

Public Testimony Sign-Up Sheet

Agenda Item C-60) GOA SIDEBOARDS


AFA
CV's

	NAME (PLEASE PRINT)	AFFILIATION
1	BRENT PAINÉ	United Catcher Boats
2	Ken Tippet	Alaska Coop
3	Donna Parker	CV Gen Storm
4	George Hall	FV Progress
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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.

MEMORANDUM

TO: Council and AP Members

FROM: Chris Oliver 
Executive Director

DATE: January 26, 2009

SUBJECT: GOA pollock and Pacific cod sideboards for non-exempt AFA CVs

ESTIMATED TIME 4 HOURS (All C-6 Items)

ACTION REQUIRED

Review discussion paper on GOA pollock and Pacific cod sideboards for non-exempt AFA CVs.

BACKGROUND

This discussion paper reviews the potential impacts of the proposed action to revise the Gulf of Alaska Pacific cod and pollock sideboard limits for the non-exempt American Fisheries Act (AFA) catcher vessel fleet. The sector directly affected by the proposed action consists of catcher vessels that are permitted under the AFA and are not exempt from GOA groundfish catcher vessel sideboards. There are currently 111 AFA permitted catcher vessels, and 17 of these vessels are exempt from Pacific cod and pollock sideboards in the GOA. The objective of the proposed action is to reduce the potential impacts to non-AFA vessels resulting from participation by the non-exempt AFA catcher vessels in directed fisheries for GOA Pacific cod and pollock.

At its December 2007 meeting, the Council identified a set of alternatives for the proposed action. The Council reviewed a draft initial EA/RIR/IRFA for the proposed action at the June 2008 meeting. At that time, the Council elected to take no further action on the analysis and directed staff to incorporate the issues raised by the Council and the Advisory Panel into a discussion paper for Council review in October 2008. After reviewing the discussion paper in October, the Council asked staff to add new information to an expanded paper.

Specifically, the Council requested that the discussion paper include the following information:

- (1) Catch history of non-exempt vessels that qualify under the trawl recency action.
- (2) Capacity of the non-exempt fleet to catch the entire sideboard limits once the trawl recency action is implemented.
- (3) Effects of recalculating the sideboards on Intercooperative transactions.
- (4) Effects of recalculating the sideboards on communities, processors, and non-AFA participants.

At this meeting, the Council is scheduled to review the discussion paper. The discussion paper was mailed out on January 16, 2009; an executive summary of the paper is attached **(Item C-6(a)(1))**.

EXECUTIVE SUMMARY

This discussion paper reviews the potential impacts of the proposed action to revise the Gulf of Alaska Pacific cod and pollock sideboard limits for the non-exempt American Fisheries Act (AFA) catcher vessel fleet. At its December 2007 meeting, the Council identified a set of alternatives for the proposed action. The Council reviewed an initial EA/RIR/IRFA for the proposed action at the June 2008 meeting. At that time, the Council asked that staff develop a discussion paper that provided additional information on the sideboarded fisheries. The Council reviewed this discussion paper at its October 2008 meeting, and requested that additional information be included in an expanded discussion paper, including:

- (1) Catch history of non-exempt AFA vessels that qualify under the trawl recency action.
- (2) Capacity of the non-exempt AFA fleet to catch the entire sideboard limits once the trawl recency action is implemented.
- (3) Effects of recalculating the sideboards on AFA Intercooperative transactions.
- (4) Effects on communities, processors, and non-AFA participants.

The sector directly affected by the proposed action consists of catcher vessels that are permitted under the AFA and are not exempt from the GOA pollock and Pacific cod catcher vessel sideboards. There are currently 111 AFA permitted catcher vessels, and 16 of these vessels were exempt from Pacific cod and pollock sideboards in the GOA through 2008. In 2009, one additional vessel gained exempt status, and there are currently 17 AFA vessels that are exempt from the GOA groundfish sideboards. The objective of the proposed action is to reduce the potential impacts to non-AFA vessels resulting from participation by the 94 non-exempt AFA catcher vessels in directed fisheries for GOA Pacific cod and pollock.

At the June 2008 meeting, the Council reviewed the following Purpose and Need Statement:

Since the establishment of GOA groundfish sideboard limits for non-exempt AFA catcher vessels by the American Fisheries Act (AFA) of 1998, changes in both GOA and BSAI fisheries warrant re-examination of these sideboard limits. The majority of the current sideboard limits for pollock and Pacific cod have gone unharvested by the non-exempt AFA catcher vessel sector in recent years, while during that time other vessels have increased their dependency on these fisheries in the GOA. On the other hand, given changes in the BSAI fisheries, including significant reductions in the BSAI pollock TAC in 2008, the potential exists for increased effort in GOA pollock and Pacific cod fisheries by non-exempt AFA catcher vessels, thereby reducing harvest opportunities for vessels that have developed an increased dependency on these relatively small, fully subscribed fisheries.

Alternatives Considered

Alternative 1— No action

Alternative 1 would not change the existing GOA pollock and Pacific cod sideboards for non-exempt AFA catcher vessels. Currently, sideboard amounts are calculated annually as a fixed percentage of the Western and Central GOA pollock and Pacific cod TACs. The percentages are based on retained catch by non-exempt AFA catcher vessels of pollock and Pacific cod, respectively, during 1995 through 1997, divided by the TAC for that species over the same period. Sideboard amounts are calculated annually by multiplying the sideboard percentages by the pollock and Pacific cod TACs available to catcher vessels in that year. The sideboards are then divided into seasonal apportionments.

Alternative 2— Recalculate sideboards based on catch history from 2005 through 2007

Under Alternative 2, the GOA Pacific cod and pollock sideboard limits for non-exempt AFA catcher vessels would be recalculated. Sideboards would be based on the retained catch of non-exempt AFA CVs of each species from 2005 through 2007 divided by the TAC for that species over the same period.

Suboption: The recalculated sideboards could be adjusted upward by up to 10%.

Alternative 3— Recalculate sideboards based on catch history from 2001 through 2005

Under Alternative 3, the GOA Pacific cod and pollock sideboard limits for non-exempt AFA catcher vessels would be recalculated. Sideboards would be based on the retained catch of non-exempt AFA CVs of each species from 2001 through 2005 divided by the TAC for that species over the same period.

Suboption: The recalculated sideboards could be adjusted upward by up to 10%.

Additional information requested:

- (1) Catch history of non-exempt vessels that qualify under trawl recency action.
- (2) Capacity of non-exempt fleet to catch the entire sideboard limits once trawl recency is implemented.
- (3) Effects of recalculating the sideboards on Intercooperative transactions.
- (4) Effects of recalculating sideboards on communities, processors, and non-AFA participants.

Alternatives Considered but Eliminated From Further Review

The alternative that would prohibit directed fishing by non-exempt AFA catcher vessels for GOA Pacific cod and pollock was rejected. The majority of pollock and Pacific cod sideboard catch by the non-exempt AFA fleet occurs during the directed fisheries. The purpose of the action is to prevent the expansion of effort by the non-exempt AFA fleet in the GOA pollock and Pacific cod fisheries, not to eliminate effort by the non-exempt AFA fleet in these fisheries.

The alternative of removing GOA sideboard limits was considered but eliminated from further review for the following reasons:

- 1) The alternative does not meet the stated purpose and need.
- 2) The alternative would not meet the requirement of Sec. 211(c)(1) of the AFA

Analysis of the Alternatives

The baseline conditions under the status quo alternative were compared to potential changes to the sideboards under Alternatives 2 and 3. Tables E-1 and E-2 show the harvest reductions that would have been necessary if the revised sideboards under Alternatives 2 and 3 had been in effect during 2001-2007. Under Alternative 2, sideboards would be based on retained catch during 2005-2007. Under this alternative, pollock harvests in Area 610 during 2001-2007 would have been reduced by 24.7%, and pollock harvests in Area 630 would have been reduced by 20.8%. Area 620 pollock harvests would not be reduced under Alternative 2. Western Gulf Pacific cod harvests would have been reduced by 29.2% and Central Gulf harvests by 19.2%. Under Alternative 3, sideboards would be based on retained catch during 2001-2005. Under this alternative, pollock harvests in Area 620 during

2001-2007 would have been reduced by 7.9%. Area 610 and 630 pollock harvests and Western and Central Pacific cod harvests would not be reduced under Alternative 3. The harvest reductions under Alternatives 2 and 3 were calculated based on annual sideboard harvests. In some management areas, the majority of sideboard harvests occur during one or two seasons. If the seasonal distribution of catch is taken into account, the harvest reductions are substantially larger. Tables E-1 and E-2 also show the sideboards recalculated based on catch by the vessels assigned to LLPs that qualified to retain WGOA or CGOA area endorsements under the recent trawl recency action. These calculations are reported in the tables in 4 ways: (1) based on 2005-2007 catch by vessels assigned to a qualified license, (2) based on 2001-2005 catch by vessels assigned to a qualified license, (3) based on 1995-1997 catch by the original qualifying vessel named on qualified licenses, and (4) based on 1995-1997 catch by the current vessel assigned to qualified licenses.

Table E-1. Summary of non-exempt AFA CV GOA pollock sideboards and harvests by management area during 2001-2007, and sideboard harvest reductions under Alternatives 2 and 3.

Pollock sideboards

	Management Area ¹		
	610	620	630
Alternative 1 (Status Quo)			
Current Sideboard Ratio (% of TAC) from 2009 harvest specifications	60.47%	11.67%	20.28%
Total Sideboard Amount (mt) during 2001-2007	106,037	26,076	27,790
Total Sideboard Catch (mt) during 2001-2007	31,057	17,216	8,077
Alternative 2 (Sideboards based on 2005-2007 retained catch)			
Revised Sideboard Ratio (% of TAC)	13.47%	9.83%	5.61%
Revised Sideboard Amount (mt) during 2001-2007	23,375	17,964	6,398
Harvest Reductions to Comply with Sideboard (mt)	7,682	0	1,679
Harvest Reductions to Comply with Sideboard (Percent of catch)	24.7%	0	20.8%
Alternative 3 (Sideboards based on 2001-2005 retained catch)			
Revised Sideboard Ratio (% of TAC)	20.41%	8.67%	8.30%
Revised Sideboard Amount (mt) during 2001-2007	35,399	15,848	9,460
Harvest Reductions to Comply with Sideboard (mt)	0	1,368	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	0.0%	7.9%	0.0%
Other (Sideboards based on 2005-2007 retained catch of vessels with qualifying trawl LLPs)			
Revised Sideboard Ratio (% of TAC)	12.69%	8.30%	*
Revised Sideboard Amount (mt) during 2001-2007	22,015	15,166	*
Harvest Reductions to Comply with Sideboard (mt)	0	2,050	*
Harvest Reductions to Comply with Sideboard (Percent of catch)	0.0%	11.9%	*
Other (Sideboards based on 2001-2005 retained catch of vessels with qualifying trawl LLPs)			
Revised Sideboard Ratio (% of TAC)	18.98%	7.20%	*
Revised Sideboard Amount (mt) during 2001-2007	32,927	13,156	*
Harvest Reductions to Comply with Sideboard (mt)	0	4,060	*
Harvest Reductions to Comply with Sideboard (Percent of catch)	0.0%	23.6%	*
Other (Sideboards based on 1995-1997 retained catch of original vessel on qualifying trawl LLPs)			
Revised Sideboard Ratio (% of TAC)	3.61%	6.66%	11.23%
Revised Sideboard Amount (mt) during 2001-2007	6,263	12,170	12,799
Harvest Reductions to Comply with Sideboard (mt)	24,794	5,046	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	79.8%	29.3%	0.0%

Other (Sideboards based on 1995-1997 retained catch of current vessel on qualifying trawl LLPs)

Revised Sideboard Ratio (% of TAC)	3.61%	5.08%	8.84%
Revised Sideboard Amount (mt) during 2001-2007	6,263	9,283	10,078
Harvest Reductions to Comply with Sideboard (mt)	24,794	7,933	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	79.8%	46.1%	0.0%

¹ Pollock catch data for Area 640 withheld due to confidentiality.

Table E-2. Summary of non-exempt AFA CV GOA Pacific cod sideboards and harvests by management area during 2001-2007, and sideboard harvest reductions under Alternatives 2 and 3.

	Management Area	
	Western Gulf	Central Gulf
Alternative 1 (Status Quo)		
Current Sideboard Ratio (% of TAC) from 2009 harvest specifications	13.65%	6.89%
Total Sideboard Amount (mt) during 2001-2007	15,820	12,141
Total Sideboard Catch (mt) during 2001-2007	837	3,499
Alternative 2 (Sideboards based on 2005-2007 retained catch)		
Revised Sideboard Ratio (% of TAC)	0.53%	1.68%
Revised Sideboard Amount (mt) during 2001-2007	593	2,828
Harvest Reductions to Comply with Sideboard (mt)	244	671
Harvest Reductions to Comply with Sideboard (% of Catch)	29.2%	19.2%
Alternative 3 (Sideboards based on 2001-2005 retained catch)		
Revised Sideboard Ratio (% of TAC)	0.88%	2.36%
Revised Sideboard Amount (mt) during 2001-2007	974	3,960
Harvest Reductions to Comply with Sideboard (mt)	0	0
Harvest Reductions to Comply with Sideboard (% of Catch)	0.0%	0.0%
Other (Sideboards based on 2005-2007 retained catch of vessels with qualifying trawl LLPs)		
Revised Sideboard Ratio (% of TAC)	0.19%	1.68%
Revised Sideboard Amount (mt) during 2001-2007	211	2,828
Harvest Reductions to Comply with Sideboard (mt)	626	671
Harvest Reductions to Comply with Sideboard (Percent of catch)	74.8%	19.2%
Other (Sideboards based on 2001-2005 retained catch of vessels with qualifying trawl LLPs)		
Revised Sideboard Ratio (% of TAC)	0.72%	2.36%
Revised Sideboard Amount (mt) during 2001-2007	800	3,960
Harvest Reductions to Comply with Sideboard (mt)	37	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	4.4%	0.0%
Other (Sideboards based on 1995-1997 retained catch of original vessel on qualifying trawl LLPs)		
Revised Sideboard Ratio (% of TAC)	2.35%	2.66%
Revised Sideboard Amount (mt) during 2001-2007	2,607	4,467
Harvest Reductions to Comply with Sideboard (mt)	0	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	0	0.0%
Other (Sideboards based on 1995-1997 retained catch of current vessel on qualifying trawl LLPs)		
Revised Sideboard Ratio (% of TAC)	2.23%	2.29%
Revised Sideboard Amount (mt) during 2001-2007	2,482	3,855
Harvest Reductions to Comply with Sideboard (mt)	0	0
Harvest Reductions to Comply with Sideboard (Percent of catch)	0.0%	0.0%

Net Benefits to the Nation

Under the status quo (Alternative 1), the existing GOA Pacific cod and pollock sideboards for non-exempt AFA catcher vessels would be maintained. Under this alternative, the non-exempt AFA catcher vessel fleet has the potential to increase its harvests of GOA pollock and Pacific cod at some future time up to the sideboard limits. This increase could contribute to losses of production efficiency due to an increased race for fish. Costs could rise slightly if other participants in the GOA pollock and Pacific cod fisheries, including exempt AFA vessels and non-AFA vessels, perceive a need to increase rates of effort to maintain their historical share of the overall catch. The increase in effort could contribute to more aggressive fishing practices (e.g., plugging nets, less care for catch brought on board) that lower product quality. The extent of these possible effects is very difficult to predict and depends on several factors, including future TACs and market conditions.

Alternatives 2 and 3 would allow non-exempt AFA catcher vessels to continue to conduct directed fisheries for GOA pollock and Pacific cod, though at reduced levels. More restrictive sideboard limits would negatively affect entities in the non-exempt AFA CV fleet, compared to the no action alternative, although it is uncertain whether such differences would be significant for the fleet as a whole. Reducing the sideboard limits for pollock and Pacific cod would disproportionately burden those non-exempt AFA CVs which rely to a great extent on the GOA pollock and Pacific cod fisheries.

The analysis of the likely outcomes of the alternatives presented in section 1.2 indicates that Alternative 2 would have an overall greater negative effect on entities in the non-exempt AFA CV fleet than Alternative 3. Alternative 4 would deny non-exempt AFA catcher vessels access to the directed GOA Pacific cod and pollock fisheries. The majority of sideboard catch consists of directed catch. Alternative 4 would have a significant, negative impact on the gross revenues of non-exempt AFA catcher vessels that have significant reliance on these directed fisheries.

Differences among the alternatives for revising the non-exempt AFA CV sideboards may result in distributional gains and losses across sectors. Given the open access nature of the GOA pollock and Pacific cod fisheries and the capacity that exists in other fleets, any harvest forgone by the non-exempt AFA CV fleet would almost certainly be harvested by members of the exempt AFA and non-AFA fleets. Consequently, the options to revise the non-exempt AFA sideboards essentially represent a tradeoff between AFA and non-AFA vessels. Reductions in the sideboard limits for non-exempt AFA catcher vessels under Alternatives 2, 3 and 4 would be offset, as the exempt AFA and non-AFA sectors would realize that amount of gain in the amount of harvest available to them. While relative operating costs and other factors may affect the "net" results of such trade-offs, the net benefits to the Nation would be expected to tend towards neutral. Losses experienced by the non-exempt AFA CV fleet would be offset by the gains experienced by the exempt AFA and non-AFA fleets.

C-6(a)

Agenda Item C-6(a) GOA Sideboards for Non-Exempt AFA (NE AFA) vessels.

Presented by Brent Paine, United Catcher Boats

February 6, 2009

The third and most recent discussion paper on this issue continues to show that Non-Exempt AFA (NE AFA) vessels do not pose either a current or future threat to current participants and the AFA catcher vessel fleet is not violating the intent of the AFA sideboard protection measures. Since the AFA sideboards were installed, other actions taken by the Council have caused NE AFA participation to decline substantially, including: stand-downs, exclusive registration and daily trip limits. The discussion paper clearly shows the trend in harvest by non-AFA vessels is increasing while the NE AFA vessels' harvest in the GOA trawl fisheries is decreasing. Recent action taken as part of Trawl Recency that reduced AFA eligibility by about 75% will curb future participation further. For the reasons discussed below we believe no further action seems necessary to protect current participants from NE AFA vessels.

- 1) **Non-Exempt AFA vessels are on a declining trend of participation** in all areas of GOA in both pollock and cod fisheries. For example, the sideboard in 610 pollock is 61% of the TAC based on NE AFA participation 95-97. Since 2000, harvest of the TAC by NE AFA has not exceeded 25% of TAC and in 2007 was closer to 10%. (Fig. 5, pg. 23) Participation in the Area 620 fishery has shown much variability sometimes in a downward trend and sometimes close to the sideboard amount that is only 15% of the TAC. Participation in 630 has steadily declined from 15% to 5% of TAC. (Fig. 9, pg. 28) Participation in WGOA cod has declined from 45% of TAC to less than 25% of TAC. (Fig. 11, pg. 31). Some variability in CGOA TAC but varying between only 1 and 5% of TAC and usually well below sideboard of 7.5% of TAC. (Fig. 13, pg. 34).
- 2) The declining trend is caused by **other regulations implemented over recent years including six-day stand-downs (3 days each way) to move back and forth between the BS and GOA, exclusive seasonal rules in the two areas, SSL protection measures and trip and tender limits.** See pages 19 and 20, and page 36. Future participation will be further limited by trawl recency and will reduce AFA eligible licenses from 45 in the CGOA and 68 in WGOA to 15 in the CGOA and 11 in the WGOA. In other words, eligibility of NE AFA vessels to participate in the future GOA fisheries has been reduced by about 75%. (Table 30, pg. 39)
- 3) **Seasonal length of fisheries has increased** in most fisheries. For example the number of days in the Area 610 pollock fishery has increased from 40.5 in 2001 to 81 in 2007. In Area 620 pollock fishery have increased from 112 to 120 during those years. Though Area 630 has gone from 78 days to 55 in 2007, the season lasted 90 days in 2006. (Table 4., pg. 14).
- 4) While participation by NE AFA vessels has steadily declined, **participation by pot and longline gear has accelerated** in comparison to trawl participation. In

2006, 187 longline, 144 pot and 62 trawl vessels participated in the GOA cod fishery. Only 4 NE AFA vessels participated in the WGOA and 7 in the CGOA. (Figure 4, pg. 15 and table 31, pg. 39).

- 5) Before 1998, the GOA cod and pollock TACs were fully harvested. Since 1998, full utilization has been inconsistent, regularly leaving fish in the water. (Figure 4 and Table 5, pg. 15 & 16.) Any annual overages have been slight and not likely caused by the small participation by NE AFA vessels. (Tables 1&5 on pages 11 and 16).
- 6) The NE AFA sideboards **have never been exceeded** and are generally less than half the sideboard allocation, often substantially less. Because trend is down in participation by NE AFA vessels, any quota overages that occur are more likely due to increased participation by Non-AFA vessels, Exempt-AFA, Non-trawl vessels, increased state water fishery allocations and small SSL seasonal allocations. It seems perverse to blame those with reduced participation for any overages or an enhanced race for fish.
- 7) While NE AFA vessels may not be as dependent on these GOA fisheries as other participants, their dependency is still significant. For instance, the Area 610 pollock fishery represents an average of about 22% of a Non-AFA vessel's income. For a NE AFA vessel, it represents about 10% (but sometimes as high as 20%) and for an Exempt AFA, it represents about 13%. All these levels of dependence are significant.
- 8) Finally, the proposed Purpose and Need Statement argues that a *potential* exists for increased efforts in the GOA pollock and cod fisheries by NE AFA vessels that would reduce harvest opportunities for vessels that have increased dependency on these fisheries. Changes in the BSAI fisheries including significant reductions in the BSAI pollock TAC in 2008 are used as the example for why sideboards should be reduced or eliminated. In fact, based on 2008 data available for inclusion in the Discussion Paper, there was *decreased participation* in both GOA pollock and cod fisheries by NE AFA vessels despite a significantly reduced BSAI TAC (Tables 10, 13, 16, 19, & 23 on pages 23, 25, 28, 30 & 33).

RECOMMENDATIONS:

- 1) A determination that no further action is necessary. Non Exempt AFA vessels pose no actual or potential threat to other participants in the GOA pollock and cod fisheries. At the Sept./Oct. 2008 NPFMC meeting, the AP voted **14 to 5** to recommend the Council take no further action on this issue.

How Sideboard Limits are Established Within the AFA Cooperatives

Currently, NMFS annually calculates the AFA sideboard harvest limit amount by multiplying the sideboard ratios by the annual TACs and then apports the limits seasonally. NMFS does not allocate the sideboard amounts among the AFA cooperatives. Rather, this is done under the terms of the AFA Inner-cooperative agreement (ICA). Further, each AFA CV cooperative then allocates the sideboard limit down to its individual member vessel based on each vessel's historic harvest amount in 1995 – 1997. Over the years, coop members have transferred and/or leased their sideboard allocations to other members of their coop, or members of other coops.

Establishing a new set of years to determine the NE AFA CV sideboard harvest amount will be problematic for the AFA coops to determine individual member allocations as well as allocations among the CV cooperatives due to a miss-match in years.