

INITIAL REVIEW DRAFT

Regulatory Impact Review for Proposed Amendment to the Fishery Management Plan for Groundfish of the Gulf of Alaska

MODIFY THE CENTRAL GULF OF ALASKA ROCKFISH PROGRAM SEASON START DATE AND HARVESTING, PROCESSING AND COOPERATIVE CAPS

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Abstract: This Regulatory Impact Review analyzes proposed management measures that would apply exclusively to the Central Gulf of Alaska (GOA) Program. The measures under consideration include changing the season start date from May 1 to April 1; eliminating the catcher vessel (CV) cooperative holding cap of 30 percent; increasing the processing cap to 35 percent – 40 percent of the CV quota share pool for sablefish, Pacific cod, and/or primary rockfish; and revising the CV aggregated primary rockfish (Pacific Ocean perch (POP), northern rockfish, and dusky rockfish) harvesting cap by capping only POP harvest at 8 percent of the CV POP share pool. The purpose of this action is to address changes in the fishery which would increase flexibility and efficiency, improve functionality, and better ensure the total allowable catch (TAC) for the primary rockfish species is fully harvested and landed in Kodiak as intended.

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List of Acronyms and Abbreviations

Acronym or Abbreviation	Meaning	Acronym or Abbreviation	Meaning
AAC	Alaska Administrative Code	MRA	maximum retainable allowance
ABC	acceptable biological catch	MSA	Magnuson-Stevens Act
ADF&G	Alaska Department of Fish and Game	mt	metric ton
AFA	American Fisheries Act	NAO	NOAA Administrative Order
AFSC	Alaska Fisheries Science Center	NEPA	National Environmental Policy Act
AKFIN	Alaska Fisheries Information Network	NMFS	National Marine Fishery Service
AKR	NMFS Alaska Region	NOAA	National Oceanic and Atmospheric Administration
BSAI	Bering Sea and Aleutian Islands	NPFMC	North Pacific Fishery Management Council
CAS	Catch Accounting System	NPPSD	North Pacific Pelagic Seabird Database
CDQ	Community Development Quota	Observer Program	North Pacific Groundfish and Halibut Observer Program
CEQ	Council on Environmental Quality	OMB	Office of Management and Budget
CFEC	Commercial Fisheries Entry Commission	OMD	NMFS Operations and Management Division
CFR	Code of Federal Regulations	PBR	potential biological removal
CGOA	Central Gulf of Alaska	POP	Pacific ocean perch
COAR	Commercial Operators Annual Report	PSC	prohibited species catch
Council	North Pacific Fishery Management Council	PPA	Preliminary preferred alternative
CP	catcher/processor	PRA	Paperwork Reduction Act
CV	catcher vessel	PSEIS	Programmatic Supplemental Environmental Impact Statement
DPS	distinct population segment	PSFMC	Pacific States Marine Fisheries Commission
E.O.	Executive Order	RAM	NMFS Restricted Access Management Division
EA	Environmental Assessment	RFA	Regulatory Flexibility Act
EEZ	Exclusive Economic Zone	RFFA	reasonably foreseeable future action
EFH	essential fish habitat	RIR	Regulatory Impact Review
EIS	Environmental Impact Statement	RP	Rockfish Program
ESA	Endangered Species Act	RPP	Rockfish Pilot Program
ESU	endangered species unit	RPA	reasonable and prudent alternative
FMA	Fisheries Monitoring and Analysis	SAFE	Stock Assessment and Fishery Evaluation
FMP	fishery management plan	SAR	stock assessment report
FONSI	Finding of No Significant Impact	SBA	Small Business Act
FR	<i>Federal Register</i>	SFD	NMFS Sustainable Fisheries Division
FRFA	Final Regulatory Flexibility Analysis	SIA	Social Impact Assessment
ft	foot or feet	Secretary	Secretary of Commerce
FY	Fiscal year	SPLASH	Structure of Populations, Levels of Abundance, and Status of Humpbacks
H.S. codes	Harmonized System codes	SRKW	Southern Resident killer whales
GOA	Gulf of Alaska	TAC	total allowable catch
ICA	Incidental catch allowance	U.S.	United States
IRFA	Initial Regulatory Flexibility Analysis	USCG	United States Coast Guard
IPA	Incentive Plan Agreement	USFWS	United States Fish and Wildlife Service
JAM	jeopardy or adverse modification	VMS	vessel monitoring system
lb(s)	pound(s)		
ISD	NMFS Information Systems Division		
LEI	long-term effect index		
LLP	license limitation program		
LOA	length overall		
m	meter or meters		
Magnuson-Stevens Act	Magnuson-Stevens Fishery Conservation and Management Act		
MMPA	Marine Mammal Protection Act		

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Executive Summary

This Regulatory Impact Review¹ analyzes proposed management measures that would apply exclusively to the Central Gulf of Alaska (GOA) Program. The measures under consideration include changing the season start date from May 1 to April 1, eliminate the catcher vessel (CV) cooperative holding cap of 30 percent, increase the processing cap to 35 percent – 40 percent of the CV quota share pool for sablefish, Pacific cod, and/or primary rockfish, and revise the CV aggregated primary rockfish (Pacific Ocean perch (POP), northern rockfish, and dusky rockfish) harvesting cap by capping only POP harvest at 8 percent of the CV POP share pool. The purpose of this action is to address changes in the fishery which would increase flexibility and efficiency, improve functionality, and better ensure the total allowable catch for the primary rockfish species are fully harvested and landed in Kodiak as intended.

Purpose and Need

The purpose of this action is to address changes in the fishery since the Rockfish Program (RP) was effective on January 1, 2012 and reauthorized on March 31, 2021. Unforeseen changes in the Central GOA rockfish fishery in recent years to include the continuing Coronavirus disease (COVID-19) pandemic conditions, impacts to the GOA flatfish market due to the continuing foreign trade tariffs, and the loss of several shorebased processing facilities in Kodiak have resulted in difficulties in harvesting and processing all of the trawl CV Rockfish Program quota, especially later in the season as processors approach their current processing caps or close for seasonal maintenance. In addition, dusky rockfish and northern rockfish quota are not fully harvested, so modifying the aggregate harvest cap for the primary rockfish species to apply only to POP could facilitate a greater percentage of dusky rockfish and northern rockfish quota being harvested.

As such, the Council has focused this amendment package specifically on adjusting management measures for the RP. The Council has purposely identified an alternative with options that would provide increased flexibility and efficiency, improve functionality, and add protection against unforeseen circumstances for the fishery by allowing more time to harvest and land Central GOA rockfish TACs in Kodiak as intended, while still maintaining the intent of the RP.

The Council adopted the following problem statement to originate this action on February 10, 2022.

Since 2007, the Central Gulf of Alaska Rockfish Pilot Program and final Rockfish Program have improved conservation, fish quality, and stability for participants. Program reviews have shown increased vessel accountability, controlled fleet capacity, improved safety, and reduced bycatch. Given changes in the fishery since implementation, several changes to the program regulations would increase flexibility and efficiency, improve functionality, and better ensure the rockfish TACs are fully harvested and landed in Kodiak as intended.

Alternatives

Alternative 1: Status Quo

Alternative 2: Change the season start date and modify the harvesting, processing, and cooperative holding caps (options are not mutually exclusive).

¹ Analysts have preliminarily determined that none of the alternatives have the potential to have an effect individually or cumulatively on the human environment. This determination is subject to further review and public comment. If this determination is confirmed when a proposed rule is prepared, the proposed action will be categorically excluded from the need to prepare an Environmental Assessment.

Option 1: Change the Rockfish Program season start date from May 1 to April 1.

Option 2: Eliminate the CV cooperative holding cap (30% QS assigned to CV sector).

Option 3: Increase the processing cap to 35 – 40% of the CV quota share pool for sablefish, Pacific cod, and/or primary rockfish.

Option 4: Revise the vessel aggregated rockfish (POP, northern rockfish and dusky rockfish) harvesting cap by capping only POP harvests at 8% of the CV POP quota share pool.

Regulatory Impact Review

Option 1: April 1 Start Date

Under status quo alternative, the season start date for the RP would remain unchanged as May 1. As a result, the continued loss of the shoreside flatfish market due to the recent trade tariffs will likely continue to result in vessel operators and processing plants reducing operations in April since there is no other fishery during this period. For several decades, the flatfish markets have been essential to harvesters and processors operating out of Kodiak during the month of April. The lack of these economically viable markets has created unforeseen lack of harvesting and deliveries to processors operating out of Kodiak in the month of April. In addition, continued concern about the potential for future COVID-19 outbreaks could have economic and operational impacts in the Port of Kodiak. If future COVID-19 outbreaks occur, processing capacity is expected to be reduced, which increases the risk that the RP fishery, which currently starts on May 1, could occur later in the year which would conflict with the summer salmon fisheries. These overlapping fishery conflicts result in processors, which have normally focused on rockfish in May and June and salmon in July, having to address both rockfish and salmon deliveries simultaneously. The loss of these unique processing periods for the rockfish and salmon fisheries results in a loss of product quality and could cause seafood businesses to choose between RP revenue source and salmon revenue source.

Alternative 2 would provide enhanced flexibility to vessel operators and processing plants participating in the RP. This option is designed to mitigate the impacts from the recent and unforeseen loss of arrowtooth flounder markets and threat of loss of processing capacity and/or potential conflict with summer high volume salmon related to COVID-19 plant closures. This option would provide an additional flexibility for trawl vessels to participate in the RP during April, thereby mitigating some impacts on shoreside processors due to the loss of arrowtooth flounder markets. RP deliveries during April could keep fish flowing into processing plants and keep plants fully operational, mitigating the economic and operational impacts of future COVID-19 outbreaks and current market conditions.

Option 2: Eliminate CV Cooperative Holding Cap

Selecting the status quo alternative (Alternative 1) would maintain the existing CV cooperative holding cap of 30 percent. The cooperative holding cap was intended to provide greater opportunity for shore-based processors to receive RP quota. By maintaining the existing 30 percent CV cooperative holding cap, the Council intends to limit cooperative consolidation. In contrast, Alternative 2, Option 2 would remove the cooperative holding cap for the CV harvest share pool of the primary species. Under this proposed action, CV cooperatives would no longer be limited on the amount of CQ a cooperative may hold or use during a calendar year and would likely see reduced administrative and management costs association with cooperative management. In addition, given the RP includes shore-based processor caps which are also intended to maintain the distribution of processing activity amongst several processors, the cooperative cap may not be necessary.

Option 3: Increase the CV Quota Share Pool Processor Caps

Under status quo, the shore-based processing caps would remain at 30 percent of the aggregated primary rockfish species, sablefish, and Pacific cod CQ assigned to the CV sector. The processing caps were intended to maintain a distribution of processing activity in the fishery among several processors and stabilize the processing sector. The 30 percent processor caps ensures that a minimum of four Kodiak processors will take deliveries of RP CQ. However, in recent years the number of active Kodiak processors has diminished from a high of seven in the first few years of the RP to four in 2020 and 2021. With only four active shorebased processors, a temporary loss of one processor during the fishing year increases the difficulty in processing the CV quota without exceeding the 30 percent processing caps, and, in some instances, may result in some portion of the RP quota remaining unharvested. This is especially true for Pacific cod and sablefish caps, since most of the quota for these species is fully utilized, while for the aggregate rockfish cap, the limited harvest of northern rockfish and dusky rockfish reduces the potential of the processor cap to be constraining. If the Council eliminates the eight percent harvest cap for northern rockfish and dusky rockfish in this proposed action (Option 4), there is the potential that a 30 percent processor cap for the aggregated primary rockfish species could be constraining as harvest of the northern rockfish and dusky rockfish increases. Overall, under status quo, the 30 percent processor cap will likely continue to be constraining and could prevent some portion of the CV rockfish, Pacific cod, and sablefish quota from being fully harvested.

Under Alternative 2, Option 3, processor caps of 35 percent to 40 percent will ensure that a minimum of three Kodiak processors will be required to process all the RP CQ. This would likely provide some additional flexibility to ensure all the CV quota share pool is harvested and processed for the primary aggregated rockfish species, Pacific cod and sablefish. Specific to Pacific cod and sablefish, these species are generally fully harvested and the 30 percent processor cap for these species has become increasingly constraining. For aggregate rockfish, the limited harvest of northern rockfish and dusky rockfish reduces the risk of a constraining processor cap, but, increasing the processor cap to 35 to 40 percent for the primary rockfish species will also likely provide some additional flexibility for processors even if one of the four processors shuts down prior to the end of the RP season. In addition, increasing the processor caps could improve economic efficiencies for those processors constrained by the current 30 percent processing caps. The higher processing caps could allow those processors constrained by the current 30 percent cap to operate at a more efficient capacity, which may reduce costs per unit of production. The higher processing caps may also allow processors currently constrained by the caps to efficiently develop markets by increasing the amount of product they can supply and may increase their ability to develop new product forms. Overall, the proposed processor caps will ensure that a minimum of three Kodiak processors will be required to process all the CV rockfish quota while also providing some additional flexibility for the current Kodiak processors.

Option 4: Revise CV Aggregated Rockfish Harvesting Cap

Selecting the status quo for Option 4 would leave in place the existing CV aggregate rockfish (POP, northern rockfish, and dusky rockfish) harvesting cap of 8 percent and would likely continue a pattern of low quota harvests of northern rockfish and dusky rockfish relative to POP. In contrast, Alternative 2, Option 4 could provide an incentive for those few CVs that have routinely harvested a larger proportion of northern rockfish and dusky rockfish relative to their POP, compared with other CVs, by removing the constraint of the aggregate harvest cap. In general, one to three CVs have in the past approached the harvest cap, but never exceeded the cap. CVs that approach the harvest cap limit primarily catch POP, so maintaining the eight percent harvest cap for POP will continue to restrict the catch of POP quota by these CVs while also simultaneously allowing RP CVs to harvest a greater proportion of the northern rockfish and dusky rockfish quota. Finally, based on the participation patterns of the CVs since implementation of the RP, revising the vessel use cap will likely not contribute to CV consolidation in the fishery.

1. Introduction

This Regulatory Impact Review (RIR) analyzes proposed management measures that would apply exclusively to the Central Gulf of Alaska (CGOA) Rockfish Program (RP). The measures under consideration include changing the season start date from May 1 to April 1; eliminating the catcher vessel (CV) cooperative holding cap of 30 percent; increasing the processing cap to 35 percent – 40 percent of the CV quota share pool for sablefish, Pacific cod, and/or primary rockfish; and revising the CV aggregated primary rockfish (Pacific Ocean perch (POP), northern rockfish, and dusky rockfish) harvesting cap by capping only POP harvest at 8 percent of the CV POP share pool. The purpose of this action is to address changes in the fishery which would increase flexibility and efficiency, improve functionality, and better ensure the total allowable catch (TAC) for the primary rockfish species is fully harvested and landed in Kodiak as intended.

An RIR describes the benefits and costs of the alternatives, the distribution of impacts, and identification of the small entities that may be affected by the alternatives. This RIR addresses the statutory requirements of the Magnuson Stevens Fishery Conservation and Management Act, the National Environmental Policy Act, Presidential Executive Order 12866, and some of the requirements of the Regulatory Flexibility Act. An RIR is a standard document produced by the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) Alaska Region to provide the analytical background for decision-making.

2. Regulatory Impact Review

This RIR² examines the benefits and costs of a proposed regulatory amendment that authorizes the owners/operators of trawl CVs targeting the primary rockfish species and secondary species allocated under the RP. This RIR also integrates an analysis of the social impacts and fishing community impacts of the proposed action. The purpose of this action is to increase flexibility and efficiency, improve functionality, and better ensure the TAC for rockfish are fully harvested and landed in Kodiak as intended.

The preparation of an RIR is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735, October 4, 1993). The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following Statement from the E.O.:

In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.

E.O. 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be “significant.” A “significant regulatory action” is one that is likely to:

- Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities;
- Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in E.O. 12866.

2.1. Statutory Authority

Under the Magnuson-Stevens Fishery Conservation and Management Act (MSA) (16 U.S.C. 1801, *et seq.*), the United States has exclusive fishery management authority over all marine fishery resources found within the exclusive economic zone (EEZ). The management of these marine resources is vested in the Secretary of Commerce (Secretary) and in the regional fishery management councils. In the Alaska Region, the Council has the responsibility for preparing fishery management plans (FMPs) and FMP amendments for the marine fisheries that require conservation and management, and for submitting its recommendations to the Secretary. Upon approval by the Secretary, NMFS is charged with carrying out the Federal mandates of the Department of Commerce with regard to marine and anadromous fish.

² Analysts have consulted with NMFS Alaska Region and preliminarily determined that none of the alternatives have the potential to have an effect individually or cumulatively on the human environment. This determination is subject to further review and public comment. If this determination is confirmed when a proposed rule is prepared, the proposed action will be categorically excluded from the need to prepare an Environmental Assessment.

The groundfish fisheries in the EEZ off Alaska is managed under the Fishery Management Plan for Groundfish of the Gulf of Alaska (GOA). The proposed action under consideration would amend this FMP and Federal regulations at 50 CFR §679. Actions taken to amend FMPs or implement regulations governing these fisheries must meet the requirements of applicable Federal laws, regulations, and Executive Orders.

2.2. Purpose and Need for Action

The purpose of this action is to address changes in the fishery since the RP was effective on January 1, 2012 and reauthorized on March 31, 2021. Unforeseen changes in the Central GOA rockfish fishery in recent years to include the continuing Coronavirus disease (COVID-19) pandemic conditions, impacts to the GOA flatfish market due to the continuing foreign trade tariffs, and the loss of several shorebased processing facilities in Kodiak have resulted in difficulties in processing all of the trawl CV rockfish quota, especially later in the season as processors approach their current processing caps or close for seasonal maintenance. In addition, dusky rockfish and northern rockfish quota are not fully harvested, so modifying the aggregate harvest cap for the primary rockfish species to apply only to POP could facilitate a greater percentage of dusky rockfish and northern rockfish quota being harvested.

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The Council adopted the following problem statement to originate this action on February 10, 2022.

Since 2007, the Central Gulf of Alaska Rockfish Pilot Program and final Rockfish Program have improved conservation, fish quality, and stability for participants. Program reviews have shown increased vessel accountability, controlled fleet capacity, improved safety, and reduced bycatch. Given changes in the fishery since implementation, several changes to the program regulations would increase flexibility and efficiency, improve functionality, and better ensure the rockfish TACs are fully harvested and landed in Kodiak while still maintain the intent of the RP.

2.3. Alternatives

Alternative 1: Status Quo

Alternative 2: Change the season start date and modify the harvesting, processing, and cooperative holding caps (options are not mutually exclusive).

Option 1: Change the Rockfish Program season start date from May 1 to April 1.

Option 2: Eliminate the CV cooperative holding cap (30% QS assigned to CV sector).

Option 3: Increase the processing cap to 35 – 40% of the CV quota share pool for sablefish, Pacific cod, and/or primary rockfish.

Option 4: Revise the vessel aggregated rockfish (POP, northern rockfish and dusky rockfish) harvesting cap by capping only POP harvests at 8% of the CV POP quota share pool.

2.4. Methods and Reference Documents Used for the Impact Analysis

The impact analysis in this document is designed to meet the requirements of E.O. 12866, which requires an RIR evaluate the costs and benefits of the alternatives, including both quantifiable and qualitative considerations. Additionally, the analysis should provide information for decision makers “to maximize net benefits (including potential economic, environment, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.”

The costs and benefits of this action are described in the sections that follow, comparing the no action Alternative 1 with the action alternatives.³ The analysis then provides a qualitative assessment of the net benefit to the Nation of each alternative, with “no action” as a baseline.

This analysis was prepared using data from the Alaska Fisheries Information Network (AKFIN). AKFIN has access to the Catch Accounting System (CAS), Commercial Fisheries Entry Commission (CFEC) Fish Ticket data, and Alaska Department of Fish and Game (ADFG) Commercial Operators Annual Report (COAR) data from which it can supply catch and discard records, as well as estimates of gross ex-vessel and first wholesale revenues.

The costs and benefits, as well as the economic impacts of this action, are described in Section 2.6 of this RIR, which compares the No Action Alternative 1 to the Action Alternative 2. Secondary data include detailed information on the dynamics of the CGOA rockfish fishery, market, and communities that are associated with the impacted sectors by way of harvesting or processing. In particular, the description of fisheries (Section 2.5) and the Analysis of Impacts (Section 2.6) draw on:

Environmental Assessment/Regulatory Impact Review for Proposed Amendment 111 to the Fishery Management Plan for the Gulf of Alaska, Central Gulf of Alaska Rockfish Program Reauthorization (Secretarial Review Draft 2020).

The purpose of Amendment 111 was to reauthorize the RP to retain the management, economic, safety, and conservation gains realized under the RP. The amendment can be found here:

https://www.npfmc.org/wp-content/PDFdocuments/catch_shares/Rockfish/A111_RockfishReauthorization.pdf

Central GOA Rockfish Program Review – Including a Fishery Allocation Review, (NPFMC 2017).

The RP review focused on the goals and objectives of the program defined by the Council, MSA, and NOAA Fisheries guidance for program reviews. The review included quantitative measures of the effectiveness of the program meeting the goals and objectives when data allows. A qualitative discussion of the impacts was provided when sufficient data were unavailable. The program review can be found

here: https://www.npfmc.org/wp-content/PDFdocuments/catch_shares/Rockfish/RockfishProgramReview1017.pdf

Final Regulatory Impact Review for a Temporary Rule (Emergency Action) to Modify Season Start Date to the Central Gulf of Alaska Rockfish Program in 2021 (February 2021).

This RIR evaluated the costs and benefits of an emergency rule to modify the season start date of the 2021 RP fishery from May 1, 2021, to April 1, 2021, to address economic, social, and public health situations present in the rockfish fishery. The temporary rule can be found here:

³ The evaluation of impacts in this analysis is designed to meet the requirement of E.O. 12866, which dictates that an RIR evaluate the costs and benefits of the alternatives, to include both quantifiable and qualitative considerations. Additionally, the analysis should provide information for decision makers “to maximize net benefits (including potential economic, environment, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.”

<https://www.federalregister.gov/documents/2021/03/19/2021-05685/fisheries-of-the-exclusive-economic-zone-off-alaska-central-gulf-of-alaska-rockfish-program-modify>

Stock Assessment and Fishery Evaluation (SAFE) Report for the Groundfish Fisheries of the Gulf of Alaska and Bering Sea/Aleutian Islands Area (NMFS 2020).

The Economic SAFE report contains economic data and information about the Federal groundfish fisheries in the Gulf of Alaska and the BSAI. This report is published annually as an appendix to the Stock Assessment and Fishery Evaluation reports to provide data on catch, discards, prohibited species catch, ex-vessel and first-wholesale production and value. The 2020 Economic SAFE is available here: <https://www.fisheries.noaa.gov/resource/data/2020-economic-status-groundfish-fisheries-alaska>

2.5. Description of Fisheries

In 2003, the U.S. Congress directed the Secretary of Commerce to establish, in consultation with the Council, a Rockfish Pilot Program (RPP) for management of the POP, northern rockfish, and pelagic shelf rockfish fisheries (the primary rockfish fisheries) in the CGOA. Following this directive, the Council adopted a share-based management program in 2005, under which the TAC of rockfish primary species is apportioned as exclusive shares to cooperatives, based on the catch history of the members of those cooperatives. The MSA extended the term of the program to 5 years. In 2011, the Council proposed, the Secretary of Commerce approved, and NMFS implemented the CGOA Rockfish Program (RP), which became effective for the 2012 fishing year. The RP was scheduled to sunset on December 31, 2021, but the Council recommended reauthorization of the RP in February 2020 with minor modifications and no sunset date. The SOC approved the reauthorization of the RP which was implemented on March 31, 2021 (86 FR 11895). A more detailed history of the fishery is provided in the Amendment 111 Central Gulf of Alaska Rockfish Program Reauthorization (NMFS, 2020).

The RP was developed to slow the race for fish, minimize bycatch and associated mortalities, provided for improved conservation of habitat, and addressed the social and economic concerns that have arisen under the original management system. The longer fishing season established under the RP provides participants access to markets (including a possible fresh market) that were historically impossible to access because of the short duration and timing of the previous open access fishing season. In addition, by slowing the race for fish, RP participants could focus on improving the quality of their landings, increasing fishery value and reducing overall PSC use.

Under the RP, primary species TACs are divided into four parts for the management of the CGOA fishery. The four parts are the CV cooperative quota, CP cooperative quota, longline entry level fishery, and an incidental catch allowance (ICA) for use as bycatch in other directed fisheries. In addition, secondary species TACs are divided between the cooperatives and the non-RP fisheries (i.e., sablefish, Pacific cod, shortraker rockfish, roughey rockfish, and shortspine thornyhead rockfish). Exceptions are that Pacific cod is not allocated to CP cooperatives, and shortraker rockfish and roughey rockfish are not allocated to CV cooperatives but are instead managed using the maximum retainable allowance (MRA). These species are not allocated to the sectors, because those sectors have limited catches of the species, which could lead to allocations inadequate to support catch of rockfish primary species. MRAs are set low, relative to their historical levels, to discourage harvests in excess of historical catch amounts. Each sector is also apportioned Pacific halibut PSC, based on historic halibut mortality in the target rockfish fisheries.

Under the RP, participants in each sector can only fish as part of a cooperative. Each cooperative receives allocations of rockfish primary and secondary species, and an allowance of halibut PSC, from the sector's allocations, based on the rockfish primary species catch histories of its members. The limited access fishery receives an allocation of rockfish primary species, based on the rockfish primary species catch

histories of sector members that choose not to join a cooperative. Rockfish secondary species catch is limited by an MRA, which is reduced from the historical level to maintain total catch at a level comparable to a corresponding cooperative allocation and to reduce the economic incentive to fish in the limited access fishery.

Cooperatives manage and coordinate fishing of their allocations. Rockfish primary and secondary species are subject to a full retention requirement to prevent discards. All allocations to a cooperative are constraining, so a cooperative must manage and monitor members' catch of rockfish primary species, allocated rockfish secondary species, and halibut PSC allowances to ensure that it is able to fully harvest (but not exceed) its allocations and PSC allowance. To protect processors, each catcher vessel in the program is eligible for membership in a single cooperative, which must form an association with the processor to which it historically delivered the most rockfish. These cooperative/processor associations are intended to ensure that a cooperative land a substantial portion of its catch with its members' historical processor. The exact terms of the association are subject to negotiation and are confidential to the parties, but since the cooperative agreement requires the approval of the associated processor, it is likely that these agreements contain terms defining cooperative landing requirements.

The RP includes a requirement that all primary and secondary RP species CQ harvested by the CV sector must be delivered to a shore-based processor within the City of Kodiak.

The RP also has the following ownership and use caps. See Section 2.5.6 for further details on the ownership and use caps.

Finally, the RP includes a series of CV and CP sideboard restrictions to limit spillover impacts on other fisheries. Sideboard limits were established for certain West Yakutat District and the Western GOA fisheries. RP sideboards apply to federally permitted

2.5.1. Harvests

Participation in the RP is provided in Table 2-1. The CGOA RP CQ is harvested by trawl vessels. Longline entry level fishery is not issued CQ. Trawl RP vessels are classified as either CVs or CPs based on their mode of operation. CVs may harvest CP CQ if acquired from the CP cooperative(s). CPs may not harvest CV CQ.

The number of vessels participating in the fishery have been relatively stable since implementation of the RP in 2012. CPs ranged from four to eight vessels with either five or six vessels participating in each of the four most recent years. An equal number of License Limitation Program (LLP) licenses were used on the CPs as the number of vessels participating. Catch varied from nearly 8,000 mt in 2013 to over 15,000 mt in 2021. The first wholesale value of the CP rockfish fishery ranged from slightly nearly \$10 million in 2019 to a high of over \$16 million in 2012 and 2017. In 2020, the first wholesale value of the fishery was over \$10 million. Values for 2021 were not yet available.

For the CVs, the number of vessels ranged from 25 to 29 vessels, with 26 participating in 2021. Generally, two to three more LLP licenses were used in the fishery than CVs fishing. Catch varied from over 10,000 mt in 2017, to over 17,000 mt in 2021. The number of processing plants varied from a low of four in 2020 and 2021 to a high of seven in 2012 – 2016. The ex-vessel value of the CV rockfish fishery ranged from over \$4 million in 2020 to a high of over \$10 million in 2012. First whole value ranged from a low of over \$16 million in 2020 to a high of over \$26 million in 2012.

Table 2-1 Reported catch (mt) and real value (millions of 2020 \$) of all species harvested by trawl gear in the CGOA RP fishery, 2012 through 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
CP											
Vessels	5	5	5	4	5	4	4	4	4	4	8
Licenses	5	5	5	4	5	4	4	4	4	4	7
Processing Plants	5	5	5	4	5	4	4	4	4	4	8
Reported Catch (mt)	9,191	7,967	10,415	10,903	10,908	10,854	10,891	8,846	11,415	15,337	106,727
Ex-vessel Value	\$7.19	\$4.99	\$6.37	\$5.93	\$5.80	\$6.57	\$6.13	\$4.86	\$4.39	*	\$52.23
First Wholesale Value	\$16.43	\$11.35	\$15.25	\$14.96	\$14.59	\$16.08	\$15.50	\$9.71	\$10.34	*	\$113.85
CV											
Vessels	28	29	28	28	27	25	26	29	27	26	40
Licenses	30	31	30	30	29	28	28	32	31	29	39
Processing Plants	7	7	7	7	7	6	5	5	4	4	11
Reported Catch (mt)	11,997	10,483	12,625	12,616	14,400	10,378	13,188	13,806	14,665	17,580	131,738
Ex-vessel Value	\$10.48	\$7.06	\$7.73	\$7.23	\$7.99	\$6.48	\$7.22	\$6.80	\$4.66	*	\$65.65
First Wholesale Value	\$26.58	\$18.68	\$20.08	\$19.82	\$24.44	\$19.50	\$23.70	\$18.12	\$16.86	*	\$187.78
Total											
Vessels	33	34	33	32	32	29	30	33	31	30	49
Licenses	35	36	35	34	34	32	32	36	35	33	48
Processing Plants	12	12	12	11	12	10	9	9	8	8	21
Reported Catch (mt)	21,188	18,450	23,040	23,519	25,321	21,232	24,079	22,651	26,079	32,917	179,481
Ex-vessel Value	\$17.67	\$12.04	\$14.10	\$13.16	\$13.79	\$13.05	\$13.35	\$11.66	\$9.05	*	\$117.87
First Wholesale Value	\$43.01	\$30.02	\$35.33	\$34.78	\$39.03	\$35.58	\$39.19	\$27.83	\$27.20	*	\$301.63

Source: AKFIN summary of CAS data; file name - Tables 2-1 thru 2-3 RP Adjustment (2-16-22)

* Price data is not yet available

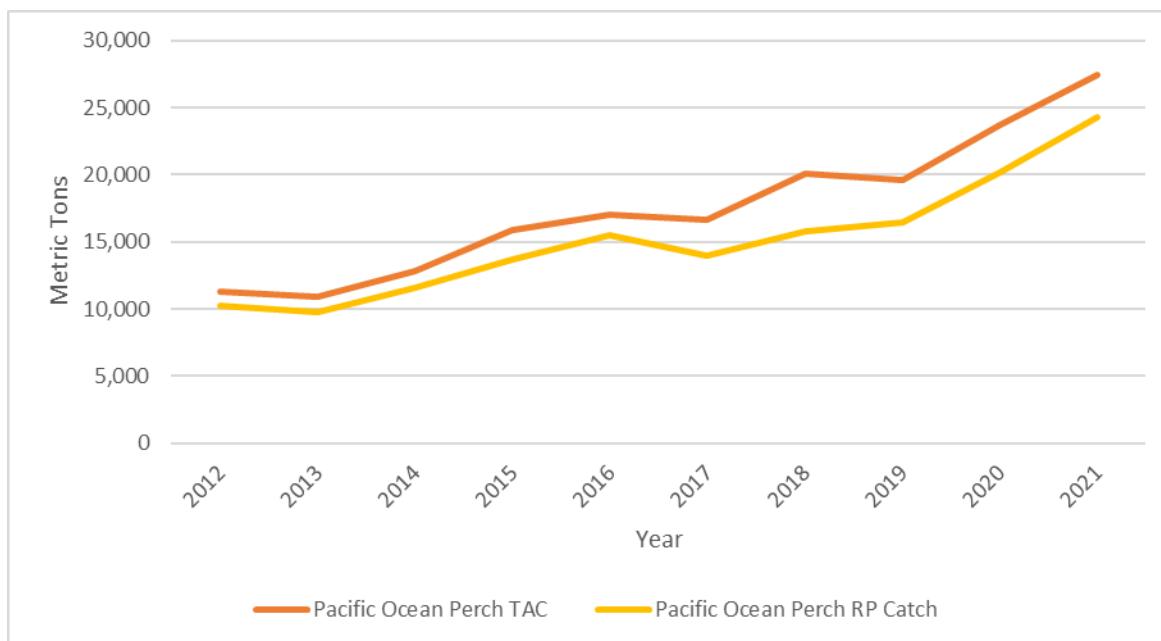
2.5.2. RP Trawl Primary and Secondary Species

The RP primary species are POP, northern rockfish, and dusky rockfish. The RP primary species stocks are assessed biennially as three distinct species in Federal waters. The RP primary species are not overfished and are not approaching overfished levels.

CGOA TAC are established for the three primary RP species POP, northern rockfish, and dusky rockfish. The RP sector allocation of these species is equal to the CGOA TAC minus the ICA established for incidental catch needs in other target fisheries and the allocation to the longline entry level fishery.

CGOA POP TACs has been trending upwards since 2013 and has increased to 27,429 mt in 2021 (Figure 2-1). The trawl gear catch of CGOA POP in the RP has increased along with the increasing TAC with almost all of the trawl catch being taken in the RP fishery. RP cooperatives were able to harvest almost all of their annual allocations without exceeding their sector allocation. Catch of POP during the RP ranged from a low of 9,768 mt in 2013 to high of 24,277 mt in 2021.

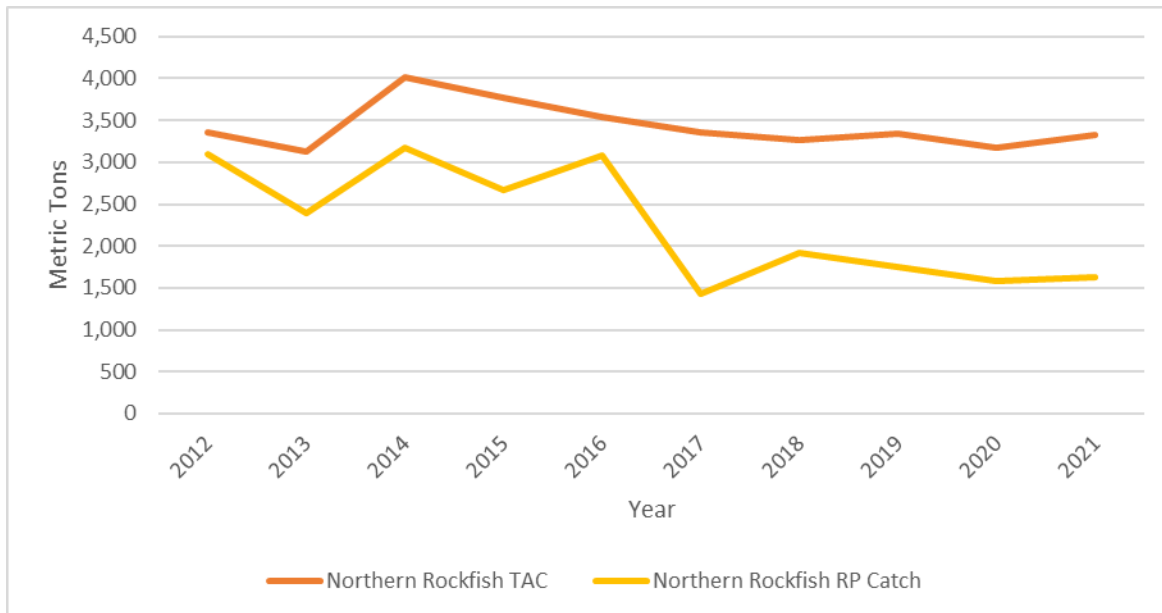
Figure 2-1 CGOA POP TAC and RP catch (mt)



Source: AKFIN, February 2022; file name - Figures 2-1 through 2-4 RP Adjustment (2-16-22)

The northern rockfish CGOA TACs ranged from a low of 1,430 mt in 2017 to a high of 3,169 mt in 2014 (Figure 2-2). The 2021 TAC was 3,334 mt. Like POP, almost all of the CGOA northern rockfish trawl catch is taken in the RP fishery. The RP program cooperatives harvested a smaller percentage of their allocation in 2017 than other years. That year less than 50 percent of the TAC was taken. The percentage taken in 2018 increased to over 60 percent but is still less than had been taken in previous years. In 2021, catch of northern rockfish was 1,624 mt which is 49 percent of the TAC for that year. The reason the percentage declined is likely due to increased harvester and processor demand for POP and factors impacting both available harvesting and processing capacity. POP tends to be easier to catch and CVs have a limited window to catch their rockfish quota. Harvesting vessels try to harvest the rockfish species after the early pollock and Pacific cod seasons end but before the June 10th opening for pollock in the Bering Sea, the West Coast whiting fishery, and tendering for pink salmon starts. On the processing side, the large pink salmon fishery took much of the summer capacity of the processing plants in Kodiak. With so much capacity directed towards salmon deliveries, some vessels were limited in their ability to make rockfish deliveries, so they tend to focus on their POP quota.

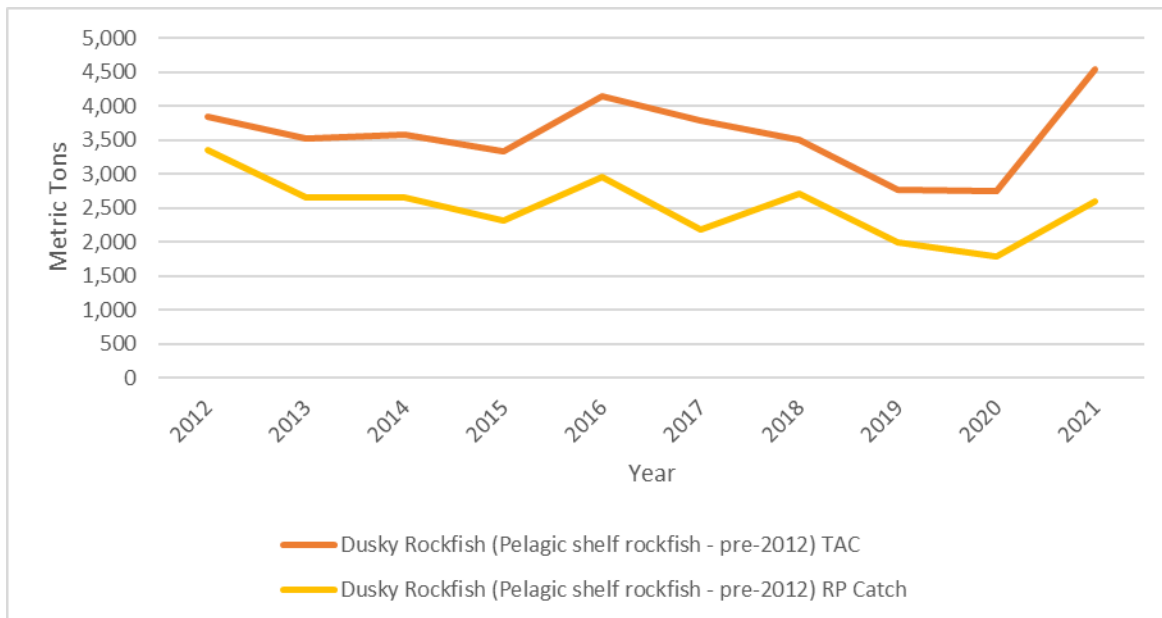
Figure 2-2 CGOA Northern rockfish TAC and RP catch (mt)



Source: AKFIN, February 2022; file name Figures 2-1 through 2-4 RP Adjustment (2-16-22)

Dusky rockfish TACs has remained fairly steady during 2012 to 2020, but then increased in 2021 (Figure 2-3). TACs ranged from 2,764 mt in 2019 to a high of 4,548 mt in 2021. The dusky rockfish TAC is about the same size as the northern rockfish TAC, but only about 15 percent of the POP TAC. Like the CGOA POP, almost all of the CGOA dusky rockfish catch is taken in the RP. Trawl gear counts for a vast majority of the primary rockfish species catch.

Figure 2-3 CGOA dusky rockfish TAC and RP catch (mt)



Source: AKFIN, February 2022; file name Figures 2-1 through 2-4 RP Adjustment (2-16-22)

Secondary species allocated under the RP include three rockfish species, Pacific cod, and sablefish (50 CFR 679.81(c)). The three secondary rockfish species are thornyhead rockfish, shortraker rockfish, and

rougheye rockfish. Trawl CVs participating in RP cooperatives receive 3.81 percent of the annual Central GOA Pacific cod TAC which is deducted from the Trawl CV B season allowance. The remaining Pacific cod is available to the non-RP participants. After the RP fisheries close on November 15, the Regional Administrator may reallocate any unused amount of Pacific cod from the RP CV cooperatives to other sectors through notification in the Federal Register. A portion of the shortraker and rougheye TACs are allocated to CP cooperatives with the remainder available to the non-RP fisheries. Portions of the sablefish allocated to trawl gear and thornyhead rockfish TACs are allocated to the CV and CP cooperatives, with the remainder being allocated to the non-RP fishery. Vessels that are members of the cooperatives may utilize the available non-RP portion of the TACs after their cooperative checks out of the RP by notifying NMFS. A summary of the secondary species allocations to CV and CP sectors is presented in Table 3-7 from Amendment 111 to the Fishery Management Plan for the Gulf of Alaska (NMFS, 2020).

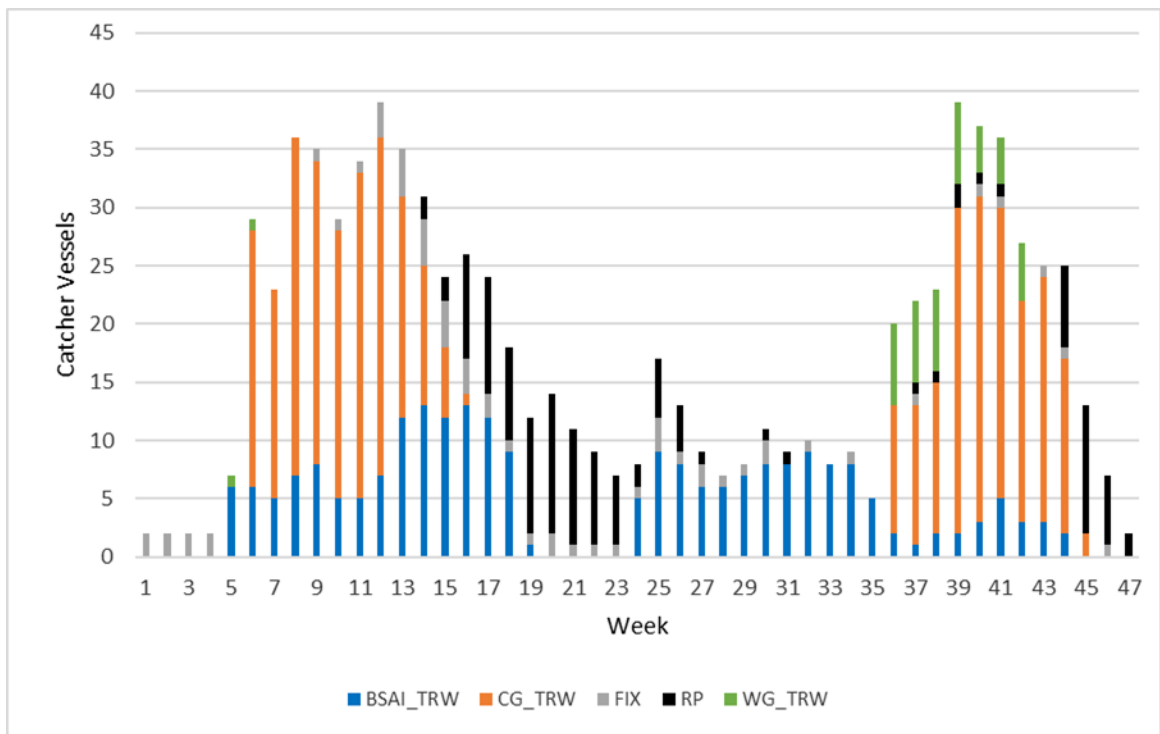
2.5.3. Seasonal fishing activity

As noted in Figure 2-4, CVs begin fishing in the BSAI trawl fishery or the CGOA trawl fishery on January 20. During the period mid-April to May, fishing activity is reduced in the CGOA. Normally, the RP opens May 1 and the vessels tend to focus on the CGOA rockfish fisheries or other GOA target fisheries through early June. The one exception was 2021. In 2021, NMFS issued an emergency rule to modify the fishing season start date to April 1 for the 2021 RP to provide flexibility to RP participants due to the continuing COVID-19 pandemic and impacts to the GOA flatfish market due to the continuing foreign trade tariffs. As seen in Figure 2-4, CVs utilized the flexibility of an April 1 start date with two vessels participating in the first and second week of April followed by nine vessels and 10 vessels during the third and fourth week of April.

By early June, CVs begin moving back into the BSAI for the start of the BSAI trawl fisheries on June 10. After the BSAI trawl fisheries slow, vessels fish either the CGOA rockfish and other trawl fisheries or the WGOA. Limited effort continues in the BSAI and picks up again when the fall fisheries open. After those fisheries slow at the end of September, most vessels fish the remainder of the year in the CGOA trawl fisheries, with very limited participation in the BSAI trawl fisheries.

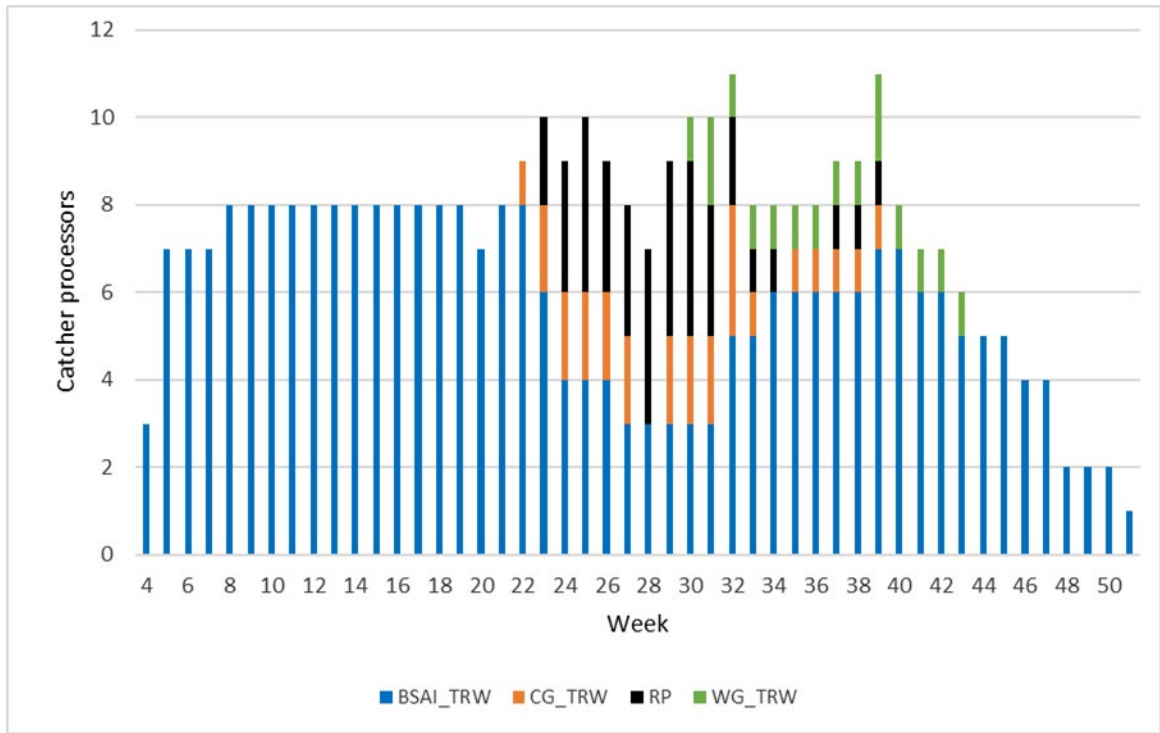
In 2021, CPs fished in the BSAI trawl fisheries exclusively until June (Figure 2-5). In early June, two vessels fished in the CGOA fishery for several weeks while up to four vessels fished the CGOA rockfish fishery. The reported vessels then fished either CGOA, WGOA, or the BSAI until the end of October when all the effort returned to the BSAI. As noted in Figure 2-5, the CPs did not utilize the April 1 emergency rule start date for the CGOA rockfish fishery and instead remained in the BSAI.

Figure 2-4 Number of RP CVs by type participating by fishery and week, 2021



Source: AKFIN, February 2022; file name - Figures 2-4 and 2-5 RP Adjustment (2-23-22)

Figure 2-5 Number of RP CPs by type participating by fishery and week, 2021



Source: AKFIN, February 2022; file name - Figures 2-4 and 2-5 RP Adjustment (2-23-22)

2.5.4. PSC Species

In prosecuting the RP fisheries in the CGOA, participating CPs and CVs in the fisheries also catch prohibited species. Retention of prohibited species is not allowed in the GOA groundfish fisheries, including the trawl rockfish fishery⁴. Detailed information on PSC by CVs and CPs can be found in the Amendment 111 CGOA Rockfish Program EA/RIR Reauthorization (NMFS, 2020). Table 2-2 is presented to show halibut and Chinook salmon PSC in the CGOA trawl rockfish fishery from 2012 through 2021.

Table 2-2 PSC by species in the CGOA trawl rockfish fisheries from 2012 through 2021

Sector	Year	Halibut (mt)	Chinook Salmon (Count)
CP	2012	25.3	439
	2013	29.6	1,003
	2014	34.2	146
	2015	52.9	53
	2016	39.2	235
	2017	48.3	104
	2018	26.0	1
	2019	34.1	0
	2020	12.2	560
	2021	42.3	197
CV	2012	61.1	800
	2013	29.2	1,261
	2014	38.8	503
	2015	38.4	1,802
	2016	32.9	159
	2017	32.3	387
	2018	54.2	304
	2019	16.0	297
	2020	44.9	53
	2021	57.1	1,294

Source: AKFIN March 2022; Source file is RP PSC(3-3-22)

2.5.4.1. Halibut

The rockfish fishery generally accounts for between 2 percent and 16 percent of the halibut PSC of these vessels in the GOA. Flatfish and Pacific cod target fisheries generally have more halibut PSC. The decline in the Pacific cod TAC in recent years has played a role in the halibut PSC in the CGOA rockfish fishery surpassing the CGOA Pacific cod fishery. Halibut PSC declined after implementation of the RPP and has remained relatively low.

The drastic reduction in halibut PSC (particularly in the CV sector) likely arises from several factors. First, vessels have exclusive allocations, allowing them to move from areas of high halibut catch without risking loss of catch of the rockfish primary species. Second, exclusive allocations also increase the incentive for participants to communicate with each other concerning catch rates, improving information concerning areas of high halibut incidental catch in the fleet, and preventing repeated high halibut PSC among vessels exploring fishing grounds. Third, several vessels have begun employing new pelagic gear that limits bottom contact and halibut incidental catch.

⁴ The one exception is the Prohibited Species Donation Program.

Table 28d to 50 CFR part 679 specifies the amount of the trawl halibut PSC limit that is assigned to the CV and CP sectors that are participating in the RP. This includes 117.3 mt of halibut PSC limit to the CV sector and 74.1 mt of halibut PSC limit to the CP sector. These amounts are allocated from the trawl deep-water species fishery's halibut PSC third seasonal apportionment. After the combined CV and CP halibut PSC limit allocation of 191.4 mt to the RP, 150 mt remains for the trawl deep-water species fishery's halibut PSC third seasonal apportionment.

Each year NMFS assigns a portion of the CV halibut PSC to shore-based RP cooperatives. The amount assigned to each cooperative is based on the primary species CQ associated with the cooperative member's LLP licenses.

The fishing plan established by shore-based cooperatives also included a system to discourage high halibut PSC rates. An incentive for these internal PSC controls is to ensure that the sector's PSC limit is not reached, because it would result in the closure of all RP fisheries. The PSC controls include standards that are set and enforced by the cooperative members. Halibut PSC standards adopted by shore-based cooperatives include the inter-cooperative red light, yellow light, green light system. The light system is based on the percentage of halibut PSC per ton of groundfish used in RP target fisheries. The ratio of halibut to groundfish indicates whether the vessel may continue fishing, fish with caution, or stop fishing to avoid high halibut bycatch (Alaska Groundfish Data Bank, Inc, 2018).

The CV fleet had never taken more than 52 percent of its 117.3 mt halibut PSC limit since the RP was implemented in 2012 and most years less than 33 percent of the limit was taken. CPs have never taken their RP halibut PSC limit (74.1 mt): the closest they came was in 2015. That year they still had 21 mt of halibut PSC limit remaining after the cooperative members finished fishing for the year.

2.5.4.2. Chinook Salmon

In the GOA, the primary species of concern for salmon bycatch is Chinook salmon (*Oncorhynchus tshawytscha*), which is caught almost exclusively by trawl gear. The Chinook salmon is the largest of all Pacific salmon species, with weights of individual fish commonly exceeding 30 pounds. North Pacific Chinook salmon are the subject of commercial, subsistence, personal use, and sport/recreational (used interchangeably) fisheries. Chinook salmon are the least abundant of the five salmon species found on both sides of the Pacific Ocean and the least numerous in the Alaska commercial salmon harvest.

Rockfish target fisheries accounted for between 2 percent and 19 percent of the Chinook salmon taken in the CGOA groundfish fisheries. The variability highlights the difficulty fishermen have in avoiding Chinook salmon PSC in the rockfish fisheries in particular and in all trawl fisheries in general.

Trawl CV

Starting in 2015, the RP trawl CVs are limited to 1,200 Chinook salmon each year while checked into the RP (Amendment 97 to the GOA FMP). If the RP trawl CVs reach the Chinook salmon limit, directed fishing by all CVs in the RP will be prohibited for the remainder of the year. On October 1, if it is determined that more than 150 Chinook salmon from the RP CV limit will not be caught, the available Chinook salmon limit minus 150 fish may be reallocated for use by CVs in other GOA fisheries.

In general, Chinook salmon PSC tends to be difficult to consistently avoid. Improvements in gear and communication on the fishing grounds have provided some benefits. However, there are still instances where a vessel is reported to encounter relatively high PSC rates when other vessels in the area had not previously realized high rates. Members of the fleet often describe these events as "lighting strikes" since they tend to be difficult to predict and, therefore, avoid.

In an attempt to reduce Chinook salmon PSC, all shoreside cooperatives agreed to the Salmon Bycatch Avoidance Plan adopted in 2014. The plan included various reporting requirements, bycatch standards

and a “slow start” to fishing to test the fishing grounds which have been proven to be effective in reducing Chinook salmon PSC. Since the Chinook salmon PSC limit was implemented for the RP, the CV sector has been well under their 1,200 fish limit, except for 2015. During 2015, CVs exceeded their limit of 1,200 fish, but were well under their limit until November.

Trawl CP

Trawl CP vessels fishing in the Gulf of Alaska are subject to a limit of 3,600 Chinook salmon in the Western and Central Gulf of Alaska, or 4,080 Chinook salmon if the previous year’s catch of Chinook salmon did not exceed 3,120 fish. This limit applies to vessels fishing inside and outside of the RP. Directed fishing by trawl CPs will be closed in the GOA when that limit is projected to be reached. The trawl CP sector has a seasonal limit before June 1 of either 2,376 or 2,693 Chinook salmon, depending on whether they were allocated additional Chinook salmon as a result of being under their defined limit the previous year. Because their catch has been below the 3,120 fish threshold, the limit is currently 4,080 fish.

Chinook salmon PSC used by the trawl CP sector in the CGOA has shown considerable variability. Chinook salmon bycatch before the RPP was implemented ranged from 290 fish to 665 fish. After 2013, the range was from 1 fish to 661 fish. The CGOA bycatch of Chinook salmon during the RP years was considerably less than the long-term average of 1,157 Chinook salmon.

The timing of Chinook salmon bycatch follows a predictable pattern in most years, corresponding primarily with seasonal openings of the pollock fishery. Chinook salmon are caught as bycatch in the rockfish fisheries throughout the time that the fisheries are open. Chinook salmon PSC in April is largely attributable to the arrowtooth flounder or rex sole fishery. Since the implementation of the RPP and RP, more efficient use of halibut PSC has allowed the shallow-water flatfish fishery to remain open longer into the fall, which has also resulted in some increase in Chinook salmon PSC during these months.

2.5.5. Cooperatives

CP Cooperatives are formed by members of the Amendment 80 CP sector that hold RP CP QS. From 2012 through 2017 two cooperatives formed annually (Table 2-3). In 2018 only one cooperative was formed, the Gulf of Alaska Rockfish Best Use Cooperative. The Fishing Company of Alaska cooperative did not form because the firm that owned most of the vessels in the cooperative sold its assets to other Amendment 80 CP firms. After the sale of the vessels and associated LLP licenses that were assigned QS was finalized, all of the firms joined the Best Use Cooperative. The number of vessels and LLP licenses assigned to the CP cooperatives each year of the RP are listed in Table 2-3.

Table 2-3 Number of LLP licenses and vessels assigned to CP cooperatives under the RP

CP	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FCA COOPERATIVE (NO LONGER A COOPERATIVE AS OF 2018)										
Vessels	3	3	3	3	3	4				
LLP Licenses	3	3	3	3	3	4				
GULF OF ALASKA ROCKFISH BEST USE COOPERATIVE										
Vessels	7	7	7	7	7	6	10	11	11	11
LLP Licenses	8	8	8	8	8	6	11	11	11	11
CP Vessels	10	10	10	10	10	10	10	11	11	11
CP LLP Licenses	11	11	11	11	11	10	11	11	11	11

Source: Summary of cooperative data submitted to NPFMC

Table 2-4 shows the number of CVs and CV LLP licenses that were assigned to the RP cooperatives each year during the RP. A total of 7 cooperatives were formed and participated in the fishery from 2012 through 2017. After 2017 the Global Rockfish Cooperative was disbanded and the vessels and LLP licenses that were part of that cooperative joined other CV RP cooperatives. Not all of the vessels that are members of the cooperative fish the CQ assigned to the cooperative. The annual cooperative reports provide a detailed description of the catch by vessel. Information in this paper does not provide that level

of detail to prevent inadvertently breaking confidentiality rules. The reader is referred to the annual cooperative reports for that level of information.

Table 2-4 Number of LLP licenses and vessels assigned to CV cooperatives under the RP

CV	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GLOBAL ROCKFISH COOPERATIVE (NO LONGER A COOPERATIVE AS OF 2018)										
Vessels	3	2	3	3	3	3				
LLP Licenses	3	2	3	3	3	3				
SILVER BAY SEAFOODS COOPERATIVE (FORMALLY I.S.A. ROCKFISH COOPERATIVE)										
Vessels	6	6	6	5	6	6	8	7	7	8
LLP Licenses	6	6	6	5	6	6	7	7	7	8
NORTH PACIFIC ROCKFISH COOPERATIVE										
Vessels	9	10	11	11	11	11	12	12	12	12
LLP Licenses	10	11	12	12	12	12	13	13	13	12
OBSI ROCKFISH COOPERATIVE										
Vessels	8	7	6	6	5	5	5	5	5	7
LLP Licenses	9	8	7	7	6	6	6	6	6	7
PACIFIC ROCKFISH COOP										
Vessels	2	2	2	2	2	2	2	2	2	2
LLP Licenses	2	2	2	2	2	2	2	2	2	2
STAR OF KODIAK ROCKFISH COOPERATIVE										
Vessels	10	10	10	10	10	10	12	12	12	11
LLP Licenses	11	11	11	11	11	11	12	12	12	11
WESTERN ALASKA FISHERIES ROCKFISH COOP										
Vessels	5	6	5	6	6	6	6	6	6	6
LLP Licenses	5	6	5	6	6	6	6	6	6	6
CV Vessels	43	43	43	43	43	43	45	44	44	46
CV LLP Licenses	46	46	46	46	46	46	46	46	46	46

Source: Summary of cooperative data submitted to NPFMC

2.5.6. Excessive Share Limits

As noted in the NRC study “Sharing the Fish,” use caps are generally favored as a means to prevent excessive shares (or the control of a disproportionate amount of shares by a single person or entity). In fisheries with excess capital, it is likely that issuance of transferrable QS will result in some consolidation, as excess capital leaves the fishery. While this consolidation might be favored for developing economies of scale, concentration of share holdings in a relatively few individuals or entities can result in excessive market power. The concentration of market power can affect working conditions and wages, and harm smaller participants in a fishery.⁵ Although caps on use and holdings of shares are generally viewed as a means to prevent excessive concentration of shares, the level of the cap could vary among fisheries’ depending on the particular nature of the fishery and the objectives of the cap.

Caps on excessive shares can be used to:

1. Prevent consolidation of market power that is used to influence ex-vessel prices. If one or a small group of quota share holders are able to consolidate interests in the fisheries, it is possible that they would be able to withhold supplies of fish to raise the ex-vessel prices.
2. Influence the available of quota shares in the market to facilitate entry to the fishery. Consolidation of quota shares in the hands of a few holders could prevent the development of an active market for shares that is necessary for entry to the fishery.
3. Prevent consolidation of market power that is used to influence crew shares and working conditions. The concentration of shares can also facilitate control of the labor market by participants in the market.

⁵ Concentration of shares in a fishery is unlikely to affect final product markets, as most fisheries’ outputs compete in a world market. Concentration of shares, however, could affect the balance of power between the eligible participants in the RP fishery.

4. Limit windfalls granted during the allocation of shares. If allocations in excess of the caps are not permitted by a grandfather clause, use caps can be used to limit the windfall granted to persons receiving allocations in excess of the share.
5. Ensure that the resource supports a reasonable number of participants. Use caps can be used to limit consolidation, which would result in the resource supporting the activities of few participants.

For the RP fisheries, ownership and use caps are imposed to limit consolidation of QS and CQ. When the caps were developed, the Council tried to balance the goals of improving economic efficiency by allowing entities to take advantage of economics of scale relative to protecting other members of the sector, maintaining employment opportunities for vessel crew, and providing financially affordable access opportunities for new participants.

RP caps apply to CVs, cooperatives, processors, and CPs. Use caps apply to CQ issued to cooperatives. Ownership and control caps apply to QS issued to LLP licenses and the owners of LLP licenses. The caps include:

- (1) A rockfish harvester may not hold more than 4 percent of the aggregated rockfish primary species QS assigned to the CV sector. This also indirectly limits the amount of secondary and PSC species a harvester may hold since it is based on the amount of primary species QS assigned to the LLP license.
- (2) A CV may not harvest more than 8 percent of the CQ of rockfish primary species during a calendar year.
- (3) A RP processor may not receive or process more than 30 percent of the aggregate CQ allocated to the CV sector during a calendar year. As a result, rockfish processors would also be prohibited from receiving or processing more than 30 percent of primary rockfish species, Pacific cod, and sablefish harvested with CQ assigned to the CV sector during a calendar year. Rougheye and shortraker rockfish are managed under an MRA since CQ for these species is not allocated to the CV cooperatives.
- (4) CV rockfish cooperatives are limited to using not more than 30 percent of the CQ allocated to the CV sector.
- (5) A rockfish program CP may not hold an amount of primary rockfish species CQ that is more than 40 percent of the aggregate rockfish primary species QS assigned to the CP sector. The program also limits a vessel participating in the CP sector from harvesting more than 60 percent of the CQ of primary rockfish species in the CP sector.

The RP includes a grandfather provision that allowed persons whose initial allocation of QS and resulting CQ that was in excess of the use caps to retain that amount. It was determined that the processor caps apply to the individual plants. Consolidation at the firm level do not impact the amount of RP CQ a plant may receive and process.

The Council must determine both the rationale for removing or changing proposed caps and the appropriate level of adjusting those caps necessary to serve those ends. In assessing the caps, the participation patterns of rockfish participants should be kept in mind. Participants in the fishery have historically participated in several different fisheries throughout the year. Consolidation in the fishery could have benefits, allowing greater specialization, improving harvest techniques, and quality of landings.

Gauging the degree to which removing or adjusting caps will serve an intended purpose is complicated by several factors. The fluctuation of stocks (not only rockfish stocks, but also stocks in other fisheries prosecuted by rockfish participants) and unpredictability of prices lead to uncertainty of harvesting and processing revenues. These information shortcomings also limit the ability to predict the threat of market consolidation to competition in both ex-vessel prices and labor market. The unavailability of ownership data prevent estimation of the current distribution of interests in the fishery and prevents a complete assessment of the number of participants currently supported in the fishery. Combined, these factors make it difficult to provide an accurate estimate of the effects of adjusting or removing caps on various aspects of the fishery.

To monitor the caps, NMFS requires harvesters and processors to submit information through cooperative transfer requests and annual catch reports. NMFS uses the information to enforce the use cap provisions, track primary rockfish species and secondary species CQ use, and to discourage rockfish harvesters from entering into cooperative agreements that would frustrate the goal of the use caps.

2.5.7. Shore-based Processors

The RP includes a City of Kodiak landing requirement for trawl vessels delivering cooperative quota. Kodiak based processors that participate in the fishery are associated with the individual cooperatives that form and are listed in the cooperative section. In general, the processing sector has been relatively stable since 2012, but in recent years the number of processors has declined. Seven shore-based cooperatives were associated with unique processors during the first three years of the RP (2012 through 2014). In 2014, Trident purchased Western Alaska Fisheries, so starting in 2015, Western Alaska Fisheries Rockfish Cooperative utilized Trident/Star of Kodiak as the primary purchasing and processing facility for the cooperative. In 2018 and 2019, the number of shore-based rockfish cooperatives and processors decreased by one when the Global Seafoods rockfish cooperative left the fishery and Global Seafoods ceased processing operations altogether. Starting in 2020, Pacific Seafood, Kodiak, the normal primary purchasing and processing facility for the Pacific Rockfish Cooperative, decided not to take any RP deliveries. The one active vessel in the cooperative delivered to the remaining four RP qualified Kodiak processors which include Trident Seafoods/Star of Kodiak, OBI Seafoods, Silver Bay Seafoods (formally ISA Seafoods) and North Pacific Seafoods.

As with the harvesting sector, processing activity in the fishery is not provided at the individual processor level. Delivery and value information are aggregated over all Kodiak processing plants that take deliveries on an annual basis. This is necessary to avoid releasing confidential information. Summary information is presented in Section 2.5.1. Information on the rockfish products produced by Kodiak plants is presented in Section 2.5.9.

One of the primary reasons, from the processors' perspective, for implementing the RP was to allow the fishery to be prosecuted before the start of the pink salmon fishery. Prior to the RPP being implemented in 2007, the rockfish fishery and the pink salmon fishery overlapped during early and mid-July. That overlap caused processing capacity and labor issues. After the RPP was implemented rockfish processing was primarily moved to May and early June, a time of year when excess capacity and labor could be used more efficiently. As noted in Amendment 111 analysis, the RP has achieved the goal of reducing pressure on labor during the peak of the pink salmon fishery.

A primary concern that processors have expressed regarding LAPPs is the change in market power between harvesters and processors. This issue is difficult to provide complete information for since the analysts are not part of the negotiations for price and delivery terms. However, information provided in Section 3.5.1.1 of Amendment 111 compares the real ex-vessel and the real first wholesale prices for the three primary rockfish species during 2003 through 2018. That information does indicate that the ratio of ex-vessel to first whole prices has increased under the RP relative to the open access fishery. That change

does indicate that harvesters are able to command a greater portion of the first wholesale price that processors receive. Whether this is completely due to the changes in management or other market forces cannot be stated with certainty.

2.5.8. Fishing Communities

This section utilizes parts of the Executive Summary from the CGOA Rockfish Program Reauthorization (Amendment 111) Social Impact Assessment (SIA) to provide a summary of fishing communities impacted by the proposed adjustments to the RP. A full copy of the Executive Summary and the SIA is available in Appendix 1 to Amendment 111.

Among communities substantially engaged in and/or substantially dependent on the CGOA rockfish fisheries managed under the RP, Kodiak is the most centrally engaged in and dependent on the fishery as measured by multiple indices across multiple sectors of the fishery. Kodiak has experienced beneficial impacts across harvester, processor, and support services sectors because of the implementation of the RP, relative to the pre-RPP conditions, and has specifically benefitted from several community protection measures built into the program. Although not all individual operations have benefitted equally from the change in qualifying years between the RPP and the RP, and therefore changes in the pattern of initial quota share allocations under the two programs, no substantial adverse sector-level or community-level impacts resulting from the implementation of the RP have been identified for the community of Kodiak.

During the RP years compared to the RPP years, Kodiak has experienced increases in annual average resident-owned trawl catcher vessel participation; resident ownership of relevant LLP licenses; and resident ownership of CV quota shares for Northern rockfish, POP, and pelagic shelf/dusky rockfish. All three CVs that qualified for an initial allocation of quota under the RP based on their participation in the entry level trawl fishery were either Kodiak resident-owned at the time of that allocation or have become so in more recent years.

Given that the number of Kodiak resident-owned CVs in the CGOA rockfish trawl fishery has increased and the overall ex-vessel value of CGOA rockfish trawl-caught landings of those vessels has also increased under the RP, it is assumed that the number of crew positions and potentially payments to crew have similarly varied during this time. However, publicly available quantitative data do not currently exist to verify this assumption or, if the assumption is correct, quantify these changes. The impacts of quota leasing costs or program-associated vessel operating costs (such as cost recovery fees and co-op fees), if any, on crew compensation is unknown, as are the impacts on crew employment, if any, of the increased number of CGOA rockfish trawl fishing days per season. Similarly, the impacts of the reduction of vessel operating costs that may have been achieved because of changed fishing conditions under the RP (such as owner-reported reductions in fuel consumption and gear repair costs), if any, on crew compensation are unknown.

Kodiak did experience the consolidation (by two) of shore-based processors that regularly accepted trawl-caught deliveries of CGOA rockfish during the RP years. In addition, one Kodiak based shore-based processor opted to not take deliveries of RP quota starting in 2020. However, at the transition from the RPP to the RP, it experienced an increase (by two) of shore-based processors that were affiliated with rockfish cooperatives. While the transition from the limited access fishery to the RPP and then to the RP was generally beneficial for Kodiak shore-based processing plants, specific outcomes varied between processors operating in the community due to different processing histories accrued during the different sets of qualifying years used for initial allocations under the two programs.

No systematically collected data on Kodiak fishery support service businesses in general or those linked to the CGOA rockfish fishery specifically are available. However, the number of locally owned rockfish trawl vessels increased, Kodiak became the exclusive port of landings for all CGOA trawl-caught

rockfish CV landings and gross revenues accruing to both harvesting and processing sectors increased under the RP. These increases have likely been accompanied by increased local spending by vessel owners, vessel crews, and processing workers, significant numbers of whom are Kodiak residents, but the level of impact on the local purchase of goods and services is unknown. The percentage of CGOA rockfish fishery landings related-revenues subject to taxes that directly benefit the city of Kodiak (and the Kodiak Island Borough) remain modest compared to several other fisheries. However, the percent attributable to the rockfish fishery has increased under the RP compared to other years. Further, the community protection feature of the RP that ensures CGOA rockfish trawl catcher vessel landings will occur in Kodiak also builds an additional measure of stability into the public revenue stream compared to previous conditions. Under the RP, attachment of catch history to the LLP license and making it non-severable from the LLP license has served to limit license consolidation and ownership and use caps have served to limit vessel and processor consolidation.

In addition to Kodiak, another 25 Alaska communities were directly engaged in the CGOA rockfish federal open access rockfish longline and/or CGOA rockfish trawl fisheries as measured by a variety of indices. These indices include: catcher vessels with local ownership addresses participating in CGOA rockfish longline entry level fishery in the hook-and-line or jig sectors; local operation of at least one shore-based processor that accepted longline-caught deliveries of CGOA rockfish; CGOA rockfish trawl catcher vessel LLP licenses with local ownership addresses; participation of CGOA rockfish trawl catcher processors with local ownership addresses; local operation of at least one shore-based processor that accepted trawl-caught deliveries of CGOA rockfish; and/or residents who served as crew members aboard CGOA rockfish trawl catcher vessels and/or trawl catcher processors. Based on existing/available data, none of these communities would typically be considered to have been substantially engaged in and/or substantially dependent upon the CGOA rockfish fishery at the time of the implementation of the RP, but levels of engagement and dependency varied in earlier years and time series data on crew employment is not available for any years before 2015. No adverse community-level impacts attributable to the RP have been identified for any of these communities but formulating a causal explanation of the discontinuation of direct participation of catcher vessels with ownership addresses in multiple small communities in the CGOA rockfish longline entry level fishery would require additional focused research.

The greater Seattle area (as represented by the Seattle-Tacoma-Bellevue Metropolitan Statistical Area or the “Seattle MSA”) was substantially engaged in the CGOA rockfish trawl fishery in several ways. While changes have occurred in several sectors, no community-level impacts resulting from the implementation of the RP have been identified. Similarly, Lincoln County, Oregon was identified as substantially engaged in the CGOA rockfish trawl fishery through catcher vessel ownership and, while changes have occurred during the RP years, no community-level impacts resulting from the implementation of the RP have been identified.

2.5.9. Rockfish Products

Catcher processors traditionally produce a H&G product from species they harvest, including rockfish. The same general product forms are produced from rockfish harvested in both the GOA and BSAI. That fish is then sold for secondary processing. Secondary processing typically takes place outside the U.S.

Kodiak shore-based processors produce a wider variety of products from rockfish than the CP sector. In broad terms, the product forms can be grouped into H&G, whole fish, fillets, and other. Shore-based processors are more heterogeneous in the types of products they produce than CPs. Some firms focus more heavily on fillet production and others primarily produce H&G or round product forms. Overall, the percentage of fillet production has declined, and H&G production has increased over the years the RPP and RP have been in place relative to the limited access program.

The fillet prices ranged from about \$2.00/lb. before the RPP was implemented. Fillet first wholesale prices increased to about \$4.00/lb. in 2012 but have since declined back to about \$2.00/lb. H&G and whole prices vary over the period with changes less than shown for fillets. Whole fish and H&G prices are currently close to first wholesale prices prior to implementing the RPP. Rockfish prices are determined by overall supply and demand in the world whitefish markets. However, rockfish producers have been negatively impacted by unfavorable currency valuations and rising secondary processing costs. Both of these factors put downward pressure on raw material pricing for Alaska producers (McDowell Group, 2015). These factors likely played a role in the real price declines after 2012.

2.5.9.1. Markets

Rockfish fisheries have historically been aggregated into a species complex in the Economic Safe Report. Species within the complex include northern rockfish, POP, roughey rockfish, shortraker rockfish, dusky rockfish and thornyhead rockfish. The only rockfish species defined in the export data is POP which is used for current first-wholesale prices for the aggregate rockfish complex.

NMFS contracted to develop a paper on wholesale market profiles for Alaska crab and groundfish species (Alaska Fisheries Science Center, 2016). The rockfish portion of that paper was limited to POP. However, the general findings are also applicable to the other primary rockfish species. Information presented in that paper is used in this section.

Alaska POP is exported to China (for reprocessing) and Japan. Japan is the largest final consumer market. The paper noted that increasing Atka mackerel quotas in Alaska could impact prices for POP since Atka mackerel and POP are reported to be competitive species in the dried fish market in Japan

A conservative estimate is that at least 48 percent of Alaska rockfish production was exported to China in 2014. Virtually all POP and other rockfish exported to China is frozen whole or H&G fish. Those products are reprocessed in China, where labor costs are lower, into fillets and re-exported.

Seafood sold in the US is tracked using Harmonized System codes (H.S. codes). Use of those codes outside the United States is uncommon. As a result, it is not possible to track competing supply of POP and rockfish coming into China or the markets where it goes. However, data that are available indicates China's major export markets appear to be Japan, Europe, Russia, and the United States.

Markets are expected to be impacted by a 25 percent tariff on Alaska seafood exports to China (Elnes & Evridge, 2019). The tariff was implemented July 6, 2018 and affects most major Alaska seafood products including frozen finfish (salmon, pollock, cod, sablefish, rockfish, and flatfish), roe, geoduck, sea cucumber, scallops, crab species and fishmeal. Some fresh product is exempt (salmon, herring) and fish oil. The anticipated short-term impacts of the tariffs will likely increase the cost of Alaska seafood products to Chinese consumers. Long-term impacts, if the tariff stays in place, it could impact demand and consumer sentiment in China for Alaska seafood/U.S. products. A quantitative estimate of the impacts has not been provided given the uncertainty of the length of time the tariffs will remain in place and the potential changes in demand from buyers in countries that are not subject to the tariff.

Prices

Table 2-5 shows the real ex-vessel prices for the three primary rockfish species, Pacific cod, sablefish, arrowtooth flounder, and mid-water pollock. Prices at the first wholesale level and the ex-vessel level are determined by world whitefish markets. However, product quality can influence the prices received. All three primary rockfish species' ex-vessel value increased since implementation of the RPP in 2007 with the exception of 2019, which saw value decline for the primary rockfish species. The pollock ex-vessel values have been trending down, while Pacific cod ex-vessel prices have been trending up in recent years. Sablefish real ex-vessel prices declined in 2018 and 2019. This could in part be due to the increased catches of smaller, lower valued sablefish. Arrowtooth flounder has been trending up with the exception

of 2019 and 2020 when prices trended down. Rockfish prices declined in 2013 relatively to 2012 and then remained stable until 2020 when prices declined further. Table 2-6 provides a comparison of the ex-vessel and first wholesale prices for the three primary rockfish species.

Table 2-5 Annual average real ex-vessel prices (2012 \$) for CGOA rockfish, Pacific cod, sablefish, arrowtooth flounder, and mid-water pollock, 2012 through 2020

Year	POP	Dusky	Northern	Pacific cod	Sablefish	Arrowtooth	Pollock
2012	\$0.31	\$0.30	\$0.28	\$0.33	\$3.68	\$0.07	\$0.19
2013	\$0.23	\$0.21	\$0.19	\$0.24	\$2.60	\$0.05	\$0.18
2014	\$0.22	\$0.22	\$0.20	\$0.31	\$3.03	\$0.06	\$0.14
2015	\$0.21	\$0.20	\$0.18	\$0.27	\$2.76	\$0.08	\$0.14
2016	\$0.20	\$0.19	\$0.17	\$0.30	\$3.09	\$0.08	\$0.11
2017	\$0.21	\$0.22	\$0.18	\$0.32	\$3.60	\$0.10	\$0.12
2018	\$0.21	\$0.21	\$0.18	\$0.25	\$2.20	\$0.10	\$0.13
2019	\$0.21	\$0.20	\$0.18	\$0.36	\$1.47	\$0.06	\$0.09
2020	\$0.14	\$0.14	\$0.12	\$0.36	\$1.01	\$0.04	\$0.10
2012-2020 Average	\$0.21	\$0.21	\$0.19	\$0.30	\$2.60	\$0.07	\$0.13

Source: AKFIN summary of CAS and COAR data; file name - Tables 2-1 thru 2-3 RP Adjustment (2-16-22)

Table 2-6 Comparison of ex-vessel and first wholesale prices of primary rockfish species, 2012 through 2020

Years	Ex-vessel			First Wholesale			Ratio ex-vessel to first wholesale		
	POP	Dusky	Northern	POP	Dusky	Northern	POP	Dusky	Northern
2012	\$0.31	\$0.30	\$0.28	\$0.89	\$0.87	\$0.88	35%	34%	32%
2013	\$0.23	\$0.21	\$0.19	\$0.63	\$0.68	\$0.69	36%	31%	27%
2014	\$0.22	\$0.22	\$0.20	\$0.60	\$0.66	\$0.69	37%	33%	28%
2015	\$0.21	\$0.20	\$0.18	\$0.59	\$0.72	\$0.67	35%	28%	27%
2016	\$0.20	\$0.19	\$0.17	\$0.56	\$0.75	\$0.75	36%	26%	23%
2017	\$0.21	\$0.22	\$0.18	\$0.67	\$0.68	\$0.60	31%	32%	30%
2018	\$0.21	\$0.21	\$0.18	\$0.65	\$0.73	\$0.71	33%	29%	25%
2019	\$0.21	\$0.20	\$0.18	\$0.47	\$0.63	\$0.56	44%	32%	32%
2020	\$0.14	\$0.14	\$0.12	\$0.42	\$0.52	\$0.41	32%	26%	30%
2012-2019 Average	\$0.21	\$0.21	\$0.19	\$0.61	\$0.70	\$0.66	35%	30%	28%

Source: AKFIN summary of CAS and COAR data; file name - Tables 2-1 thru 2-3 RP Adjustment (2-16-22)

2.5.10. Safety Considerations

National Standard 10 states that “conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.” In response to National Standard 10, one of the stated goals of the RP is to improve safety at sea. Since fishing practices and seasons are likely to be different under the RP and limited access (No Action alternative), repercussions associated with the management changes on human safety at sea may also differ (NPFMC, 2011).

Prior to implementation of the RPP participants in the CGOA rockfish fishery would compete for a share of the CGOA rockfish TACs during a brief season, early in July. CGOA weather conditions tend to be relatively good during that time of the year. However, summer storms can cause inclement weather that may cause unsafe fishing conditions.

Economic incentives are created when harvesters are competing to catch a share of the TAC, under the LLP, that may entice a vessel operator to go to sea or continue fishing in weather conditions that may pose a higher operating risk than they would be willing to accept if they were operating under a LAPP.

Each person will respond differently to these incentives depending on the level of risk they are willing to accept and the vulnerability of their vessel to those weather conditions. Since the fleet is composed of relatively small trawl vessels, they may be more susceptible to poor weather conditions than larger trawl vessels.

Management of the rockfish fisheries under the RPP and RP extended the fishing season and moved much of the fishing from July to May and June, but also allowed for fishing in late fall when CGOA weather conditions can be less safe. Although a person's allocation will not be jeopardized by decisions to delay fishing to reduce safety risks, some incentives may exist for persons to fish in inclement weather - including market opportunities and operational cost savings (NPFMC, 2011).

NIOSH manages the CFID. CFID is a national surveillance system that contains information on work-related fatalities and vessel disasters in the U.S. fishing industry. For Alaska, CFID contains fatality data from 2000 through 2017 and vessel disaster data from 2000 through 2016. One limitation is that these data sources do not include other safety measures, including nonfatal injuries, vessel system failures not resulting in abandonment, and search-and-rescue missions. Study of these areas in the future could provide more insight into additional hazards. A second limitation is that do not cover the most recent fishing years.

NIOSH staff was provided a list of vessels that the AKFIN summary of CAS data indicated were active in the CGOA rockfish fishery from 2003 through July 2019. The list of CGOA rockfish vessels was matched with all fishing vessels that had been added to CFID as the result of:

1. one or more crewmember fatalities that occurred on or otherwise involved the vessel; or
2. if the vessel sunk, capsized, or sustained other damage that required the entire crew to abandon the vessel.

The list of vessels was considered in terms of the CGOA management program(s) they fished under, so the same three groupings of years were considered in this section as other sections of this paper:

1. pre-RPP (2003 through 2006),
2. RPP (2007 through 2011), and
3. RP (2012 through July 2019).

Based on vessel name, casualty date, and casualty location, it was determined that there were no work-related crewmember fatalities or vessel disasters among vessels reported in the CFID system when actively participating in the CGOA rockfish fishery during the pre-RPP, RPP, or the RP. Preliminary surveillance data not yet included in the official CFID database, through August 2019, was also reviewed by NIOSH staff and did not reveal any work-related crewmember fatalities or vessel disasters by vessels participating in the CGOA RP fishery. One potential reason for the good record of safety of human life at sea could include the extended fishing season that would reduce any race to fish and allow crews to choose when to operate in the event of inclement weather or crewmember fatigue.

2.5.11. Cost Recovery

Section 304(d)(2) of the Magnuson-Stevens Act authorizes and requires NOAA Fisheries to recover the actual costs directly related to the management, data collection, and enforcement of any LAPP and the Western Alaska Community Development Quota (CDQ) Program. The RP is subject to cost recovery because it is a LAPP. Cost recovery fees are assessed on the ex-vessel value of primary (POP, northern rockfish, and dusky rockfish) and secondary species (Pacific cod, rougheye rockfish, shortraker rockfish,

sablefish, and thornyhead rockfish) harvested under CQ in the CGOA and adjacent waters when rockfish primary species caught by vessels in the cooperative are deducted from the Federal allowable catch. The cost recovery fees do not apply to halibut PSC CQ since that halibut cannot be retained for sale and, therefore, does not have an ex-vessel value. The cost recovery fees do not apply to the RP entry level longline fishery and opt-out vessels because those participants do not receive rockfish CQ.

Cost recovery fee regulations require a rockfish processor that receives and purchases landings of RP CQ to annually submit to NMFS a complete Rockfish Ex-vessel Volume and Value Report. The reporting period of the Rockfish Ex-vessel Volume and Value Report extends from May 1 through November 15 of each year. A complete Rockfish Ex-vessel Volume and Value Report must be received by the NMFS not later than December 1 of the year the rockfish processor received the RP CQ species.

NMFS calculates RP direct program costs through an established, systematic accounting system for the Federal fiscal year (FY), which is October 1 through September 30. NMFS tracks internal program costs as well as program costs from the Alaska Fisheries Science Center (AFSC), and the Alaska Department of Fish and Game (ADF&G).

The 2021 RP fee percentage was set at 2.77 percent (87 FR 3509, January 24, 2022). Under cost recovery regulations, CQ permit holders who used their permits to make landings of RP primary and secondary species during the 2021 RP fishery are obligated to pay 2.77 percent of the total ex-vessel value from the sale of their RP fish. The fee percentage derives from two sources:

- The fishery value of the RP fisheries for 2021; and
- The directed program costs for the RP as measured by actual expenditures during Federal fiscal year 2021.

Fishery value is determined from ex-vessel prices for each RP primary and secondary species throughout the fishing season. NMFS used the 2021 data submitted by rockfish processors on the Rockfish Ex-vessel Volume and Value Report to calculate the standard ex-vessel prices. To account for price variability, standard ex-vessel prices are calculated as weighted averages for each species and month. NMFS multiplied the amount of RP species landed by month by the standard prices to calculate the standard ex-vessel values. The fishery value of the RP fisheries is the sum of standard ex-vessel values for each RP species and month.

In 2021, an emergency rule authorized the fishing season start on April 1, 2021 instead of May 1, 2021 ([86 FR 14851](#), March 19, 2021). Rockfish processors that receive and purchase landings of rockfish CQ groundfish must submit, on an annual basis, a volume and value report for the period May 1 to November 15 ([50 CFR 679.5\(r\)\(10\)\(ii\)](#)). To calculate fees for landings occurring in the month of April 2021, NMFS applied the annual average standard price however to implement Alternative 2, Option 1 to revise the annual season start date to April 1, cost recovery regulations would need to be revised to allow NMFS to calculate a standard price for the month of April.

Direct program costs are the costs incurred to manage, collect data from, and conduct enforcement for the Rockfish Program fisheries by NMFS Alaska Region (AKR), the Alaska Department of Fish and Game (ADF&G), and the Pacific States Marine Fisheries Commission (PSFMC). The NMFS management units that incur direct program costs are: the Sustainable Fisheries Division (SFD), the Restricted Access Management Division (RAM), the Operations and Management Division (OMD), the Information Systems Division (ISD), and the AFSC. AFSC costs are broken out into separate cost categories and all other NMFS AKR management unit costs are aggregated. Note that direct program costs are incremental: the costs would not have been incurred except for the RP. Cost recovery fees do not increase agency budgets or expenditures. The fee offsets funds that would otherwise have been appropriated for management of the Rockfish Program. No budgetary advantage is gained by inflating costs.

NMFS calculates Rockfish Program direct program costs through an established, systematic accounting system for the Federal fiscal year (FY), which is October 1 through September 30. NMFS tracks internal program costs as well as program costs from the AFSC and ADF&G.

Examples of the types of tasks that were included under the 2021 RP direct program costs are:

- maintenance of electronic reporting systems, including the catch accounting system (NMFS AKR, ADF&G),
- programming and web design for online applications (NMFS AKR),
- determination of annual cooperative allocations of CQ and PSC (NMFS AKR),
- issuance and transfers of CQ, responding to questions about CQ (NMFS AKR),
- observer debriefing (AFSC),
- catch monitoring control plan specialist (NMFS AKR),
- monitor cooperative fisheries CQ and PSC, answer questions on cooperative activities, respond to data requests (NMFS AKR),
- determination of standard ex-vessel prices using value and volume reports submitted by rockfish processors (NMFS AKR),
- fee determination, collection and reporting (NMFS AKR), and
- analysis and rulemaking activities (NMFS AKR).

2.6. Analysis of Alternatives

2.6.1. Alternative 1, No Action

Under Alternative 1, the existing season start date for the RP would remain unchanged as May 1, and the cooperative holding, processing, and harvesting caps would remain unchanged. Specifically, Alternative 1 would leave in the place: 1) the season start date of May 1, 2) the CV cooperative holding cap of 30 percent of the CQ assigned to the CV sector, 3) the 30 percent processing cap for the CV quota share pool for sablefish, Pacific cod, and the primary rockfish species, and 4) the 8 percent vessel aggregation rockfish harvesting cap.

Option 1: April 1 Start Date

Under status quo alternative, the season start date for the RP would remain unchanged as May 1. As a result, the continued loss of the shoreside flatfish market due to the recent trade tariffs will likely continue to result in vessel operators and processing plants reducing operations in April since there is no other fishery during this period. For several decades, the flatfish markets have been essential to harvesters and processors operating out of Kodiak during the month of April. The lack of these economically viable markets has created unforeseen lack of harvesting and deliveries to processors operating out of Kodiak in the month of April. In addition, continued concern about the potential for future COVID-19 outbreaks could have economic and operational impacts in the Port of Kodiak. If future COVID-19 outbreaks occur, processing capacity is expected to be reduced, which increases the risk that the RP fishery, which currently starts on May 1, could occur later in the year which would conflict with the summer salmon fisheries. These overlapping fishery conflicts result in processors, which have normally focused on rockfish in May and June and salmon in July, having to address both rockfish and salmon deliveries simultaneously. The loss of these unique processing periods for the rockfish and salmon fisheries results in a loss of product quality and could cause seafood businesses to choose between RP revenue source and salmon revenue source.

Option 2: Eliminate CV Cooperative Holding Cap

Selecting the status quo alternative would maintain the existing CV cooperative holding cap of 30 percent. The cooperative holding cap was intended to provide greater opportunity for shore-based processors to receive RP quota. By maintaining the existing 30 percent CV cooperative holding cap, the Council intends to limit cooperative consolidation which could be detrimental to shore-based processors in the RP fishery. At a 30 percent CV cooperative holding cap, the minimum number of CV cooperatives that could form to harvest the CV quota would be four.

Table 2-7 reports the percentage of CV QS assigned to each CV cooperative. In 2012, the first year of the RP, there were seven shore-based cooperatives associated with seven processing firms. In 2021, there were six shore-based cooperatives associated with four shore-based processors. Global Rockfish Cooperative has not been operational since 2017. None of the cooperatives were over the limit at the time RP allocations were initially issued in 2012, 2017, or in 2021. The Star of Kodiak Rockfish Cooperative was closest to the limit.

Table 2-7 Percent of CV QS assigned to cooperatives

Catcher Vessel Cooperative	2012	2017	2021
GLOBAL ROCKFISH COOPERATIVE (NO LONGER A COOPERATIVE AS OF 2018)	1.98%	4.53%	n/a
SILVER BAY SEAFOODS COOPERATIVE (FORMALLY I.S.A. ROCKFISH COOPERATIVE)	13.19%	15.55%	18.90%
NORTH PACIFIC ROCKFISH COOPERATIVE	15.90%	18.30%	17.91%
OBSI ROCKFISH COOPERATIVE	25.29%	15.71%	17.91%
PACIFIC ROCKFISH COOP	4.44%	4.44%	4.38%
STAR OF KODIAK ROCKFISH COOPERATIVE	27.95%	27.50%	27.12%
WESTERN ALASKA FISHERIES ROCKFISH COOP	11.70%	13.96%	13.77%
Total	100%	100%	100%

Source: 2017 CGOA Rockfish Program Review and 2022 CGOA Rockfish Report to the Council

Selecting the status quo alternative to maintain the existing CV cooperative holding cap of 30 percent would likely in result in higher administrative and management costs for those cooperatives that could consolidate into one cooperative but must maintain two cooperatives due to the 30 percent limit. As noted in a January 28, 2022, letter from the Alaska Groundfish Data Bank to the Council, there are currently two cooperatives associated with the same processor that continue to form separately due to the 30 percent CV cooperative holding cap. The combined CV primary rockfish QS pool for the two cooperatives when combined is slightly greater than 40 percent. As a result, the two cooperatives associated with the same shore-based Kodiak processor cannot consolidate into a signal cooperative to reduce administrative and management costs. Selecting the status quo alternative would continue to constrain consolidation of these two cooperatives.

Option 3: Increase the CV Quota Share Pool Processor Caps

Under status quo, the shore-based processing caps would remain at 30 percent of the aggregated primary rockfish species, sablefish, and Pacific cod CQ assigned to the CV sector. The processing caps were intended to maintain a distribution of processing activity in the fishery among several Kodiak processors and stabilize these processors. Since implementation of the RP in 2012, the number of shore-based processors in Kodiak active in the RP fishery has declined from seven to four. With the loss of the three RP shore-based processors, the 30 percent shore-based processing caps for the aggregated primary rockfish species, sablefish and Pacific cod have become increasingly constraining in recent years. With only four active shorebased processors, a temporary loss of one processor during the fishing year could increase the difficulty in processing all the CV quota without exceeding the 30 percent processing caps, and, in some instances, may result in some portion of the RP quota to remain unharvested and unprocessed. This is especially true for Pacific cod and sablefish since most of the quota for these species is fully utilized, while for aggregate rockfish, the limited harvest of northern rockfish and dusky rockfish reduces the potential of this processor cap to be constraining. If the Council eliminates the eight percent

harvest cap for northern rockfish and dusky rockfish in this proposed action (Option 4), there is the potential that a 30 percent processor cap could be constraining as harvest of the northern rockfish and dusky rockfish quota increases.

Processing competition may also be lower under the status quo alternative to the extent that a processor limited by the cap might not offer the highest price it would be willing pay. For example, if a more efficient processor would be willing to pay a few cents more than other processors, but are limited by the caps, they may be unwilling to compete with each other (bidding to their highest prices), as they would be unable to secure additional landings.

The current processing caps may also be constraining economic inefficiencies. The caps could keep certain plants from operating at capacity, which may increase costs per unit of production. Caps may also hinder processors from efficiently developing markets by constraining the amount of product they can supply. Limiting the amount of raw product available may also constrain the company’s ability in developing new product forms.

Option 4: Revise CV Aggregated Rockfish Harvesting Cap

Selecting the status quo for Option 4 would leave in place the existing CV aggregate rockfish (POP, northern rockfish, and dusky rockfish) harvesting cap of 8 percent and would likely continue the pattern of low quota harvests of northern rockfish and dusky rockfish relative to POP. As noted in Table 2-8, of the three primary species, POP is a fully harvested species, while harvest of northern rockfish and dusky rockfish fall far short of fully harvested species. As a percent of the CV allocation, POP catch has ranged from a high of 100 percent in 2014 and 2016 to a low of 96 percent in 2021. The number of CVs active in the POP fishery has ranged from a high of 29 in 2013 and 2019, to a low of 24 in 2017. Northern rockfish harvest of the CV quota ranged from a high of 94 percent in 2012 to a low of 16 percent in 2017 with a range of 27 active CVs in 2012 and 2019 to a low of 21 CVs in 2021. Dusky rockfish harvest has ranged from a high of 87 percent in 2012 to a low of 41 percent in 2017 and 2021, with a high of 28 vessels for several years to a low of 24 vessels 2017. The reason for the lower quota harvest for northern rockfish and dusky rockfish relative to POP is that northern rockfish and dusky rockfish are traditionally more difficult to catch. Additionally, of the 24-29 vessels active in the RP, only one to three vessels approach the aggregated harvesting cap, and of those few vessels that approach the harvesting cap, the primary RP fishery is POP.

Table 2-8 CV count and CV allocation, catch, and catch as a percent of allocation for POP, northern rockfish, and dusky rockfish, 2012 through 2021

Year	POP				Northern Rockfish				Dusky Rockfish			
	Vessel count	Allocation	Catch	Catch as a % of allocation	Vessel count	Allocation	Catch	Catch as a % of allocation	Vessel count	Allocation	Catch	Catch as a % of allocation
2012	28	6,298	6,245	0.99	27	1,930	1,812	0.94	28	2,300	2,000	0.87
2013	29	6,093	6,012	0.99	26	1,793	1,314	0.73	28	2,057	1,487	0.72
2014	28	7,084	7,059	1.00	26	2,284	1,651	0.72	28	2,089	1,391	0.67
2015	28	8,432	8,349	0.99	24	2,137	1,239	0.58	28	1,903	1,177	0.62
2016	26	9,441	9,400	1.00	25	1,943	1,812	0.93	26	2,408	1,802	0.75
2017	24	8,917	8,259	0.93	24	1,827	292	0.16	24	2,171	893	0.41
2018	26	9,793	9,619	0.98	24	1,771	794	0.45	26	1,994	1,514	0.76
2019	29	10,954	10,831	0.99	27	1,835	649	0.35	28	1,567	1,145	0.73
2020	27	12,570	12,200	0.97	23	1,722	444	0.26	27	1,523	889	0.58
2021	26	15,154	14,574	0.96	21	1,815	457	0.25	26	2,645	1,079	0.41
Total	40	111,199	108,965	0.98	39	23,283	13,755	0.59	39	20,658	13,377	0.65

Source: AKFIN, March 2022; source file is rpp_accounts(3-9-22)

2.6.2. Alternative 2, Revise the CGOA Rockfish Program

2.6.2.1. Option 1: April 1 Start Date

Option 1 would allow fishing in the RP to begin on April 1, 2021. This alternative would provide enhanced flexibility to vessel operators and processing plants participating in the RP. This option is designed to mitigate the impacts from the recent and unforeseen loss of the flatfish markets in April and the threat of loss of processing capacity and/or potential conflict with summer high volume salmon related to COVID-19 plant closures. The following sections provide additional description of the types of impacts that could be expected on harvests, fishing and processing operations, other fisheries, and management considerations.

Changes in Harvest

The proposed action would not change management measures implemented to constrain harvest below the TAC. NMFS annually allocates rockfish primary and secondary species to the rockfish cooperatives after taking into account the incidental catch needs of other fisheries and providing a predetermined amount of rockfish primary species to an entry level longline fishery. Cooperatives are prohibited from exceeding the assigned CQ. Section 2.5.1 describes the harvest of primary and secondary species. Additional flexibility provided by the April 1 start date may allow cooperatives to fully harvest available allocations even when faced with the operational uncertainty related to COVID-19 and existing market conditions.

The additional flexibility of an April 1 season start date could result in slower rates of fishing and dispersed landings of improved quality over the no action alternative. If participants attempt to extend fishing over a longer season, it is possible that unexpected higher incidental catch rates of rockfish secondary species could constrain their rockfish harvests. If high incidental catch in other parts of the year is perceived as limiting, it is likely that participants would choose to concentrate their fishing under the program closer to the traditional season.

Timing of Harvest

The timing of fishing RP allocations would depend on the particular operational needs of members, market opportunities, and fishing success. The lack of available flatfish markets in 2021 presented a challenge for RP vessel operators and processing plants to remain fully operational during the month of April. This alternative would provide additional fishing and processing opportunity during the month of April for RP vessels and processors to remain in operation. As a result, it is likely some rockfish fishing would occur in April to keep processing plants fully operational and potentially mitigate future impacts of operational challenges related to COVID-19.

Prohibited Species Catch

In prosecuting the RP quota, participating CPs and CVs also catch prohibited species. Retention of prohibited species is not allowed in the GOA groundfish fisheries, including the RP fisheries. The RP established PSC limits for Chinook salmon and Pacific halibut. While the RP season dates were partially based on PSC avoidance, the implementation of PSC limits was thought to mitigate concerns with increased PSC with a longer season.

Cooperatives are given exclusive allocations, allowing members flexibility to move from areas of high bycatch without risking loss of catch of the rockfish primary species. Exclusive allocations also increase the incentive for participants to communicate with each other concerning catch rates, thereby improving information concerning areas of high incidental catch in the fleet. Cooperative managers have established PSC avoidance measures and these measures have proven effective in reducing harvest of prohibited species in recent years as discussed in Section 2.5.5.

There is limited data on PSC rates in RP fisheries for the month of April. If participants attempt to extend fishing over a longer season, it is possible that higher PSC rates could constrain their rockfish harvests. If high PSC rates are encountered in April and that is perceived as limiting, it is likely that vessels will choose to concentrate their fishing under the program closer to the traditional season of May 1. The combination of the PSC limits, robust PSC avoidance measures currently implemented by cooperative managers, and the enhanced flexibility provided by this option would likely mitigate any increases in PSC rates during April.

Impacts to Fisheries

The RP season dates were initially based on fishery patterns and considerations related to processor activity. The shift in timing of processing activity under the RP has increased processor operational efficiency. Central GOA rockfish trawl-caught landings have shifted out of peak salmon processing time during the month of July to what was a period of lower activity for the processors earlier in the year during the months of May and June. This increased efficiency of operations helped reduce some of the sharper seasonal peaks and valleys of processing labor demand. The May 1 season date was set based on information that there was an arrowtooth flounder market in the month of April. This proposed change to the start date would retain and potentially enhance those operational efficiencies that are currently threatened by unexpected loss of the arrowtooth market and mitigate potential impacts related to future COVID-19 outbreaks.

Trawl vessels typically prosecute arrowtooth fisheries during the month of April. The unexpected loss of the arrowtooth market in 2021 severely limits opportunities for CVs and shore-based processors to remain fully operational in the month of April. By moving the start date of the RP to April 1, this proposed action would provide the opportunity for CVs and associated shore-based processors to remain in operation during the month of April. Vessel operators that typically participate in arrowtooth fishing during the month of April will likely take advantage of the enhanced flexibility and participate in RP fisheries during April.

Under this alternative, management of the RP fisheries, with exclusive allocations to cooperatives, would continue to reduce the incentive for fishermen to initiate and/or continue fishing trips in inclement weather or when other operational dangers arise. The potential flexibility gained by a longer season enhances these established benefits of the program.

Shoreside processors in Kodiak rely on trawl vessels to keep a steady flow of fish throughout the year to remain fully operational, including the month of April. Other fisheries that occur in April are limited to IFQ halibut and sablefish, which are typically low volume and can be somewhat unpredictable. This option would provide an additional flexibility for trawl vessels to participate in the RP during April, thereby mitigating some impacts on shoreside processors due to the loss of arrowtooth markets. RP deliveries during April could keep fish flowing into processing plants and keep plants fully operational, mitigating the economic and operational impacts of future COVID-19 outbreaks and current market conditions.

2.6.2.2. Option 2: Eliminate CV Cooperative Holding Cap

Option 2 would remove the cooperative holding cap for the CV harvest share pool of the primary species. Under this option, CV cooperatives would no longer be limited on the amount of CQ a cooperative may hold or use during a calendar year.

The intent of the current 30 percent CV cooperative holding cap was to prevent harvesters from forming cooperatives beyond the 30 percent cap. This holding cap was thought to prevent consolidation within cooperatives that could be detrimental to marginal processors in the fishery. Table 2-4 and Table 2-7 show a total of seven CV cooperatives upon implementation of the RP in 2012 through 2017. Starting in 2018 and continue through 2022, there are six CV cooperatives. In 2018, Global Rockfish Cooperative

was disbanded and the vessels and LLP licenses that were part of that cooperative joined other CV RP cooperatives.

Based on reported delivery data no cooperative was over 30 percent usage since implementation of the RP in 2012. While some trading of CQ did occur among cooperatives, the delivery patterns are similar to the CQ allocations by cooperative presented in Table 2-7. As noted in Alternative 1, the Star of Kodiak Rockfish Cooperative was near the cooperative limit of 30 percent. As noted in the January 28, 2022, letter from the Alaska Groundfish Data Bank to the Council, there are currently two cooperatives associated with the same processor that continue to form separately due to the 30 percent CV cooperative holding cap. The combined CV primary rockfish QS pool for the two cooperatives when combined is slightly greater than 40 percent. As a result, the two cooperatives associated with the same shore-based Kodiak processor cannot consolidate into a single cooperative to reduce administrative and management costs.

When developing the RP, a 30 percent processing cap for CQ assigned to the CV sector was also included to ensure no processor purchased over the specified share of the landings in the fishery and to maintain a distribution of processing activity in the fishery among several processors. Given that the 30 percent processing cap for CQ assigned to the CV section was also intended to ensure protection for shore-based processors, removing the 30 percent CQ cooperative holding cap would reduce administrative and management costs associated with cooperatives management without eliminating the Council's intent to protect shore-based processors. Overall, the shore-based processing cap of 30 percent appears to accomplish the Council's original intention of providing opportunities for RP delivers of CV quota to shore-based processors more effectively than the 30 percent cooperative holding cap which adds unnecessary administrative and management costs. In addition, given the RP includes shore-based processor caps which are also intended to maintain the distribution of processing activity amongst several processors, the cooperative cap may not be necessary.

2.6.2.3. Option 3: Increase the CV Quota Share Pool Processor Caps

Option 3 would increase the processing caps to 35 percent – 40 percent of the CV quota share pool for sablefish, Pacific cod, and/or the primary rockfish. The processing cap for the primary rockfish species would continue to limit a processor to a specific percentage of the primary species landings. That cap would continue to be administered as a percentage of the aggregate of the CV allocations of the three primary species. The processing cap for Pacific cod and sablefish would continue to apply to the allocation of those species. Currently, processors are limited to not receiving or processing more than 30 percent of the CQ issued to the CV sector for the three primary rockfish species, Pacific cod and sablefish. A grandfather provision was not included in developing the processor caps for the RP.

The cap was intended to maintain a distribution of processing activity in the fishery among several processors, which might benefit employees of those plants. In addition, the cap was also intended to stabilize the processing sector, since the cap was accompanied by a Kodiak landing requirement. The 30 percent cap ensures that a minimum of four Kodiak processors will be necessary to process all of the RP CQ.

In recent years the number of active Kodiak processors has diminished from a high of seven in the first few years of the RP to four in 2020 and 2021. This reduction in the number of active Kodiak processors has resulted in the 30 percent processor cap becoming increasingly constraining. This reduction in active shorebased Kodiak processors has likely contributed to the recent processor overages. Since implementation of the RP in 2012, there have been two processor overages, one in 2020 for Pacific cod and one in 2021 for sablefish. One processor in 2019 processed 30 percent of the Pacific cod CV quota, but did not exceed the processor cap.

Under the proposed option, processor caps of 35 percent to 40 percent for the primary rockfish species, Pacific cod, and sablefish will ensure that a minimum of three Kodiak processors will be necessary to process all the RP CQ. This would likely provide some additional flexibility to ensure all the CV quota share pool is processed for the primary aggregated rockfish species, Pacific cod, and sablefish. This is especially true for Pacific cod and sablefish since these two species are generally fully utilized and the 30 percent processor cap for these two species has become increasingly constraining. For aggregate rockfish, the limited harvest of northern rockfish and dusky rockfish reduces the risk of a constraining processor cap for the primary species. However, if the Council revises the harvester cap to no longer include northern rockfish and dusky rockfish in the aggregate cap (Option 4), there is the potential that over time aggregate rockfish quota could be fully utilized which could increase the risk that the 30 percent processor cap could become constraining. Increasing the processor cap to 35 to 40 percent for the primary rockfish species will likely provide some additional flexibility for processors to process all of the primary rockfish quota even if the harvest of northern rockfish and dusky rockfish CV quota increases over time.

As noted in the original analysis for the RP, a motivation for capping processing may be to protect historic processors. However, as noted in the decline of active RP processors, a processing cap could constrain processors and potentially leave RP quota unharvested. Upon implementation of the RP in 2012, there were seven active processors and none of the seven were constrained by the 30 percent processor caps. Overtime, as processors left the fishery or were purchased by other processors, the 30 percent processing caps are now constraining for some of the remaining four Kodiak active processors. Current processor caps likely constrain some plants from operating at capacity, which could increase costs per unit of production. Caps may also hinder processors from efficiently developing markets by constraining the amount of product they can supply. Limiting the amount of raw product available may also constrain the company's ability in developing new product forms. Increasing the processor caps could improve economic efficiencies for those processors constrained by the current 30 percent processing caps. The higher processing caps could allow those processors constrained by the current 30 percent cap to operate at a more efficient capacity, which may reduce costs per unit of production. The higher processing caps may also allow processors currently constrained by the caps to efficiently develop markets by increasing the amount of product they can supply and may increase their ability to develop new product forms.

2.6.2.4. Option 4: Revise the CV Aggregated Harvesting Cap

Under this option, the CV use cap of eight percent for the aggregated primary rockfish species (POP, northern rockfish, and dusky rockfish) would be revised to only require a CV use cap of eight percent for POP, thereby removing the CV use cap for northern rockfish and dusky rockfish. CAS data indicates that no CVs have exceeded the eight percent aggregated primary rockfish use cap. Three or fewer CVs have reported primary species catch data that approached the eight percent cap during the year. These vessels, and potentially others, may find the cap constraining and would increase their catch of the primary rockfish quota within the cooperative if the limit were not in place. The original intent of the harvest use cap was to ensure that harvest activity does not exceed the specified threshold and, indirectly, that a certain number of vessels remain active in the fishery. For example, the 8 percent vessel use cap would ensure that at least 13 CVs remain active in the RP to ensure full harvest of the CV rockfish quota. As shown in Table 2-8, the average number of CVs active in the fishery is about twice that number, so while the cap may limit the activity of certain CVs, other economic forces have limited concentration of catch by the fleet overall.

While the existing harvest use cap has ensured no CVs have exceeded the aggregated eight percent cap for the primary rockfish species, catch amongst the three primary species is very different. As noted in Table 2-8, POP is a fully harvested species, while harvest of northern rockfish and dusky rockfish are much lower. Relative to POP, northern rockfish and dusky rockfish are traditionally more difficult to catch which has likely contributed to the lower amounts of quota harvested. By revising the CV use cap

for the primary rockfish species to only cap POP and not cap northern rockfish and dusky rockfish, this could provide an incentive for those few CVs, that routinely harvested a larger proportion of northern rockfish and dusky rockfish relative to their POP, to harvest a greater share of northern rockfish and dusky rockfish quota.

Generally, one to three CVs have in the past approached the harvest cap, but never exceeded the cap. Vessels that approach the harvest cap limit primarily catch POP, so maintaining the eight percent harvest cap for POP will continue to restrict the catch of POP quota by these vessels while also simultaneously allowing RP CVs to harvest a greater proportion of the northern rockfish and dusky rockfish quota without being restricted by the harvest use cap. Finally, based on the participation patterns of the CVs since implementation of the RP, revising the vessel use cap will likely not contribute to CV consolidation in the fishery.

2.7. Affected Small Entities (Regulatory Flexibility Act Considerations)

Section 603 of the Regulatory Flexibility Act (RFA) requires that an initial regulatory flexibility analysis (IRFA) be prepared to identify if a proposed action will result in a disproportionate and/ or significant adverse economic impact on the directly regulated small entities, and to consider any alternatives that would lessen this adverse economic impact to those small entities. NMFS Alaska Region will prepare the IRFA in the classification section of the proposed rule for an action and a separate IRFA is not necessary for Council final actions on the issue. This section will provide information that NMFS will use in preparing the IRFA for this action, namely a description and estimate of the number of small, directly regulated entities to which the proposed action will apply.

The proposed action would modify the Rockfish Program. The Council has identified a proposed alternative and this action alternative would impact small entities.

Identification of Directly Regulated Entities

Entities that might be directly regulated by this action include catcher vessels and catcher processors that are eligible to fish in the Rockfish Program.

Count of Small, Directly Regulated Entities

Under the RFA, businesses that are classified as primarily engaged in commercial fishing are considered small entities if they have combined annual gross receipts not in excess of \$11.0 million for all affiliated operations worldwide, regardless of the type of fishing operation (81 FR 4469; January 26, 2016). If a vessel has a known affiliation with other vessels – through a business ownership or through a cooperative – these thresholds are measured against the small entity threshold based on the total gross revenues of all affiliated vessels. As of 2022, there were 57 active vessels that had participated in the Rockfish Program of which 26 CVs are considered small entities because the aggregate ex-vessel value of deliveries of all vessels in the cooperative were less than \$11.0 million. The 57 vessels were comprised of nine CPs and 48 CVs. None of the CPs are classified as small entities because of their affiliation with the Amendment 80 cooperative exceeding the \$11 million first wholesale value threshold. The vessels that were not active in harvesting RP CQ species are able to lease or allow another vessel owned by the same firm to harvest their CQ within their cooperative. In the CP sector there is currently only one cooperative and all of the firms that hold LLP licenses with CQ have at least one vessel that is active the RP. As a result, the firms can increase operational efficiency by harvesting all their CQ on a single vessel. Firms that own CVs that are assigned to cooperatives could fish the CQ themselves or lease the CQ to other cooperative members. Given the number of vessels participating in the CGOA rockfish fishery has not varied much over time, minimal leasing of all an LLP license holder's CQ appears to have taken place.

2.8. Summation of the Alternatives with Respect to Net Benefit to the Nation

The greatest change in net benefits to the Nation is driven by the Council's decision to select Alternative 2 over the No Action alternative (Alternative 1). Under the no action alternative, the start date for the RP would remain May 1, which would likely result in higher costs of production due to idle processors and harvesters during the month of April with the loss of the flatfish shoreside market. The status quo alternative would also leave in place the existing CV cooperative holding cap of 30 percent which would also likely result in higher production costs from higher administrative and management costs for those cooperatives that cannot consolidate due to the holding cap. The no action alternative would also leave in place the existing 30 percent processor cap for aggregated primary rockfish species, sablefish and Pacific cod CQ assigned to the CV sector. Although the intent of the existing 30 percent processing cap is to maintain a minimum distribution of processing activity across the Kodiak processors, current processing caps appear to constrain economic inefficiencies by keeping some plants from operating at capacity which increases costs per unit production. These caps may also hinder processors from efficiently developing markets by constraining the amount of product they can supply. Finally, the status quo alternative would maintain the existing CV aggregate rockfish harvesting cap at 8 percent, which likely results in continue lower quota harvest of northern rockfish and dusky rockfish.

In summary, it is expected that Alternative 2 will result in greater net benefits to the Nation compared to Alternative 1.

3. Magnuson-Stevens Act and FMP Considerations

3.1. Magnuson-Stevens Act National Standards

Below are the 10 National Standards as contained in the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), and a brief discussion of how each alternative is consistent with the National Standards, where applicable. In recommending a preferred alternative, the Council must consider how to balance the national standards.

National Standard 1 — Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.

Nothing in the proposed action alternative (Alternative 2) would undermine the current management system designed to prevent overfishing. While the TACs for the RP fisheries have typically been generally harvested (see Section 2.5.1), the Council’s proposed action may allow scenarios where these TACs may be harvested more fully.

National Standard 2 — Conservation and management measures shall be based upon the best scientific information available.

Catch and bycatch limits for species allocated under the RP will continue to be set using the information derived from the stock assessment process. This is the best scientific information available. Inseason management staff will continue to utilize the catch accounting system and observer data to ensure that the catch limits are not exceeded. These take a census of all groundfish catch and monitor bycatch through scientifically reviewed sampling procedures.

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.

The rockfish, Pacific cod, sablefish, and PSC species allocated under this action will continued to be managed as single stocks throughout their range. This action will not change the amount of each species that may be harvested.

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 United States fishermen, such allocation 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.

This action will continue to allocate CQ to US citizens or permanent residences based on legal landings of allocated species during the qualifying period. No elements or options considered in this action would discriminate between residents of different states. The proposed alternative will maintain and enforce harvesting, processing, and use caps to ensure that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

National Standard 5 — Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources, except that no such measure shall have economic allocation as its sole purpose.

The RP established CQ allocations that allow stakeholders and groups of stakeholders to more efficiently utilize the CGOA resource relative to the limited access management that would go into place with no

action. Efficiency is enhanced by allowing CQ holders to scale effort spatially and temporally to reduce costs and increase value. The program also allows participants to reduce bycatch and waste in the fishery.

National Standard 6 — Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

Under the proposed RP alternative, changes in the availability of the rockfish fisheries resources each year would be addressed through changes in annual allocations. These changes in allocations will be used to ensure conservation of the resource in the future.

The RP takes into account the unique nature of the CGOA rockfish fishery in terms of its timing during the fishing year and value to the community of Kodiak. The proposed alternative allows the fishery to be prosecuted during a longer period of time and avoid conflicts with the salmon fisheries that take place during July.

National Standard 7 — Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

This action does not increase administrative burden or complicate the annual specifications publication and implementation process compared to the status quo. Therefore, the measure would minimize cost and avoid unnecessary duplication.

National Standard 8 — Conservation and management measures shall, consistent with the 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 by utilizing economic and social data that meet the requirements of National Standard 2, 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.

The proposed alternative would not change any of the community protection measures built into the RP and previously found to be functioning as intended. The RP is likely to have continued beneficial impacts on fishing communities. As a result of the RP, it is generally understood that RP-dependent communities have enjoyed increased efficiency. Quality of rockfish landings and products has improved as participants in both harvesting and processing sectors have maximized production of harvest quota shares. Patterns of community participation in the CGOA rockfish fisheries are unlikely to change with implementation of the proposed alternative. Kodiak has historically been home to processors that have processed almost all of the CGOA rockfish landings and under the proposed alternative, the RP Kodiak landings requirement would be maintained, helping provide predictability and stability in employment, income, and economic opportunities as well as in tax revenues accruing to the community.

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.

This action is not expected to have any substantial influence on bycatch levels or rates in the RP fisheries because the proposed alternative is not expected to change how the fishery is prosecuted relative to the current condition. Halibut discards are expected to remain lower than was realized prior to implementation of the RPP. Salmon bycatch is expected to continue to be variable by year depending on the conditions in the fishery. Bycatch in the CGOA is described in detail in Section 2.5.4.

National Standard 10 — Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.

Section 2.5.10 describes the expected impacts on safety at sea that may result from the Council's proposed alternative. As the proposed action allows increase operational flexibility to go fishing when crew are rested, and the weather is better. As always, increased flexibility should be paired with rational judgement about risks.

3.2. Section 303(a)(9) Fisheries Impact Statement

Section 303(a)(9) of the Magnuson-Stevens Act requires that a fishery impact statement be prepared for each FMP or FMP amendment. A fishery impact statement is required to assess, specify, and analyze the likely effects, if any, including the cumulative conservation, economic, and social impacts, of the conservation and management measures on, and possible mitigation measures for (a) participants in the fisheries and fishing communities affected by the plan amendment; (b) participants in the fisheries conducted in adjacent areas under the authority of another Council; and (c) the safety of human life at sea, including whether and to what extent such measures may affect the safety of participants in the fishery.

The RIR prepared for this plan amendment constitutes the fishery impact statement. The likely effects of the proposed action are analyzed and described throughout the RIR. The effects on participants in the fisheries and fishing communities are analyzed in the RIR chapter of the analysis (Chapters 2.6). The effects of the proposed action on safety of human life at sea are evaluated in Section 2.5.11, and above under National Standard 10, in Section 3.1. Based on the information reported in this section, there is no need to update the Fishery Impact Statement included in the FMP.

The proposed action affects the groundfish fisheries in the EEZ off Alaska, which are under the jurisdiction of the North Pacific Fishery Management Council. Impacts on participants in fisheries conducted in adjacent areas under the jurisdiction of other Councils are not anticipated as a result of this action.

3.3. Council's Ecosystem Vision Statement

In February 2014, the Council adopted, as Council policy, the following:

Ecosystem Approach for the North Pacific Fishery Management Council

Value Statement

The Gulf of Alaska, Bering Sea, and Aleutian Islands are some of the most biologically productive and unique marine ecosystems in the world, supporting globally significant populations of marine mammals, seabirds, fish, and shellfish. This region produces over half the nation's seafood and supports robust fishing communities, recreational fisheries, and a subsistence way of life. The Arctic ecosystem is a dynamic environment that is experiencing an unprecedented rate of loss of sea ice and other effects of climate change, resulting in elevated levels of risk and uncertainty. The North Pacific Fishery Management Council has an important stewardship responsibility for these resources, their productivity, and their sustainability for future generations.

Vision Statement

The Council envisions sustainable fisheries that provide benefits for harvesters, processors, recreational and subsistence users, and fishing communities, which (1) are maintained by healthy, productive, biodiverse, resilient marine ecosystems that support a range of services; (2) support robust populations of marine species at all trophic levels, including marine mammals and seabirds; and (3) are managed using a precautionary,

transparent, and inclusive process that allows for analyses of tradeoffs, accounts for changing conditions, and mitigates threats.

Implementation Strategy

The Council intends that fishery management explicitly take into account environmental variability and uncertainty, changes and trends in climate and oceanographic conditions, fluctuations in productivity for managed species and associated ecosystem components, such as habitats and non-managed species, and relationships between marine species. Implementation will be responsive to changes in the ecosystem and our understanding of those dynamics, incorporate the best available science (including local and traditional knowledge), and engage scientists, managers, and the public.

The vision statement shall be given effect through all of the Council's work, including long-term planning initiatives, fishery management actions, and science planning to support ecosystem-based fishery management.

In considering this action, the Council is being consistent with its ecosystem approach policy. This action expands the tools available for appropriate and conservation monitoring of fishing activities associated with the CGOA RP fisheries. This is directly supportive of the Council's intention to provide the best data possible for scientists, managers, and the public in order to ensure sustainable fisheries for managed species and their effects on associated ecosystem components.

4. Preparers and Persons Consulted

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