocation
1996-2002	49	1.9	25	2.6	29	3.3	40
1998-2006	53	1.7	25	2.3	34	2.9	41
2000-2006	44	1.7	14	2.2	22	2.8	32

Source: ADFG Fish tickets.

Estimates are based on 2009 TAC levels.

entry

Qualifying years	Number of licenses qualifying for an allocation	Mean allocation		Average allocation of lowest third of active licenses		Average allocation of lowest quarter of active licenses	
		Allocation as percent of total	Number of qualifying licenses with smaller allocation	Allocation as percent of total	Number of qualifying licenses with smaller allocation	Allocation as percent of total	Number of qualifying licenses with smaller allocation
1996 - 2002 (drop 2)	49	2.0	27	1.4	22	1.2	18
1998 - 2006 (drop 2)	53	1.9	29	1.4	21	1.2	19
1998 - 2006 (drop 4)	53	1.9	27	1.5	20	1.3	19
2000 - 2006 (drop 2)	44	2.3	22	1.5	12	1.3	11

Source: ADFG Fish Tickets.

Note: Allocations are to a license holder based on vessel activity using that license.

From: Heather McCarty, Island Seafoods

To: NPFMC

Date: June 13, 2010

Re: Rockfish Program Entry Level Trawl Graduates' Allocation

The entry level part of the rockfish pilot program was allocated 5% of the TAC for each of the species, which means that amount came off the top before the division was made between CP and CV sectors.

Of that 5%, 2.5% was allocated to trawl entry level, and 2.5% to fixed gear. The fixed gear sector harvested a very small amount of their 2.5%, and the rest of it rolled over to the trawl sector in September. Much of that roll-over amount was harvested by the trawl sector in 2007, and almost all of it in 2009. Because of the controversial closure of the entry level trawl fishery in 2008, it is not possible to use the number from that year. In reality, the trawl entry level vessels have been working on close to 5% of the TAC. This will be the case for the remaining two years of the pilot program, for a total of five years of catch history for some of the entry level vessels that continue to participate.

If the qualified trawl entry level vessels are absorbed into the new Rockfish Program, the fish that were available to them in the pilot program will also be absorbed. So, that 5% of the TAC is being taken into the main program, to be divided amongst all the program participants. As the CV and the CP sectors split the TAC approximately 50/50, that means the CV sector is getting the addition of a number of fish approximately equal to 10% of the CV pool, depending on the suite of years chosen.

If three entry level vessels are graduated into the program, which we support, each vessel is essentially bringing with them an amount of fish approximately equal to 3.3% of the CV pool.

The Option in Section 4.5 of the motion from the April Council meeting proposes 1.5% to 5% of the TAC be divided amongst the entry level graduates into the program. The upper, 5% number is the actual percentage of the TAC that was available to the entry level. These percentages equate to approximately 3% to 10% of the CV pool, to be divided among the entry level graduates. If 1.5% of the TAC, or 3% of the CV pool, is divided equally amongst three vessels, that results in an allocation of 1% of the CV pool to each vessel. If 2.5%, or 5% of the CV pool, is divided equally amongst the three vessels, that results in 1.67% for each vessel.

This amount per vessel is approximately half of what each vessel is bringing with them into the program from the entry level set-aside. The rest of what they bring is being taken and divided among all the CV participants.

If 3% is divided among three vessels, that is 6% of the CV pool, or approximately 2% for each vessel – still substantially lower than the 3.3% each vessel is bringing with them into the program. At all of these allocation levels, the entry level graduates are self-funding their allocation in the rockfish program, and then some. The rest of the fish they bring into the program is a windfall for the current program participants.

Date: June 30, 1968

Report: Reserve Program Entry Level (A) - Annual Report

The entry level of the program was established at the end of the period, which means that the entry level was higher than the entry level of the program.

Of the 100% of the program, 100% was allocated to the entry level. The entry level was established at the end of the period, which means that the entry level was higher than the entry level of the program.

If a qualified entry level vessel was attached to the entry level, the vessel was available to them in the program. The entry level was established at the end of the period, which means that the entry level was higher than the entry level of the program.

If the entry level vessel was attached to the entry level, the vessel was available to them in the program. The entry level was established at the end of the period, which means that the entry level was higher than the entry level of the program.

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If the entry level vessel was attached to the entry level, the vessel was available to them in the program. The entry level was established at the end of the period, which means that the entry level was higher than the entry level of the program.

Any argument that these fish really originally “belonged” to the program participants, and now are rightfully being given back to them leads to the conclusion that the entry level portion of the pilot program was not intended to be a true entry level, but just fish on loan until the “real” participants could once again claim them.

The argument that the entry level grads are getting “more than they deserve” if they get more than any of the current program participants is not reasonable. According to the table on page 118 of the analysis, the average allocation of ALL the CV LLP’s qualified in the current program is 2%. This is NOT the average of the active participants, but includes those LLP’s who have not been active fishermen for many years prior to the establishment of the RPP, and whose quota is currently being fished by the 25 or so active vessels.

All rationalization programs now in place have been based on catch history, representing levels of participation, dependence and investment. The entry level vessels would prefer to base their allocation on the actual catch history of the entry level vessels. However, the analysis concludes that this approach is problematic because of confidentiality and other issues associated with the 2008 entry level closure. As we have seen, if the allocation was based on the actual catch history of the vessels it would result in an allocation to the entry level pool almost equal to the 5% set-aside.

Any statement that these first entry level positions are "newly created" or "newly added" to the program is incorrect. The program has been in existence since 1970 and has a long history of providing entry level positions to the public. The program was not intended to be a "newly created" or "newly added" program. It is a program that has been in existence since 1970 and has a long history of providing entry level positions to the public.

The program is a "newly created" or "newly added" program. It is a program that has been in existence since 1970 and has a long history of providing entry level positions to the public. The program was not intended to be a "newly created" or "newly added" program. It is a program that has been in existence since 1970 and has a long history of providing entry level positions to the public.

All additional positions have been based on a study conducted by the Department of Labor, Bureau of Economic Analysis. The study found that the program has a long history of providing entry level positions to the public. The program was not intended to be a "newly created" or "newly added" program. It is a program that has been in existence since 1970 and has a long history of providing entry level positions to the public.

MSSNPDF-A State of Alaska 2009-10-01
Commercial Fisheries Entry Commission

List of Fish Ticket Item Records From G.E. File For:
Landings selected by ID Number(s)
Year(s): 2004 THROUGH 2008
For STEVEN W CARR

CFEC File Number = 898996

Not All Landings are available for year 2009

YR	Permit	Permit Holders Name	Date Land-ed	Office Code	Bat Num-ber	Deliv-ery Code	Fishtick Number	Vess Num-ber	Spe-cies Type	Round Pounds	Stat Area	Proc-essor Number	Estimated Gross Earnings
		CARR STEVEN W	20070717	12	204	01	6710	06151	176	552	625402	F6520	9
		CARR STEVEN W	20070717	12	204	01	6710	06151	193	2,482	595431	F6520	40
		CARR STEVEN W	20070717	12	204	01	6710	06151	193	620	625402	F6520	10
		CARR STEVEN W	20070717	12	204	01	6710	06151	110	1,583	595431	F6520	24
		CARR STEVEN W	20070717	12	204	01	6710	06151	110	396	625402	F6520	6
		CARR STEVEN W	20070717	12	204	01	6710	06151	215	386	595431	F6520	6
		CARR STEVEN W	20070717	12	204	01	6710	06151	215	97	625402	F6520	1
		CARR STEVEN W	20070717	12	204	01	6710	06151	123	162	595431	F6520	2
		CARR STEVEN W	20070717	12	204	01	6710	06151	123	40	625402	F6520	1
		CARR STEVEN W	20070717	12	204	01	6710	06151	134	200	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	134	50	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	151	40	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	151	10	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	123	20	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	123	5	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	160	20	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	160	5	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	193	160	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	193	40	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	700	120	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	700	30	625402	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	110	417	595431	F6520	189
		CARR STEVEN W	20070717	12	204	01	6710	06151	110	104	625402	F6520	47
		CARR STEVEN W	20070717	12	204	01	6710	06151	141	42	595431	F6520	0
		CARR STEVEN W	20070717	12	204	01	6710	06151	141	10	625402	F6520	0
		CARR STEVEN W	20070902	12	233	03	7581	06151	110	205	545702	F6520	99
		CARR STEVEN W	20070902	12	233	01	7581	06151	123	222	545702	F6520	58
		CARR STEVEN W	20070902	12	233	01	7581	06151	121	2,191	545702	F6520	147
		CARR STEVEN W	20070902	12	233	01	7581	06151	701	199	545702	F6520	48
		CARR STEVEN W	20070902	12	233	01	7581	06151	121	215	545702	F6520	3
		CARR STEVEN W	20070902	12	233	01	7581	06151	691	7	545702	F6520	0
		CARR STEVEN W	20070902	12	233	01	7581	06151	692	350	545702	F6520	0
		CARR STEVEN W	20070909	12	242	01	7834	06151	136	164,776	535602	F5930	25,540
		CARR STEVEN W	20070909	12	242	01	7834	06151	151	311	535602	F5930	72
		CARR STEVEN W	20070909	12	242	01	7834	06151	154	870	535602	F5930	137
		CARR STEVEN W	20070909	12	242	01	7834	06151	700	0	535602	F5930	
		CARR STEVEN W	20070909	12	242	01	7834	06151	121	0	535602	F5930	
		CARR STEVEN W	20070909	12	242	01	7834	06151	160	0	535602	F5930	
		CARR STEVEN W	20070909	12	242	01	7834	06151	122	0	535602	F5930	
		CARR STEVEN W	20070909	12	242	01	7834	06151	123	0	535602	F5930	
		CARR STEVEN W	20070918	12	246	01	7937	06151	270	323	495730	F6520	27
		CARR STEVEN W	20070918	12	246	01	7937	06151	110	1,440	495730	F6520	641
		CARR STEVEN W	20070918	12	246	08	7937	06151	143	616	495730	F6520	109
		CARR STEVEN W	20070918	12	246	01	7937	06151	153	11	495730	F6520	2
		CARR STEVEN W	20070918	12	246	01	7937	06151	154	1,756	495730	F6520	302
		CARR STEVEN W	20070918	12	246	01	7937	06151	136	244	495730	F6520	43
		CARR STEVEN W	20070918	12	246	01	7937	06151	141	171,350	495730	F6520	30,500
		CARR STEVEN W	20070918	12	246	01	7937	06151	701	23	495730	F6520	6
		CARR STEVEN W	20070918	12	246	01	7937	06151	701	112	495730	F6520	2
		CARR STEVEN W	20070918	12	246	01	7937	06151	125	518	495730	F6520	8
		CARR STEVEN W	20070918	12	246	01	7937	06151	121	4,636	495730	F6520	70
		CARR STEVEN W	20070918	12	246	01	7937	06151	160	37	495730	F6520	1
		CARR STEVEN W	20070918	12	246	01	7937	06151	122	1,637	495730	F6520	25
		CARR STEVEN W	20070918	12	246	01	7937	06151	124	646	495730	F6520	10

List of Fish Ticket Item Records From G.E. File For:
Landings selected by ID Number(s)
Year(s): 2004 THROUGH 2008
For STEVEN W CARR

CFEC File Number = 898996
Not All Landings are available for year 2009

YR	Permit	Permit Holders Name	Date Land -ed	Office Code	Bat Num-ber	Deliv-ery Code	Fishtick Number	Vess Num-ber	Spec-ies Type	Round Pounds	Stat Area	Proces-sor Number	Estimated Gross Earnings
		CARR STEVEN W	20070918	12	246	01	7937	06151	691	74	495730	F6520	1
		CARR STEVEN W	20070918	12	246	01	7937	06151	141	90	495730	F6520	1
		CARR STEVEN W	20070918	12	246	01	7937	06151	270	51	495730	F6520	1
		CARR STEVEN W	20070918	12	246	01	7937	06151	700	48	495730	F6520	1
		CARR STEVEN W	20070918	12	246	01	7937	06151	153	20	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	151	12	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	176	1	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	215	23	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	136	8	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	154	3	495730	F6520	0
		CARR STEVEN W	20070918	12	246	01	7937	06151	216	1	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	110	1,113	495730	F6520	495
		CARR STEVEN W	20070921	12	257	01	8280	06151	122	1,406	495730	F6520	146
		CARR STEVEN W	20070921	12	257	01	8280	06151	122	153	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	125	969	495730	F6520	218
		CARR STEVEN W	20070921	12	257	01	8280	06151	125	72	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	124	991	495730	F6520	99
		CARR STEVEN W	20070921	12	257	01	8280	06151	141	161,118	495730	F6520	28,679
		CARR STEVEN W	20070921	12	257	01	8280	06151	154	25	495730	F6520	4
		CARR STEVEN W	20070921	12	257	01	8280	06151	136	3	495730	F6520	1
		CARR STEVEN W	20070921	12	257	01	8280	06151	153	7	495730	F6520	1
		CARR STEVEN W	20070921	12	257	01	8280	06151	701	152	495730	F6520	38
		CARR STEVEN W	20070921	12	257	01	8280	06151	121	3,669	495730	F6520	55
		CARR STEVEN W	20070921	12	257	01	8280	06151	270	640	495730	F6520	10
		CARR STEVEN W	20070921	12	257	01	8280	06151	154	22	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	136	8	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	141	33	495730	F6520	1
		CARR STEVEN W	20070921	12	257	01	8280	06151	691	30	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	700	19	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	122	2	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	160	31	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	701	9	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	153	14	495730	F6520	0
		CARR STEVEN W	20070921	12	257	01	8280	06151	143	5	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	270	203	545602	F6520	17
		CARR STEVEN W	20070926	12	257	01	8281	06151	270	68	515700	F6520	6
		CARR STEVEN W	20070926	12	257	01	8281	06151	270	406	495730	F6520	34
		CARR STEVEN W	20070926	12	257	01	8281	06151	110	161	545602	F6520	72
		CARR STEVEN W	20070926	12	257	01	8281	06151	110	54	515700	F6520	24
		CARR STEVEN W	20070926	12	257	01	8281	06151	110	321	495730	F6520	143
		CARR STEVEN W	20070926	12	257	01	8281	06151	125	14	545602	F6520	3
		CARR STEVEN W	20070926	12	257	01	8281	06151	125	5	515700	F6520	1
		CARR STEVEN W	20070926	12	257	01	8281	06151	125	28	495730	F6520	6
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	83	545602	F6520	8
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	28	515700	F6520	3
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	167	495730	F6520	17
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	26	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	9	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	124	52	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	121	149	545602	F6520	9
		CARR STEVEN W	20070926	12	257	01	8281	06151	121	50	515700	F6520	3
		CARR STEVEN W	20070926	12	257	01	8281	06151	121	297	495730	F6520	19
		CARR STEVEN W	20070926	12	257	01	8281	06151	154	504	545602	F6520	87
		CARR STEVEN W	20070926	12	257	01	8281	06151	154	168	515700	F6520	29

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Year(s): 2004 THROUGH 2008
For STEVEN W CARR

CFEC File Number = 898996
Not All Landings are available for year 2009

YR	Permit	Permit Holders Name	Date Land-ed	Office Code	Bat Num-ber	Deliv-ery Code	Fishtick Number	Vess Num-ber	Spe-cies Type	Round Pounds	Stat Area	Proces-sor Number	Estimated Gross Earnings
		CARR STEVEN W	20070926	12	257	01	8281	06151	154	1,008	495730	F6520	173
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	13,292	545602	F6520	2,366
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	4,431	515700	F6520	789
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	26,584	495730	F6520	4,732
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	27	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	9	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	54	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	26,098	545602	F6520	4,645
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	8,699	515700	F6520	1,548
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	52,196	495730	F6520	9,291
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	54	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	18	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	108	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	701	48	545602	F6520	12
		CARR STEVEN W	20070926	12	257	01	8281	06151	701	16	515700	F6520	4
		CARR STEVEN W	20070926	12	257	01	8281	06151	701	96	495730	F6520	24
		CARR STEVEN W	20070926	12	257	01	8281	06151	153	2	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	153	1	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	153	3	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	123	12	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	123	4	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	123	24	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	160	22	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	160	7	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	160	43	495730	F6520	1
		CARR STEVEN W	20070926	12	257	01	8281	06151	215	2	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	215	1	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	215	4	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	691	2	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	691	1	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	691	3	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	1	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	0	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	136	1	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	10	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	3	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	141	20	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	122	79	545602	F6520	1
		CARR STEVEN W	20070926	12	257	01	8281	06151	122	26	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	122	158	495730	F6520	2
		CARR STEVEN W	20070926	12	257	01	8281	06151	176	1	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	176	0	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	176	1	495730	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	193	11	545602	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	193	4	515700	F6520	0
		CARR STEVEN W	20070926	12	257	01	8281	06151	193	22	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	270	125	495730	F6520	10
		CARR STEVEN W	20070930	12	290	01	9231	06151	270	31	505800	F6520	3
		CARR STEVEN W	20070930	12	290	01	9231	06151	110	126	495730	F6520	56
		CARR STEVEN W	20070930	12	290	01	9231	06151	110	32	505800	F6520	14
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	737	495730	F6520	212
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	184	505800	F6520	53
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	543	495730	F6520	56
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	136	505800	F6520	14

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For STEVEN W CARR

CFEC File Number = 898996
Not All Landings are available for year 2009

YR	Permit	Permit Holders Name	Date Land-ed	Office Code	Bat Num-ber	Deliv-ery Code	Fishtick Number	Vess Number	Spe-cies Type	Round Pounds	Stat Area	Proc-essor Number	Estimated Gross Earnings
		CARR STEVEN W	20070930	12	290	01	9231	06151	124	510	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	124	128	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	242	495730	F6520	54
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	61	505800	F6520	14
		CARR STEVEN W	20070930	12	290	01	9231	06151	154	9	495730	F6520	2
		CARR STEVEN W	20070930	12	290	01	9231	06151	154	2	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	141	39,297	495730	F6520	6,995
		CARR STEVEN W	20070930	12	290	01	9231	06151	141	9,824	505800	F6520	1,749
		CARR STEVEN W	20070930	12	290	01	9231	06151	701	2,350	495730	F6520	585
		CARR STEVEN W	20070930	12	290	01	9231	06151	701	587	505800	F6520	146
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	18	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	5	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	29	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	7	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	691	7,918	495730	F6520	119
		CARR STEVEN W	20070930	12	290	01	9231	06151	691	1,979	505800	F6520	30
		CARR STEVEN W	20070930	12	290	01	9231	06151	129	13	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	129	3	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	700	55	495730	F6520	1
		CARR STEVEN W	20070930	12	290	01	9231	06151	700	14	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	121	847	495730	F6520	13
		CARR STEVEN W	20070930	12	290	01	9231	06151	121	212	505800	F6520	3
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	4	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	125	1	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	6	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	1	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	5	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	123	1	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	143	5	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	143	1	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	136	1	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	136	0	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	160	18	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	160	4	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	151	2	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	151	1	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	270	2	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	270	0	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	176	1	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	176	0	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	75	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	122	19	505800	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	143	330	495730	F6520	0
		CARR STEVEN W	20070930	12	290	01	9231	06151	143	82	505800	F6520	0
2007	NI 7GB 25852K									3,322,011			656,366
2007										3,322,011			656,366
2008	NI 7GB 25852K	CARR STEVEN W	20080125	12	25	03	797	06151	110	259	645434	F1180	6
		CARR STEVEN W	20080125	12	25	03	797	06151	110	201	645501	F1180	5
		CARR STEVEN W	20080125	12	25	03	797	06151	110	115	645430	F1180	5
		CARR STEVEN W	20080125	12	25	03	797	06151	110	8,192	645434	F1180	4,905
		CARR STEVEN W	20080125	12	25	03	797	06151	110	6,371	645501	F1180	3,815
		CARR STEVEN W	20080125	12	25	03	797	06151	110	3,641	655430	F1180	2,180
		CARR STEVEN W	20080125	12	25	01	797	06151	270	1,420	645434	F1180	209
		CARR STEVEN W	20080125	12	25	01	797	06151	270	1,105	645501	F1180	162

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DRAFT
ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
June 7–11, 2010

The following members were present for all or part of the meetings:

Joe Childers	Tim Evers	Matt Moir
Mark Cooper	Jeff Farvour	Theresa Peterson
Craig Cross	Becca Robbins Gisclair	Ed Poulsen
John Crowley	Jan Jacobs	Beth Stewart
Julianne Curry	Bob Jacobson	Lori Swanson
Jerry Downing	Simon Kinneen	Anne Vanderhoeven
Tom Enlow	Chuck McCallum	

The AP unanimously approved the minutes from the previous meeting.

C-1(b) Bering Sea Chum Salmon Bycatch

Alternative 1 – Status Quo

Alternative 1 retains the current program of the Chum Salmon Savings Area (SSA) closures triggered by separate non-CDQ and CDQ caps with the fleet’s exemption to these closures per regulations for Amendment 84 and as modified by the Amendment 91 Chinook bycatch action.

Alternative 2 – Hard Cap

Component 1: Hard Cap Formulation (with CDQ allocation of 10.7%)

- a) 50,000
- b) 75,000
- c) 125,000
- d) 200,000
- e) 300,000
- f) 353,000

Component 2: Sector Allocation

Use blend of CDQ/CDQ partner bycatch numbers for historical average calculations.

- a) No sector allocation
- b) Allocations to Inshore, Catcher Processor, Mothership, and CDQ
 - 1) Pro-rata to pollock AFA pollock sector allocation
 - 2) Historical average
 - i. 2007-2009
 - ii. 2005-2009
 - iii. 2000-2009
 - iv. 1997-2009
 - 3) Allocation based on 75% pro-rata and 25% historical
 - 4) Allocation based on 50% pro-rata and 50% historical
 - 5) Allocation based on 25% pro-rata and 75% historical

For Analysis:

CDQ	Inshore CV	Mothership	Offshore CPS
3.4%	81.5%	4.0%	11.1%
10.7%	44.77%	8.77%	35.76%

Suboption: Allocate 10.7% to CDQ, remainder divided among other sectors.

Component 3: Sector Transfer

- a) No transfers or rollovers
- b) Allow NMFS-approved transfers between sectors
Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:
 - 1) 50%
 - 2) 70%
 - 3) 90%
- c) Allow NMFS to roll-over unused bycatch allocation to sectors that are still fishing

Component 4: Cooperative Provision

- a) Allow allocation at the co-op level for the inshore sector, and apply transfer rules (Component 3) at the co-op level for the inshore sector.
Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:
 - 1) 50%
 - 2) 70%
 - 3) 90%
- b) Allow NMFS to rollover unused bycatch allocation to inshore cooperatives that are still fishing.

Alternative 3 – Trigger Closure

Component 1: Trigger Cap Formulation

- Cap level
- a) 25,000
 - b) 50,000
 - c) 75,000
 - d) 125,000
 - e) 200,000

Application of Trigger Caps

- a) Apply trigger to all chum bycatch
- b) Apply trigger to all chum bycatch between specific dates
- c) Apply trigger to all chum bycatch in a specific area.

Component 2: Sector allocation

Use blend of CDQ/CDQ partner bycatch numbers for historical average calculations.

- a) No sector allocation
- b) Allocations to Inshore, Catcher Processor, Mothership, and CDQ
 - 1) Pro-rata to pollock AFA pollock sector allocation
 - 2) Historical average
 - i. 2007-2009
 - ii. 2005-2009
 - iii. 2000-2009
 - iv. 1997-2009
 - 3) Allocation based on 75% pro-rata and 25% historical
 - 4) Allocation based on 50% pro-rata and 50% historical
 - 5) Allocation based on 25% pro-rata and 75% historical

For Analysis:

CDQ	Inshore CV	Mothership	Offshore CPS
3.4%	81.5%	4.0%	11.1%
10.7%	44.77%	8.77%	35.76%

Suboption: Allocate 10.7% to CDQ, remainder divided among other sectors.

Component 3: Sector Transfer

- a) No transfers or rollovers
- b) Allow NMFS-approved transfers between sectors
Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:
 - 1) 50%
 - 2) 70%
 - 3) 90%
- c) Allow NMFS to roll-over unused bycatch allocation to sectors that are still fishing
Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:
 - 1) 50%
 - 2) 70%
 - 3) 90%

Component 4: Cooperative Provisions

- a) Allow allocation at the co-op level for the inshore sector, and apply transfer rules (Component 3) at the co-op level for the inshore sector.
Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:
 - 1) 50%
 - 2) 70%
 - 3) 90%
- b) Allow NMFS to roll-over unused bycatch allocation to cooperatives that are still fishing

Component 5: Area and Timing Options

- ~~a. Large area closure~~
- ~~b. Discrete, small area closures identified by staff in February Discussion Paper (20 ADF&G statistical areas, identified in Table 4)~~
- c. Groupings of ADFG area closures by month that represent 40%, 50%, 60% of historical bycatch, the small area closures (as presented) (described in Option b above) into 3 zones that could be triggered independently with subarea, rather than statistical area, level closures**

Component 6: Timing Option – Dates of Area Closure

- ~~a) Trigger closure of Component 5 areas when the overall cap level specified under Component 1(a) was attained~~
- ~~b) Under Component 5(b) discrete small closures would close when a an overall cap was attained and would close for the time period corresponding to periods of high historical bycatch, considering both number of salmon. a (i.e. Table 11 in February Discussion Paper) Under Component 5(e) Subareas within a zone would close for the time period corresponding to periods of high historical bycatch within the subarea when a zone level cap was attained.~~
- ~~c) Under Component 5, Areas close when bycatch cap is attained within that area (i.e. Table 12 in February Discussion Paper)
 - a. for the remainder of year
 - b. for specific date range~~

Component 7: Rolling Hot Spot (RHS) Exemption – Similar to status quo (**with RHS system in regulation**), participants in a vessel-level (platform level for Mothership fleet) RHS would be exempt from regulatory triggered closure below.

1. Modified large area closure (encompassing 90% of historical bycatch).

- a) ~~Sub-option: RHS regulations would contain an ICA provision that the regulatory trigger closure (as adopted in Component 5) apply to participants that do not maintain a certain level of rate-based chum salmon bycatch performance.~~

In constructing an ICA under this component, the following aspects should be considered:

- **Closures that would address timing & location of bycatch of Western AK chum stocks.**

In addition, include the following items in the initial review analysis:

1. Analyze discrete area approach normalized across years (i.e. proportion of salmon caught in an area in a year rather than numbers of salmon);
2. Discuss how Component 7 ~~and sub-option~~ would be applied;
3. In depth description of the rolling hot spot regulations (Amendment 84), focusing on parameters that could be adjusted if the Council found a need to refine the program to meet objectives under Component 7. **Specifically analyze:**
 - a. **the base rate within the RHS program;**
 - b. **the options for revising the tier system within the RHS program;**
 - c. **the Council's options for revising the fine structure within the RHS program.**
Analysis should include a discussion of the meaningfulness of fines (i.e., how do fine amounts compare to total income for vessels/companies participating in the RHS program) as well as a comparison of penalties under the RHS program to agency penalties and enforcement actions for violating area closures.
4. Discussion from NMFS of catch accounting for specific caps for discrete areas, and area aggregations described in Component 5 and for areas within those footprints that may have other shapes that could be defined by geographic coordinates [Component 6(c)] Discussion from NMFS on the ability to trigger a regulatory closure based on relative bycatch within a season (with respect to catch accounting system and enforcement limitations) considering changes in bycatch monitoring under Amendment 91.
5. Contrast a regulatory closure system (Components 5 and 6) to the ICA closure system (Component 7) including data limitations, enforcement, potential level of accountability (i.e., fleet-wide, sector, cooperative, or vessel level).
6. Examine differences between high bycatch years (i.e. 2005) and other years to see what contributes to high rates (i.e. timing/location, including fleet behavior and environmental conditions).
7. Examine past area closures and potential impacts of those closures on historical distribution of bycatch and on bycatch rates (qualitative); include 2008 and 2009 data and contrast bycatch distribution under VRHS versus the Chum Salmon Savings Area.

[Motion passed 19/0]

C-4 Observer Program

The AP recommends that the Council select Alternative 3 as the preliminary preferred alternative and that the document be released for public review with the following revisions as well as the recommendations of the Observer Advisory Committee:

1. Defines observer needs by fishery
2. Provides a sampling design by fishery (e.g., what kind of modifications will be required to accommodate an observer, what kind of equipment will be required to accommodate observer; what kind of access the observer must have.)

3. Includes an option that allows vessels/fishermen tasked with observer coverage to fulfill observer requirements through electronic monitoring where EM is an effective means of meeting observer coverage goals. Includes costs and description of equipment and cost of the review of the data.
4. Includes an assessment of economic impacts on industry sectors and communities.
5. Defines "fishing trip" in a manner that addresses the observer effect.
 - a. That in case of IFQ vessels, a trip would include a base amount of pounds to be observed.
 - b. In the case of A/B season the observer manager be able to determine length of observer deployment.
 - c. Duration an observer is deployed on a vessel is not preannounced.
6. Includes fee assessment alternative based on actual prices (i.e., COAR data).
7. To analyze A shares when they are used in a manner other than A shares, as in the case of B, C or D shares.
8. Request from the agency an annual report outlining program elements accomplished and funds expended.
9. Catcher processor will be defined for the 100% coverage strata based on their actual historic activity.
10. NMFS will be able to use fee proceeds to place NMFS staff on vessels to resolve sampling issues and facilitate the collection of unbiased data.
11. Maintain consideration of the 3-year rolling average to determine fees.

OAC Recommendations:

1. The OAC recommends that the Council release the June 2010 draft analysis for public review.
2. The OAC recommends expanding the implementation section (p. 118–119) to include examples of operational control rules that NMFS could implement within the sample design (not regulations) to address the 'observer effect'.
3. The OAC recommends providing a section in the analysis that details when and how NMFS would provide information to the SSC and Council related to how NMFS deployed observer resources in the previous year and how fee proceeds were used. The approach discussed for consultation was an annual report under an existing item (e.g., NMFS B report, research priorities, etc). The analysis should describe the types of information to be reported and how it would be reported.
4. The OAC recommends that the Council support development of a voluntary pilot program for monitoring on small vessels in the near-term, or on any operational aspects that would assist observer providers in testing a new system prior to implementation. While the committee recognizes that this type of program could be undertaken on a voluntary basis between vessels and observer providers, it recommends the Council promote such efforts and relay that support to NMFS.
5. The OAC recommends that the Council request that NMFS request funding for start-up costs of the restructured program.
6. The OAC recommends that it convene to review the public review draft analysis prior to the Council's scheduled final action (currently October 2010).

[Motion passed 19/0]

The AP recommends the Council ask NMFS to assess what is feasible to address the existing problems within the current GOA observer program using the existing authority of the agency.

[Motion passed 17/2]

Minority Report (C4 Observer Program): *The original main motion contained an additional recommendation that the analysis include an alternative that "levies a lower fee on fisheries already paying a management and enforcement fee."*

A motion to remove this alternative from the main motion passed 11 to 7. The minority felt that the halibut/sablefish IFQ fleet is already paying a self-assessment fee (up to 3%) that covers management and enforcement and that an additional 2% fee to place observers on this fleet is disproportionate to the observer coverage needs of the Halibut IFQ fleet. Signed by Jeff Favour, Julianne Curry, Tim Evers, Theresa Peterson, Bob Jacobson.

C-5 Central GOA Rockfish Program

The AP recommends the Council approve the following preferred alternatives, elements, and options defining the Central Gulf of Alaska Rockfish Program (**bold/underline** = new language, ~~strikeout~~ = deleted language):

Entry-Level Fishery Alternatives (EL)

- ~~1. No action (revert back to LLP management)~~
- ~~2. Trawl/fixed gear fisheries (the pilot program structure)~~
3. Fixed gear only fishery *[Motion passed 18-0]*

Catcher Processor Alternatives (CP)

- ~~1. No action (revert back to LLP management)~~
- ~~2. Catcher processor cooperative only~~
3. Cooperative or limited access (the pilot program structure) *[Motion passed 12-6]*

Catcher Vessel Alternatives (CV)

- ~~1. No action (revert back to LLP management)~~
- ~~2. Harvester only cooperative~~
- ~~3. Harvester cooperatives with allocation of harvest shares to processors~~
4. Severable harvester/processor association – no forfeiture *[Motion passed 15-3]*

The above alternatives are defined by the following elements and options.

1 ICA Set Aside

Prior to allocation of catch history to the sectors, NMFS shall set aside an Incidental Catch Allocation (ICA) of Pacific ocean perch (POP), northern rockfish, and pelagic shelf rockfish to meet the incidental catch needs of fisheries not included in the cooperative program. (EL – all)

2 Entry-level Set Aside (EL – all)

A percentage of CGOA POP, northern rockfish, and pelagic shelf rockfish for catcher vessels not eligible to participate in the program.

~~2.1 Trawl and fixed gear (non-trawl) entry level fisheries (EL – 2)~~

~~The annual set aside will be 5 percent of each of these target rockfish species.~~

~~Set asides shall be apportioned at 50% for trawl gear and 50% for fixed gear.~~

~~The trawl sector's allocation by weight (based on the aggregate TAC for Pacific ocean perch, northern rockfish, and pelagic shelf rockfish) shall first be Pacific ocean perch.~~

~~Unharvested allocations to either sector shall be available to both sectors at the end of the third quarter.~~

~~The entry level fishery will be managed as a limited entry fishery.~~

~~Start dates for the entry level fishery should be January 1, for fixed gear, and approximately May 1, for trawl gear.~~

2.1.2 — Halibut PSC Limit Allowances

~~Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.~~

Trawl halibut PSC options

~~Option 1: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), the start date will be on the next release of halibut PSC.~~

~~Option 2: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), halibut usage will be deducted against the following quarter's halibut PSC allowance.~~

~~Vessels that can participate in the entry level fishery are those vessels that did not qualify for the CGOA rockfish cooperative program. Before the beginning of each fishing year an application must be filed with NMFS by the interested vessel that includes a statement from a processor confirming an available market.~~

~~Option: Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply).~~

2.2 Fixed gear (non-trawl) only entry level fishery (EL-3)

The annual set aside will be

~~5 mt + 1 mt — 10 mt of the POP TAC~~

~~5 mt + 1 mt — 10 mt of the northern rockfish TAC~~

~~10 mt — 30 mt of the pelagic shelf rockfish TAC~~ [Motion passed 18-0]

If the entry-level fishery has retained harvests of 90% or more of their allocation of a species, the set-aside would increase the following year by the amount of the initial allocation

~~5 mt + 1 mt — 10 mt POP~~

~~5 mt + 1 mt — 10 mt Northern rockfish~~

~~10 mt — 30 20 mt pelagic shelf rockfish~~ [Motion passed 16-0]

This increase would be capped at a maximum of:

POP

a. 1%

b. ~~3%~~

c. ~~5%~~

Northern Rockfish

a. 2%

b. ~~3%~~

c. ~~5%~~

Pelagic Shelf Rockfish

- a. ~~2.5%~~
- b. ~~3%~~
- c. 5%

[Motion passed 17-0]

The entry level fishery will be managed as a limited entry fishery.

Start date for the entry level fishery should be January 1.

Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.

Any fixed gear vessel or gear type exempt from CGOA LLP requirements or any holder of a CGOA fixed gear LLP may enter a vessel in the entry level fishery.

~~Option:~~ Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply). *[Motion passed 17-0]*

3 Program eligibility (CP – all and CV – all)

The eligibility for entry into the cooperative program is one targeted landing of POP, Northern rockfish or PSR caught in CGOA during the qualifying period using a CGOA trawl LLP license.

~~Option:~~ In addition, the following participants would be eligible to enter the program:

~~those persons whose vessel had one targeted landing of POP, northern rockfish or PSR caught in CGOA during the qualifying period with interim trawl CGOA license that was later determined to be an invalid trawl CGOA endorsement, but who acquired a valid CGOA trawl license prior to December 31, 2003, which has been continuously assigned to the vessel with the target landing since acquired until the date of final Council action.~~

[Motion passed 18/0]

4 Qualified catch (CP – all and CV – all)

4.1 Basis for the allocation to the LLP license holder is the catch history of the vessel on which the LLP license is based, and shall be determined on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the allocation of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based, up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

~~Option:~~ For licenses qualified based on catch of a vessel using an interim license, the basis for the allocation will be the catch history of such vessel, notwithstanding the invalidity of the interim Central Gulf trawl LLP endorsement under which the vessel operated during the qualifying period. History allocated under this provision shall be assigned to the LLP license.

[Motion passed 18-0]

4.2 Catch history will be the history during the following qualifying period (dates inclusive):

- 1) 1996-2002 (drop two) *[Motion passed 16/3]*
- 2) ~~1998-2006 (drop two or four)~~
- 3) ~~2000-2006 (drop two)~~

Minority Report (Component 4.2): A motion to adopt #3 as the preferred option failed 6/12. The selection of status quo (1996-2002 drop 2) for this provision means that history generated 10-16 years prior to implementation will be used to determine allocations. The time clip of 2000-2006 drop 2 better reflects the interest of those currently participating in and dependent on this fishery. Significant public testimony supported the selection of the years immediate prior to implementation of the Rockfish Pilot Program because it does a better job of protecting those who are dependent on and currently prosecuting this fishery now and into the future. The undersigned support the selection of Option 3 (2000-2006 drop 2). Signed: Matthew Moir, Theresa Peterson, Timothy Evers

- 4.3 Qualified target species history is allocated based on retained catch (excluding meal) during the rockfish target fishery. Different years may be used (or dropped) for determining the history of each of the three rockfish species.

The CP catch history will be based on WPR data.
CV catch history will be based on fish tickets.

Note: Only legal landings will be considered in determining catch history.

- 4.4 Entry level trawl qualification/allocation for the main program:
- ~~1) Vessels / LLPs that do not qualify for Cooperative quota (CQ) for the CGOA rockfish cooperative program.~~
 - ~~2) The trawl LLP must have registered for the entry level fishery in 2007, 2008, and 2009.~~
~~Option: The trawl LLP must have registered for the entry level fishery in two of three years, 2007-2009.~~
 - 3) The trawl LLP must have made a landing of fish in the entry level fishery with trawl gear in 2007, 2008, or 2009.

[Motion passed 19/0]

~~Option: A vessel that qualifies for the entry level allocation under this section may elect to opt out of the rockfish program—this is a one-time selection. Opt out quota would be reallocated to the main quota pool.~~

[Motion passed 18/0]

- 4.5 ~~The qualified entry level trawl LLP would receive an allocation of QS for the primary rockfish species equivalent to:~~
- ~~1) Average of the lowest one quarter to one third of the qualified CV LLPs that actively fished in the RPP program in either 2007 or 2008.~~
 - ~~2) Actual catch history of the vessel/LLP in 2007 or 2008 or 2009 (information would be withheld due to confidentiality restrictions unless the vessel(s) agrees to have the data released to the public).~~
 - ~~3) Average of all qualified CV LLPs.~~

~~Option: The qualified entry level trawl LLP's, in aggregate, would receive an allocation of QS for the primary rockfish species of in an amount between 1.5% and 5% (the set aside for the entry level trawl fishery and full entry level fishery under the Rockfish Pilot Program), to be determined by the Council. Within that allocation, each of the qualified entry level LLP's would receive:~~

- ~~a) an allocation of QS for the primary rockfish species in proportion to the number of years they made a delivery to an entry level processor from 2007 to 2009 or~~
- ~~b) an equal allocation.~~

[Motion passed 19/0]

*[Motion to reconsider percentage (1.5%) passed 16/2]
[A motion to change percentage to 2.5% failed 9/9]*

Note: secondary allocations and halibut PSC allowances are calculated the same as the other qualified LLPs.

Allocations of QS for qualified entry level trawl LLPs would be established as a set aside, prior to allocations to the other CV sector licenses or CP sector.

5 Sector definitions (CP – all and CV – all)

Trawl catcher vessel – A trawl catcher-vessel that has a CV or CP LLP license, but does not process its catch on board.

Trawl catcher processor - A trawl catcher-processor is a trawl vessel that has a CP LLP license and that processes its catch on board.

6 Rationalized areas (CP – all and CV – all)

History is allocated for the CGOA only (NMFS statistical areas 620 and 630).

7 Sector allocations (CP – all and CV – all)

7.1 Target rockfish species

Catch history is determined by the sector's qualified catch in pounds as a proportion of the total qualified catch in pounds.

Sector allocations of target rockfish species are based on individual qualified vessel histories applying any applicable drop year provision at the vessel level.

Full retention of the target rockfish species is required

7.2 Secondary species

Secondary species history is allocated based on retained catch of the species while targeting rockfish, over retained catch in all fisheries.

7.2.1 Except as provided below, history will be allocated to each sector for the following secondary species:

sablefish,
shortraker rockfish,
roughey rockfish,
thornyhead rockfish, and
Pacific cod.

7.2.3 Except as otherwise provided below, secondary species allocations will be based on: The sector's average annual percentage of retained catch of the secondary species by the rockfish target fisheries during the qualifying period. For each qualifying year calculate the sector's retained catch of the species in the target rockfish fisheries divided by the retained catch of all CGOA fisheries. Sum these percentages and divided by the number of qualifying years. The calculated average annual percentage is multiplied by the secondary species TAC for that fishery year and allocated to each sector in the cooperative program.

7.2.4 Exceptions:

Shortraker and rougheye

For shortraker and rougheye:

For the CP sector:

a shortraker allocation of the TAC will be:

Option 1a: 30.03 percent [Motion passed 11/6]

~~Option 1b: 50 percent~~

To be managed as a hard cap, and a rougheye allocation of 58.87% of the TAC, to be managed as a hard cap.

For the CV sector, shortraker and rougheye will be managed with a combined MRA of 2 percent. If harvest of shortraker by the CV sector reaches 9.72% of the shortraker TAC, then shortraker will go on PSC status for that sector.

Minority Report (Component 7.2.4): A motion to manage shortraker and rougheye for the CP sector under a combined 2% MRA failed 7/9. The minority notes that MRA management has proven successful under the existing program and shortraker harvest does not present a conservation concern. The hard cap selected (30.03%) represents less than half of the history of the CP sector prior to the rockfish pilot program. The existing CP cooperative, operating under a hard cap of 30.03%, has leased shortraker to augment the allocation. The cap could be constraining to future CP cooperatives. An MRA provides flexibility for the sector. Signed: Jan Jacobs, Craig Cross, Anne Vanderhoeven, Lori Swanson, Beth Stewart

Sablefish and Pacific cod

For the catcher processor sector, Pacific cod history will be managed by MRA of 4%.

~~Option 1: No directed fishing for secondary species Pacific cod and sablefish~~

~~Option 2: Manage Pacific cod and sablefish under a modified MRA.~~

[Motion passed 17/0]

Secondary species allocations may be fished independently of the primary species allocations.

Full retention of all allocated species is required.

Participants must retain all allocated secondary species and stop fishing when cap is reached.

~~Option 1: MRAs in the CP sector will be enforced on a trip-by-trip basis.~~

~~Option 2: MRAs in the CP sector will be enforced on an instantaneous basis.~~

[Motion passed 17/0]

7.3 Prohibited species (halibut mortality)

~~Option 1: Allowance to the rockfish cooperative program will be based on historical average usage, calculated by dividing the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, by the number of years.~~

~~Option 2: Allowance to the rockfish cooperative program will be based on the historical average usage, calculated as:~~

~~1) 50 percent of the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, divided by the number of qualifying years plus~~

~~2) 50 percent of the total number of metric tons of halibut mortality in the first three years of the rockfish pilot program, divided by three (i.e., the number of years).~~

[Motion passed 17/0]

The halibut PSC allowance will be divided between sectors based on the relative amount of target rockfish species allocated to each sector (e.g., the sector's share of total qualified catch).

Option for supplementing the last seasonal halibut apportionment for trawl gear

~~10 percent, 25 percent, 50 percent, 75%~~ or 100 percent of any allowance of halibut PSC that has not been utilized by November 15 or after the declaration to terminate fishing will be added to the last seasonal apportionment for trawl gear, during the current fishing year. The remaining portion of any allowance will remain unavailable for use.

[Motion passed 11/7]

A motion for 30% failed 6/12; a motion for 50% failed 7/11

***Minority Report (Component 7.3):** A seven member minority wanted a maximum rollover of 50% and a six member minority preferred a rollover of 30%. The rockfish program claims to reduce halibut bycatch and seafloor contact. The rockfish fishery has achieved these goals. However, if 100% rollover provision of unused halibut prohibited species was rolled over it would undermine the fundamental intent of MSA in reducing bycatch thus something less than a 100% rollover is required. The minority believes that the majority choice of 75% rollover is too high. Bottom trawl time and associated impacts to the habitat have significant impacts to the habitat around Kodiak Island in the fall. Fishing has increased in areas of abundance for Tanner crab and Chinook bycatch has increased in the fall. In order to provide some level of net benefit to the nation, a portion of halibut savings should truly be realized and left in the water. PSC allocations based on preprogram usage. A 30-50% reduction fulfills commitments to reduce bycatch/habitat impacts while achieving program goals. Signed: Theresa Peterson, Jeff Farvour, Becca Robbins Gisclair, Chuck McCallum, Tim Evers, John Crowley*

8 Allocation from sector to vessel (CP – all and CV – all)

Within each sector, history will be assigned to LLP holders with CGOA endorsement that qualify for a sector under the 'sector allocations' above. The allocations will be to the current owner of the LLP of the vessel which earned the history.

Target Species

Each LLP holder will receive an allocation of catch history equivalent to the license's proportion of the total of the sector qualifying catch history.

Secondary Species

Each LLP holder will receive an allocation of allocated secondary species equal to the license's proportion of the sector's target rockfish catch history.

PSC (Halibut Mortality)

Each LLP holder will receive an allowance of halibut mortality equivalent to the license's proportion of the sector's target rockfish catch history.

Halibut PSC in the CP sector shall be divided between the co-op(s) and limited access fisheries according to the history of the participating vessels.

Allocations are revocable privileges

The allocations under this program:

- 1) may be revoked, limited, or modified at any time,
- 2) shall not confer any right of compensation to the holder, if it is revoked, limited, or modified, and
- 3) shall not create or be construed to create any right, title, or interest in or to any fish before the fish is harvested by the holder.

Domestic processing

All fish harvested with an allocation from this program must undergo primary processing in the U.S.

Regionalization – Apply to catcher vessel sector only:

All CV CQ must be landed in the City of Kodiak at a shorebased processing facility.

~~Option: Entry-level fixed gear landings must be landed at a shorebased processing facility in the Kodiak Island Borough.~~

~~[Motion passed 17/0]~~

9 Catcher vessel/shore based processor provisions (CV – all)

~~9.1 Processor eligibility (CV-3)~~

~~An eligible processor is a processing facility that has purchased:~~

~~Option 1 – 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish harvest per year, for 4 years, from 1996 to 2000 (inclusive).~~

~~Option 2 – 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish per year, for 4 years, from 2000 to 2006 (inclusive).~~

~~Suboption: (entry level fishery processor): 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish for two years from 2007 to 2009 (inclusive).~~

~~Processor qualifying years~~

~~Each eligible shore based processor is allocated processor catch history based on individual processor histories of CGOA target rockfish for the years (inclusive) (Option: based on individual annual average processing history)~~

~~Option 1 – 1996-2000 (drop 1 year)~~

~~Option 2 – 2000-2006 (drop 2 year)~~

~~Suboption 1: (entry level processors): 2007-2009 (drop 1 year)~~

~~Suboption 2: (entry level processors) Eligible entry level processors will be allocated target rockfish, secondary species, and halibut PSC from the processor pool of harvest shares that are derived from those trawl LLPs that received allocations based on participation in the entry level trawl fishery into the main program.~~

~~9.2 Option A Harvester only cooperative (CV-2)~~

~~Allocation of the primary rockfish and secondary species and halibut PSC allowance to the CV sector shall be to harvesters (i.e., 100/0).~~

~~A holder of catcher vessel harvest history must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations, except as permitted by general antitrust law.~~

~~Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.~~

~~Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.~~

~~Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.~~

9.3 ~~Option B - Harvester cooperatives with processor allocation of harvest shares (CV-3)~~

~~Allocation of the primary rockfish and secondary species and halibut PSC allowances to the CV sector shall be apportioned between harvesters (CV only) and shore-based processors:~~

~~_____ Option 1: 90/10~~

~~_____ Option 2: 80/20~~

~~_____ Option 3: 70/30~~

~~Eligible processors will be allocated target rockfish and secondary species and halibut PSC allowances from the processor pool of harvest shares in proportion to its qualifying processing history. Annual allocations will be of the same species and subject to the same allocation and harvest rules governing catcher vessel allocations.~~

~~A holder of catcher vessel harvest history or processor histories must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.~~

~~Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.~~

~~Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.~~

~~Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.~~

9.4 Option C - Harvester cooperatives with severable processor associations and no forfeiture (CV-4)

Allocation of the primary rockfish and secondary species and halibut PSC allowance to the CV sector shall be to harvesters (i.e., 100/0).

A holder of catcher vessel harvest history must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations, except as permitted by general antitrust law.

Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

[Motion passed 19/0]

Harvesters must join a cooperative to participate in the target rockfish fisheries.

The shorebased Kodiak processor must have a federal processor permit and an approved Catch Monitoring and Control Plan (CMCP).

- 10 Catcher processor cooperatives**
More than one co-op may form within the sector.

Allocations may be transferred between co-ops of at least two LLPs.

Participants have a choice of participating in:

- ~~Option 1: a co-op or opt out of the rockfish program;~~
~~Option 2: a co-op, a limited access fishery, or opt of the rockfish program~~

Under the LLP/open access fishery option, the LLP's historical share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative. The secondary species would be managed under the following reduced MRAs, intended to maintain catch levels below the allocated amount: Pacific cod-4%, sablefish-3%, shortraker/rougheye-2%, and thornyhead-4%. All other species would be managed with MRAs at their current levels.

[Motion passed 17/0]

- 11 General cooperative provisions – apply to both sectors**
Duration of cooperative agreements is 1 year.

The cooperative membership agreement (and an ancillary agreement with an associated processor, if applicable) will be filed with the RAM Division. The cooperative membership agreement must contain a fishing plan for the harvest of all cooperative fish.

Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative agreement.

Subject to any harvesting caps that may be adopted, allocated history may be transferred and consolidated within the cooperative.

The cooperative agreement must have a monitoring program. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target rockfish species, secondary species and PSC mortality allowance, as may be adjusted by intercooperative transfers.

A cooperative may adopt and enforce fishing practice codes of conduct as part of their membership agreement.

Cooperatives will submit a written report annually to the Council, ~~as per AFA.~~

[Motion passed 18/0.]

Cooperatives will be required to notify RAM division which LLP holders are in a cooperative by March 1st of the fishing year.

- 12 Sector Transfer provisions**
CP annual allocations may be transferred to CV cooperatives. CV annual allocations may not be transferred to CP cooperatives.

All transfers of annual allocations would be temporary, and history would revert to the original LLP at the beginning of the next year.

A person holding an LLP that is eligible for this program may transfer that LLP. That transfer will effectively transfer all history associated with the LLP and any privilege to participate in this program that might be derived from the LLP.

Permit post-delivery transfers of cooperative quota (annual allocations to cooperatives).

There would be no limits on the number or magnitude of post-delivery transfers. All post-delivery transfers must be completed by December 31st.

No cooperative vessel shall be permitted to begin a fishing trip, unless the cooperative holds unused cooperative quota.

~~Harvest shares held by processors will be divisible for transfer.~~

~~Harvest shares held by processors may be transferred to:~~

~~Option 1: Those processors, at the plant level, who were initially issued harvest shares~~

~~Option 2: Those processors who have processed at least 100 metric tons to 250 metric tons of rockfish delivered by catcher vessels within any two year period during the new program~~

~~—— Suboption 1: a shorebased processing facility in the City of Kodiak~~

~~—— Suboption 2: to a shoreside processing facility~~

~~Option 3: a holder of a Central GOA rockfish program eligible CV LLP~~

~~—— Note: More than one option can be chosen.~~

13 Cooperative Harvest Use Caps

CV cooperatives

No person may hold or use more than ~~3% to~~ 5% of the CV QS (~~including any shares allocated to processors~~), using the individual and collective rule (Option: with grandfather provision).

Control of harvest shares by a CV cooperative shall be capped at 30% of aggregate POP, northern rockfish and PSR for the CV sector.

No CV may catch more than ~~4-10%~~ 8% 10% of the target CV allocation in the aggregate.

(Option: with grandfather provision applicable to LLP).

[Substitute motion passed 13/5]

~~No person may hold or use more than 20-25% of the QS initially allocated to processors, using the individual and collective rule (Option: with grandfather provision).~~

In the event a license history exceeds the applicable cap on initial allocation, this person holding that license will be grandfathered for the initial allocation. The initial holder may sever the portion of the history that exceeds the cap on transfer, provided that severed history is transferred to a qualified CV license holder, after which that history will attach to the license of the recipient. After the transfer the recipients must comply with all caps.

The grandfather clauses apply at the time of final action by Council.

[Motion passed 17/0]

CP cooperatives

No person may hold or use more than ~~20%, 30%, or 40%~~ 50% of the CP historical shares, using the individual and collective rule

(~~Option:~~ with grandfather provision).

[Motion passed 12/6]

Minority Report (Component 13): The minority believes that the vessel cap of 10% may result in consolidation resulting in loss of crew jobs and a loss of boats on the water. The minority recommended a vessel cap of 8%. Vessels caps that are set too high in catch share programs can be barriers to entry in these programs. Signed: Theresa Peterson, Becca Robbins Gisclair, Jeff Farvour, Chuck McCallum

Control of harvest share by a CP shall be capped at 60% of aggregate POP, northern rockfish and PSR for the CP sector.

~~Option:~~ Eligible CPs will be grandfathered at the current level. [motion passed 18/0]

Shoreside Processor Use Caps

Shoreside processors shall be capped at the entity level.

No processor shall process more than ~~10%, 20%, 25%, 30% or 33%~~ of aggregate POP, Northern Rockfish and PSR for the CV sector. [Motion passed 18/0]

No processor shall process more than ~~10%, 20%, 25%, 30%, or 33%~~ of the sablefish allocated to the CV sector.

No processor shall receive more than 25% of Pacific cod allocated in the CV sector.

[Motion passed 18/0]

~~Option:~~ Eligible processors will be grandfathered for the processing cap based on the CO allocated to the processor affiliated cooperatives during the pilot program total processed catch during the qualifying years.

[Motion passed 18/0]

~~Note:~~ The Council requested staff to examine methods of adjusting the cap and grandfather amounts, in the event that a grandfathered processor is not available for processing, and the cap creates a potential barrier to complete harvest of the fishery.

(The average annual received catch over the qualifying years used to allocate CV QS will be used as a base (or index) for applying the aggregate caps.)

14 **Harvesting provisions**

The cooperative season start date is May 1, and closing date is November 15. **Any limited access fishery will open in early July, as under the previous License Limitation Program management.** [Motion passed 18/0]

All non-allocated species will be managed by MRA, as in the current regime. This includes arrowtooth flounder, deep water flatfish, shallow water flatfish, flathead sole, rex sole, pollock, 'other species', Atka mackerel, and 'other rockfish'. Basis species for purposes of determining MRAs will be:

All allocated species

~~Secondary species allocations may be fished independently of the primary species allocations.~~

~~Option:~~ No directed fishing for secondary species Pacific cod and sablefish.

MOVED TO 7.2.4

Full retention of all allocated species is required.

15 Program review

A formal detailed review of the program shall be undertaken 5 years after implementation. The review shall assess:

- 1) the progress of the program in achieving the goals identified in the purpose and need statement and the MSA, and
- 2) whether management, data collection and analysis, and enforcement needs are adequately met. Additional reviews will be conducted every 7 years, thereafter, coinciding with the fishery management plan policy review.

16 Duration

Share Duration

The duration of all CGOA rockfish LAPP program permits are 10 years. These permits shall be renewed before their expiration, unless the permit has been revoked, limited, or modified.

~~Option: Program Duration~~

~~Absent Council review and recommendation to extend, the CGOA rockfish LAPP program expires 10 years after implementation.~~

~~[Motion passed 14/3]~~

~~A substitute motion for program expiration after 15 years, failed 3/14.~~

Minority Report (Component 16): A minority believes that a hard sunset for the entire rockfish program is important. Both ten and fifteen year sunsets were supported by the minority. The first line of the problem statement is "The intent of this action is to retain the conservation, management, safety, and economic gains to the extent practicable..." and it is notable that the program has achieved the benefits of a rationalized fishery without giving away the 'property rights' in the fishery.

The rockfish program began as a two year pilot program which was extended through an act of congress. In complying with the reauthorized MSA it has undergone fundamental changes such as no processor association. This program is a part of a piece meal attempt to rationalize fisheries in the Gulf of Alaska in allocating a small rockfish fishery along with valuable secondary species. We have no idea what things will look like ten years down the line; especially with the number of council agenda items addressing bycatch issues with crab, salmon, and halibut on the horizon. A program duration will create incentives to keep the program working so Council may choose to continue the program and the fleet will not have the expectation that the program will exist in perpetuity.

All that is required for a limited access program to deliver the benefits of a rationalized program is that there be a meaningful quantifiable limit or a set quota on the amount of the fishery resource that can be harvested. The public has zero incentive to design programs in such a way as to maximize the bottom line asset value of the resource quota. Quite the opposite in fact because the greater the value of the quota the greater the negative impact on communities through the higher barriers to entry into the fishery. Limited program duration can serve to achieve the benefits of rationalization while delivering adequate business stability and trying to keep the barriers to new entrants lower than would otherwise be the case. Signed: Theresa Peterson, Becca Robbins Gisclair, Chuck McCallum

17 Cost recovery

A fee, not to exceed 3% of ex vessel value, will be charged on all program landings to cover the costs of administration of the program.

18 Sideboards

18.1 Catcher vessel options

West Yakutat and Western Gulf Primary Rockfish Species

~~Option 1: For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher vessel sector would be limited, in aggregate, in the month of July to the historic average catch of these vessels based on the retained catch as a percentage of the retained catch in the fishery in the month of July during the qualification years. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and Western Gulf rockfish.~~

~~Option 2: For catcher vessels, prohibit directed fishing for WYAK and WGOA primary rockfish species **in the month of July.**~~

~~Suboption: Exempt a vessel that participated in the WYAK rockfish fishery for 2006-2008 and participated in the entry level pilot fishery at least one year. These vessels will be sideboarded at their catch history for 2006-2008.~~

[Motion passed 11/0/5 (abstentions)]

Halibut PSC

~~Option 1: For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher vessel sector would be limited, in the aggregate, in the month of July to the historical average halibut mortality taken by those vessels in the target flatfish fisheries in the month of July, by deep and shallow complex target fisheries, as a Gulf-wide cap.~~

~~Option 2: For the month of July, limit all CVs to the shallow water complex fisheries (except for rockfish target fisheries in CGOA, WYAK and WGOA).~~

[Motion passed 17/0]

IFQ halibut and sablefish are exempt from sideboard provisions

Bering Sea and Aleutian Island Sideboard Provisions

Yellowfin sole, other flatfish, and Pacific ocean perch fisheries

~~Option 1: The qualifying vessels in the trawl catcher vessel sector may not participate in the directed yellowfin sole, other flatfish (flathead, etc.) or Pacific ocean perch fisheries in the BSAI in the month of July.~~

~~Option 2: The qualifying vessels in the trawl catcher vessel sector may participate in the limited access yellowfin sole, other flatfish, or Pacific ocean perch fisheries in the BSAI in the month of July.~~

[Motion passed 17/0]

Pacific cod fishery

~~Option 1: Qualifying vessels in the trawl catcher vessel sector may fish in the BSAI Pacific cod fishery in the month of July and would be limited, in aggregate, to the historical average catch of these vessels in the BSAI Pacific cod fishery, based on the retained catch as a percentage of retained catch in the catcher vessel trawl fishery in July, during the qualifying years.~~

~~Option 2: The qualifying vessels in the trawl CV sector may participate in the BSAI Pacific cod fishery in the month of July, without any sideboard limit.~~

[Motion passed 17/0]

AFA non-GOA exempt CVs qualified under this program are subject to the restraints of AFA sideboards and their co-op agreements, and not subject to additional sideboards under this program.

18.2 Catcher processor options

Non-Amendment 80 catcher processors will be prohibited from WYAK and WGOA rockfish species fisheries for the month of July.

IFO halibut and sablefish are exempt from sideboard provisions.

No sideboard limits apply to West Yakutat and Western GOA primary rockfish species complexes except as outlined below (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

No July GOA halibut sideboard limit (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Catcher-processor coop sideboards

Members of a cooperative will be limited to the aggregate rockfish history of the cooperative during the qualifying years in West Yakutat & Western GOA.

Limited access sideboards

The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). Vessels that account for greater than or equal to 5% of the allocated CP history in the Pacific Ocean Perch fishery that participate in the limited access rockfish fishery are subject to a stand down in West Yakutat & Western GOA until 90% of the limited access POP quota is achieved.

Opt-out sideboards

CP vessels may decide to opt out of the CGOA rockfish program on an annual basis. These CP vessels may not target POP, northern rockfish or pelagic shelf rockfish in the CGOA, in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries.

The history of CP vessels which opt out will remain with the sector.

Opting out is an annual decision. CP vessels which do not join cooperatives will be assigned opt out status. The decision to opt out should not, in any way alter the status of their catch history for future rationalization programs.

CPs that opt out of the rockfish program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering WYAK & WGOA rockfish fisheries or shallow or deep-water flatfish complexes in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least of two of the years from the qualifying period through 2009. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WYAK). Week ending dates will be used as contained in the analysis.

Amendment to add "and Western GOA" passed 14/4.

[Amended motion passed 18/0]

OLD 18.2 TEXT IS BELOW:

West Yakutat and Western Gulf Primary Rockfish Species

Option 1: For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher processor sector would be limited, in aggregate, in the month of July, to the historical average

~~catch of those vessels, based on the retained catch as a percentage of the retained catch in the fishery in the month of July, during the qualification years. Fisheries that this sideboard provision would apply to are the West Yakutat and Western Gulf primary rockfish species fisheries.~~

~~Option 2: For catcher processors, no sideboard limits will apply to the West Yakutat and Western Gulf primary rockfish species fisheries (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).~~

~~Non-Amendment 80 catcher processors will be prohibited from West Yakutat and Western Gulf rockfish species fisheries for the month of July.~~

Halibut PSC

~~Option 1: For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher processor sector would be limited, in the aggregate, in the month of July, to the historical average halibut mortality taken by those vessels in the target groundfish fisheries in the month of July, by deep water and shallow water complex targets, as a Gulf-wide cap.~~

~~Option 2: For catcher processors, no July GOA halibut sideboard limit (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).~~

~~Suboption: Limit all CPs to the deep water complex fisheries in the CGOA for the month of July.~~

~~Note: IFQ halibut and sablefish are exempt from sideboard provisions~~

Standdown for vessels that opt out of the rockfish fisheries

~~Option 1: CP vessels may decide to opt out of the CGOA cooperative program on an annual basis. These CP vessels may not target POP, northern rockfish or pelagic shelf rockfish in the CGOA, in the years they choose to opt out. They may retain these species up to the MPA amount in other fisheries. They will be sideboarded at the sector level in the GOA, as described in the general provisions.~~

~~The history of CP vessels which opt out will remain with the sector.~~

~~CPs that opt out of the rockfish cooperative program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering other GOA fisheries in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least two of the qualifying years. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WY). The following week ending dates will be used for determining participation in a target fishery:~~

~~1996 July 6
1997 July 5
1998 July 4
1999 July 10
2000 July 15
2001 July 7
2002 July 6
2003 July 5
2004 July 10
2005 July 9~~

2006—July 8

~~Opting out is an annual decision. CP vessels which do not join cooperatives will be assigned opt out status. The decision to opt out should not, in any way, alter the status of their catch history for future rationalization programs.~~

~~Option 2: No standdown for vessels that opt out of the rockfish fishery.~~

~~Standdown for vessels that join cooperatives~~

~~Option 1: For the CP sector, the cooperative program fishery participants must either:~~

- ~~1) start fishing in the target rockfish fisheries at the same time as the opening of the CGOA rockfish limited access fisheries (in July) and harvest 90% of their CGOA rockfish allocation prior to entering any other GOA non-pollock groundfish fishery, or 2)~~
- ~~standdown for two weeks from the opening of the CGOA rockfish limited access fishery, prior to participating in any other GOA non-pollock groundfish fishery.~~

~~A vessel which has met either standdown requirement can then move into the GOA open access fisheries, subject to the sector level limitations in the GOA in the general sideboard provisions.~~

~~To the extent permitted by the motion, history may be leased between vessels. Each member of a cooperative that transfers its history to another CP or CV must still refrain from operating in any other GOA groundfish fishery, until the earlier of:~~

- ~~1) 90% of all of the CGOA rockfish allocation on the stacked vessel is harvested in the CGOA, provided fishing of the allocation began on or after the opening of the limited access fishery;~~
- ~~2) two weeks from the opening of the limited access fishery, prior to participating in any other GOA groundfish fishery.~~

~~Members of a cooperative will be subject to all limitations and restrictions described in the general sideboard provisions and CP specific sideboard provisions, except that cooperative members shall not be subject to any standdown in the GOA groundfish fisheries, if all vessels in the co-op maintain adequate monitoring plans during all fishing for CGOA rockfish sideboard fisheries.~~

~~In addition to the other limitations and restrictions described above, each cooperative will be limited in the aggregate:~~

- ~~1) for fisheries that close on TAC in the GOA in the month of July, to the historical average total catch of the cooperative members in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish, and~~
- ~~2) for flatfish fisheries in the GOA that close because of halibut PSC in the month of July, to the historical average halibut PSC mortality taken by cooperative members in the target flatfish fisheries in the month of July, by deep water and shallow water complex fisheries.~~

~~Option 2: No standdown (or alternative cooperative limit) for vessels that join cooperatives in the rockfish fishery.~~

~~Standdown for vessels that join the limited access fishery~~

~~Option 1: The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). For vessels that account for less than 5% of the allocated CP history in the Pacific Ocean perch fishery that participate in the limited access rockfish fishery, there are no additional intra-sector sideboards. For vessels that account for greater than or equal to 5 percent of the allocated CP history in the Pacific ocean perch fishery that participate in the limited access~~

~~rockfish fishery and GOA standdowns are in place until 90% of the limited access Pacific Ocean perch quota is achieved.~~

~~Option 2: No standdown for any vessels that join the limited access rockfish fishery.~~

19 Observer Coverage

Shoreside observer coverage

Shoreside processor observer coverage requirements for all rockfish program deliveries will be:

~~Option 1: An observer will be on duty whenever program deliveries are made. No observer will be allowed to work more than 12 hours per day.~~

~~Option 2: Same observer coverage requirement for shoreside processors as in other groundfish fisheries.~~

Option 3: Employ a CMCP Monitor to oversee deliveries

[Motion passed 18/0]

Catcher vessel observer coverage

Fishing days and observer coverage under the rockfish program will be separate from and not count towards meeting a vessel's overall groundfish observer coverage requirement.

Final motion as amended passed 15/3.

C-6(a) GRS Program

The AP passed the following motion 16 to 0, with 1 abstention.

NMFS has identified two issues with the current GRS program. First, implementation of the GRS calculation does not correlate with historic groundfish retention rates in front of the Council at the time of Am 79 final action, and requires groundfish retention well beyond those considered by the Council. The current GRS calculation schedule may impose economic hardships to the Am 80 fleet well beyond those considered in the Am 79 analysis. Second, NMFS enforcement has significant concerns with the cost of enforcing a GRS violation, which may hinder their ability to enforce the current GRS program. For these reasons, the AP recommends that the Council reconsider Am 79.

Because the ability for a vessel to comply with the GRS may influence annual co-op formation negotiations, these negotiations must be considered in a timely manner to meet the November 1 annual Am 80 co-op formation deadline, and the AP recognizes that co-ops increase the Am 80 sector's ability to increase groundfish retention, the AP recommends the following actions:

1. Temporary suspension of GRS regulations through emergency rule at this meeting.
2. Additionally, the AP recommends initiation of an FMP amendment to come back to the Council in October and explores revising the current GRS program by considering the following alternative approaches:
 - Revise the current GRS schedule to correlate groundfish retention considered in the Am 79 analysis to groundfish retention calculated with the current GRS enforcement methodology.
 - Allow the Am 80 sector to engage in internal monitoring and administration of a groundfish retention program to meet Council retention goals described in Am 79. At the October 2010 Council meeting, the Am 80 sector should provide the Council with a unanimous detailed civil contract that would hold each individual entity or cooperative accountable to meet these retention goals.

C-6(b) Am 80 Lost Vessel Replacement

The AP recommends that the Council approve the following elements and options for final action on Amendment 80 vessel replacement:

Alternative 3: The owner of an Amendment 80 vessel may replace that vessel with another vessel for any purpose. Only one replacement vessel may be used at any given time (one-for-one replacement).

- Option 1: Vessel size restrictions
 - (e) No length restriction on replacement vessels (the MLOA requirements on LLP licenses assigned to an Amendment 80 vessel would not apply).
- Option 2: GOA flatfish sideboard restrictions. A replacement vessel that replaces an original qualifying Amendment 80 vessel that is allowed to directed flatfish in the GOA
 - (b) would be allowed to directed fish for flatfish.
- Option 3: *Golden Fleece* sideboard restrictions. A replacement vessel that replaces the *Golden Fleece*:
 - (c) If the replacement vessel for the *Golden Fleece* is greater than the MLOA of the license that was originally assigned to the *Golden Fleece*, then that replacement vessel will be subject to all sideboards that apply to other Amendment 80 vessels, with the catch and PSC use of the *Golden Fleece* added to the existing GOA sideboards. If the *Golden Fleece* replacement vessel is less than or equal to the MLOA of the license that was originally assigned to the *Golden Fleece*, then the *Golden Fleece* sideboards would apply.
- Option 4: Assigning QS ~~to~~ from lost vessels. Allow the owner of an Amendment 80 vessel to ~~choose to~~ assign a QS permit from an original qualifying Amendment 80 vessel to the replacement vessel or to the LLP license derived from the originally qualifying vessel.
 - (a) A replacement vessel cannot enter an Amendment 80 fishery without QS being assigned to that vessel or the associated permit.
 - (b) Persons holding a QS permit associated with a vessel that is permanently ineligible to re-enter US fisheries is eligible to replace the vessel associated with its QS permit.
- Option 5: Any vessel replaced under this program would be prohibited from directed fishing in the non-rationalized fisheries in the Bering Sea/Aleutian Islands and the Gulf of Alaska.
~~ineligible to be designated on an FFP or an LLP~~
 - Suboption: Vessels must be classed and loadlined or meet the requirements of ACSA to be used to replace other Amendment 80 vessels
~~Replaced vessels may be used to replace other Amendment 80 vessels.~~

The AP recommends any Amendment 80 replacement vessel that is greater than 165 feet in registered length, of more than 750 gross registered tons, or that has an engine or engines capable of producing a total of more than 3,000 shaft horsepower be authorized for use in the EEZ under the jurisdiction of the North Pacific Fishery Management Council. This recommendation is intended to clarify that any Amendment 80 replacement vessel is eligible to receive a certificate of documentation consistent with 46 U.S.C. 12102(c) and MARAD regulations at 46 C.F.R. 356.47.

- Requirement under all alternatives: Monitoring and enforcement, permitting, recordkeeping and reporting, prohibitions, and general GOA sideboard measures that apply to original Amendment 80 vessels would continue to apply to all replacement vessels.

[Motion passed 17/1]

D-1(a) GOA B season sideboards for BSAI crab vessels

The AP recommends the Council move the analysis forward for public review following revisions suggested by Council staff during their report.

[Motion passed 17-0]

D-1(b) Adjust MRAs in BSAI Arrowtooth fishery

The AP recommends the Council move the analysis forward for public review with minor revisions to the problem statement and an additional Alternative 4 noted below.

When the MRAs for the directed BSAI arrowtooth flounder fishery were set in regulations in 1994, the Council chose to set incidental catch allowance at zero for a wide group of species, to prevent vessels from using arrowtooth flounder as a basis species for retention, since there was no market for arrowtooth flounder. Arrowtooth flounder is now a viable target fishery, and efforts to improve retention of many groundfish species utilized by the trawl sectors are constrained by MRAs in the directed BSAI arrowtooth flounder fishery. MRAs are a widely used groundfish management tool to reduce targeting on a species and slow harvest rates, as an allocation approach. However, sometimes species managed with MRAs must be discarded, even though economic incentives exist to retain that species. Thus, the MRA forces regulatory discards of some species that might otherwise be retained, without undermining the intent of the MRA as a tool to reduce overall harvest rates. In addition, the regulatory discard of these species could also potential hamper Amendment 80 vessels trying to meet the increasingly challenging groundfish retention standard. Currently, the GRS is 80 percent, but in 2011, the GRS will increase to 85 percent.

This regulatory amendment would evaluate raising the MRAs for most species in the directed GOA BSAI arrowtooth flounder fishery, to provide increased opportunity for retention of species harvested by the trawl sectors, reduce overall discards in this sector, and help improved the ability of the Amendment 80 fleet in meeting the expected 85 percent GRS that will be implemented in 2011, while not subjecting incidentally caught ~~catch~~ species to increased allocation concerns.

Alternative 1: Status Quo

Alternative 2: Set the MRAs for arrowtooth fishery at the current Pacific cod levels

Alternative 3: Set the MRAs for arrowtooth at the current flathead sole levels

Alternative 4: Set the MRAs for arrowtooth at the average bycatch rates (shown in Table 3-13)

[Motion passed 18-0]

D-2(a) Review preliminary discussion paper on GOA Halibut PSC Limits

The AP recommends the Council request an expanded discussion paper be presented at October 2010 and requests this as a priority. *[Motion passed 17/0]*

D-2(b) Receive briefing on Alaska MPAs and fishery overlap

The AP received an update on this item, including the status of a CIE review. No action was taken.

D-2(e) AFA preliminary report removal

The AP recommends the Council take final action to select Alternative 2 which would remove the requirement of a preliminary report for AFA Cooperatives and change the deadline for final reports to April 1. *[Motion passed 17/0]*