


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director 

DATE: June 11, 1997

SUBJECT: Gulf of Alaska Improved Retention/Utilization (IR/IU) Program

ESTIMATED TIME 2 HOURS

ACTION REQUIRED

Final action on plan amendment for IR/IU for the GOA.

BACKGROUND

In April the Council reviewed an analysis by Dr. Lew Queirolo for the proposed IR/IU program for the GOA. This program basically mirrors the program already approved by the Council for the BSAI fisheries. An updated analysis was mailed to you in May, in preparation for a final decision at this meeting, to allow for concurrent implementation with the BSAI program in 1998. An Executive Summary for this analysis was sent to you this past week and will be presented by Dr. Queirolo. Written comments received on this issue are under Item C-6(a).

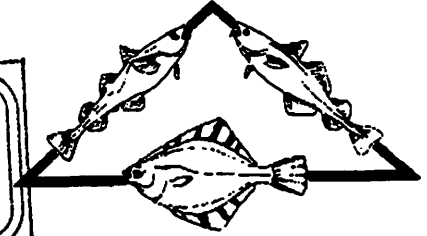
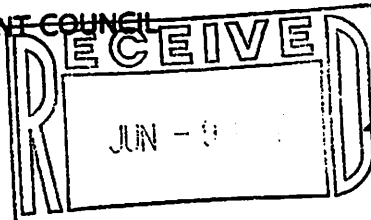
Alaska Groundfish Data Bank

P.O. Box 2298 • Kodiak, Alaska 99615

TO: RICK LAUBER, CHAIRMAN
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

DATE: JUNE 9, 1997

SENT BY FAX: 1 PP



RE: GULF OF ALASKA IMPROVED RETENTION AND UTILIZATION (AGENDA ITEM C-6)

The members of Alaska Groundfish Data Bank support implementing Improved Retention and Utilization in the Gulf of Alaska as well as in the Bering Sea. We feel both programs, Bering Sea and Gulf of Alaska, should be as identical as possible to avoid creating effort shifts among the two areas. The potential for effort shifts exists if the programs are not identical and the failure to implement identical programs makes one area more profitable than the other area.

The Gulf processors are prepared for IR/IU. Vessels have been decreasing their economic discards in preparation for IR/IU.

The program proposed for the Gulf of Alaska is the program recommended by the IR/IU committee after several meetings and we feel the committee's recommendations create the best program possible for the Gulf.

The Magnuson Act mandates reductions in bycatch. Implementation of IR/IU in the Gulf of Alaska, we feel, is part of complying with this mandate.

Sincerely,

Chris Blackburn, Director
Alaska Groundfish Data Bank

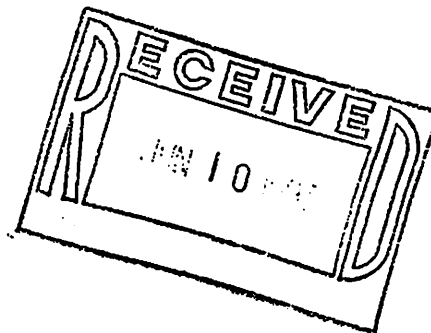
907-486-3910
Box 991



Kodiak, Alaska
99615

FAX 486-6292

June 10, 1997



Mr Rick Lauber, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99510

Dear Rick

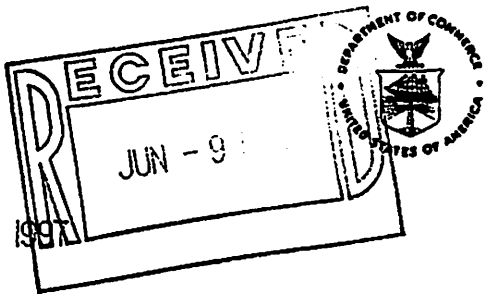
Alaska Dragger Association supports implementing Improved Retention and Utilization in the Gulf of Alaska as well as in the Bering Sea. Both programs need to be concurrent and parallel in nature as to not give economic advantage to harvesters in one area over another.

It is our responsibility as members of the commercial fishing community to make the best responsible use of our Nations fisheries resources. We feel that IR/IU moves us toward a better husbandry of those resources.

Sincerely,

Al Burch
Executive Director

Harvesting Alaskan Shrimp and Whitefish



UNITED STATES DEPARTMENT OF
National Oceanic and Atmospheric Administration
 NATIONAL MARINE FISHERIES SERVICE
 Alaska Fisheries Science Center
 7600 Sand Point Way NE.
 BIN C15700, Building 4
 Seattle, WA 98115

To Whom It May Concern:

The Alaska Fisheries Development Foundation will be conducting a research project to determine the selectivity and mortality of walleye pollock escaping from the codend and intermediate section of a pelagic trawl during commercial fishing operations for approximately a 12-day period during the June and July, 1997 time period. The field work will begin no earlier than June 11th and will end no later than July 1. Field activities will take place off Kodiak Island. This is the first phase of a study that has as its overall objective improvement of the size-selectivity of pelagic trawls used to catch pollock and estimation of the mortality of pollock that escape through codend and intermediate meshes of the trawl. Techniques developed and tested during this phase of the project will be applied in replicated experiments to be conducted in 1998.

The following vessels will participate in the project:

Trawler: Peggy Jo
 Coast Guard ID number: 502779
 Operator: Brian Beaver

Sport Fishing vessel: Three Bears
 Coast Guard ID: D586079
 Operator: Charles R. Pearson II

Conditions for the field work are stated in the attached letter. Dr. Richard Marasco is the Center's contact for this project. If need arises, he can be reached at (206)526-4172 or by FAX (206)526-6723.

Sincerely,

James W. Balsiger
 Science and Research Director
 Alaska Region

Attachment

cc: AFDF - Chris Mitchell
 FRI/UW - Ellen Pikitch
 F/EN31 - Steve Meyer
 F/AK - Steve Pennoyer
 USCG - 17th District
 ADF&G - Dave Benton
 NPFMC - Clarence Pautzke





UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Alaska Fisheries Science Center
7600 Sand Point Way Northeast
BIN C15700, Building 4
Seattle, Washington 98115-0070

MAY 27 1997

Mr. Chris Mitchell
Alaska Fisheries Development
Foundation, Inc.
900 West Fifth Avenue, Suite 400
Anchorage, Alaska 99501

Dear Mr. Mitchell:

The purpose of this letter is to inform you that the research permit requested to conduct the field work in association with the project titled, "Selectivity and mortality of walleye pollock escaping from the codend and intermediate section of a pelagic trawl during commercial fishing operations," is hereby granted. Conditions of the permit are:

1. Sampling will occur in the Gulf of Alaska off Kodiak Island and will be conducted during the months of June and July 1997,
2. A scientist will be onboard the vessel at all times to ensure that the sampling protocol is followed,
3. Data collected will conform with the protocols described in the research plan, which should be carried, with this letter, on board all vessels during sampling,
4. The quantities of fish caught will not exceed:

<u>Species</u>	<u>Quantity</u>
Pollock (Including incidental groundfish)	No more than 220 t
Pacific halibut	100 kg
Salmon	100 fish
Bairdi Crab	50 crabs
Red King Crab	50 crabs

5. None of the fish/crabs will be retained for sale,
6. Sampling must be completed prior to July 31, 1997, and
7. An interim and final report must be completed and received by the Director of AFSC by July 31, 1997 and December 31, 1997, respectively.



8. The identities of the vessels conducting the field work including, but not limited to, the vessel's name; official documentation number and IRCS; home port; and name, address, and telephone number of the owner and master; and the dates of sampling will be supplied to the AFSC one week prior to commencement of at-sea research activities.

Sincerely yours,



James W. Balsiger
Science and Research Director
Alaska Region



North Pacific Fishing, Inc.

4039 21st Ave. W. #201 ■ Seattle, WA 98199
TEL: (206) 283-1137 ■ FAX: (206) 281-8681

June 15, 1997

Richard B. Lauber, Chairman
North Pacific Fisheries Management Council
605 West 4th Avenue
Anchorage, AK 99501

LATE COMMENT

RE: GOA IR/IU Agenda Item C-6

Dear Chairman Lauber:

Thank you for the opportunity to comment on the Draft EA/RIR (Analysis) for the GOA Improved Retention/Improved Utilization Program (IR/IU). North Pacific Fishing operates two H&G vessels in the fisheries managed under the North Pacific Council's jurisdiction. Throughout the development of the IR/IU proposals, our company has submitted testimony on the proposals' detrimental effect on the head & gut (H&G) catcher-processor fleet.

Our comments can be simply stated: When *the GOA EA/RIR* concludes that there will be no significant environmental benefit from IR/IU* it necessarily follows that the IR/IU proposal will not meet their first goal: assuring the long-term health of the stocks. Additionally, neither IR/IU EA/RIR provided sufficient analysis to determine whether or not the proposal meets the Council's second goal: reducing bycatch and real waste while improving utilization.

On the other hand, the EA/RIR does recognize that IR/IU as currently envisioned will harm a small vessel offshore fleet that does not compete in a significant way with the large fishmeal-producing entities that have embraced the proposal but will not be affected by the regulation. The current plan alternative encourages continued economic loss and waste by encouraging the use of resources to produce products worth less than the cost of production. As a result, it may simply increase the problem of overcapacity by requiring operators to increase their production capabilities to meet IR/IU goals.

1. The EA/RIR analysis concludes that there will be no environmental benefit resulting from the IR/IU plan.

The Council of Environmental Quality regulations implementing NEPA state that it is necessary to prepare an EIS for major federal actions significantly affecting the environment. The EA/RIR concludes that none of the options would result in a "significant regulatory impact" or "significantly affect the quality of the human environment" (GOA EA/RIR, page 87; BSAI

* As well as the BSAI EA/RIR which it incorporates by reference.

EA/RIR, page 143.) However, the test for *significance includes beneficial effects*. (See 40 CFR 1508.27(b)(1).) In other words, *if there is a finding of no significant impact resulting from IR/IU, that finding necessarily means that there is no environmental benefit expected from the proposal*.

Effects which are deemed to be environmentally significant also include indirect effects such as changes in the use of ecosystems, and changes in historic and social effects. (40 CFR 1508.8(b)). Significance also flows from the degree which the effect on the human environment is highly controversial (1508.27(b)(4)) or will establish precedent. (1508.27(b)(6).) There is no question that the current proposal is intended to change the use of ecosystems and is expected to have a significant socioeconomic effect. Further, the fact that the primary stated goal of the program is to avoid public censure of "waste" at the national level implies that this proposal is controversial; it certainly stands to establish a precedent for the nation and therefore is a major federal action with significant effects on the human environment.

In short, implicit in the EA/RIR's finding of no significant impact is the implication that there is no environmental benefit flowing from the regulation and thus that there is no justification of imposing such a dramatic effect on the H&G fleet. Additionally, the EA/RIR's finding that the established H&G community will be significantly disadvantaged makes the EA/RIR's finding that IR/IU will have no significant impact an arbitrary and unsupported finding.

2. Since the EA/RIR found no environmental benefit resulting from the IR/IU proposal, Executive Order 12866 requires that a cost benefit analysis be performed.

No cost-benefit analysis was performed for the GOA or BSAI EA/RIR. If there is no biological benefit, a significant reduction in the economic benefits to the nation as a result of the proposal must undergo cost-benefit scrutiny. (E.O. 12866, 58 FR 51735, (1993).) While the BSAI EA/RIR specifically states that no quantitative cost benefit analysis was performed, the BSAI EA/RIR determines that IR Option 1, 100% retention of selected species (the only IR option), in combination of any of IU options would result in substantial economic impact on small entities. (Page 143, paragraph 3.) Similarly, the GOA EA/RIR finds that the program could result in substantial economic impact on small entities. (Page 86, § 9.1)

In short, under the current IR/IU plan, both the GOA and BSAI EA/RIRs find that a significant regulatory effect is likely to flow from IR/IU; therefore, E.O. 12866 requires a detailed cost benefit analysis and the selection of the alternative that maximizes the net benefit to the nation.

As an example of these effects found by the analysis, the EA/RIR states:

“[A] vessel limited to H&G operation will be **significantly disadvantaged . . .**”
(BSAI EA/RIR, page 31, *emphasis in original*.)

The BSAI EA/RIR (upon which the GOA EA/RIR is based) essentially shows that the IR/IU program defeats the stated goals of the program by reducing the benefits to the nation gained from the groundfish fishery. To justify such a drastic result without a corresponding

environmental benefit, an EIS must be prepared so that the decision makers are aware of and can balance the effects of the program.

- 3. The only goals established by the GOA plan are economic in nature, avoiding economic waste and avoiding spill-over from vessels forced out of BSAI fisheries due to IR/IU. Neither the GOA plan nor the BSAI plan will achieve the goals for the IR/IU concept to begin with.**

Failure to meet original Goal 1: Seeking to assure the long-term health of the fish stocks.

This IR/IU plan as currently constructed will most likely result in a decrease of long-term economic benefits to the nation (BSAI EA/RIR, 7/1/96, pages 8-17) while failing to provide any conservation or positive environmental impact. (GOA EA/RIR, page 87; BSAI EA/RIR, pages 8-17. See discussion of item 1, above.)

Failure to Meet Goal 2: Reducing Bycatch, Waste, and Improve Utilization.

Further, neither EA/RIR provided sufficient analysis to determine whether or not the proposal meets the Council's second goal. While some short attention was paid to defining waste, there was not sufficient analysis to resolve the real question raised by the program: will we expend more resources and receive less benefit from our fish resources by implementing the proposal? (See discussion of item 2, above.)

- 4. The Analyses failed to consider size restriction alternatives already in use in the crab and halibut fisheries.**

The GOA IR/IU Analysis simply incorporates by reference the analysis of alternatives that was conducted for the BSAI program. Leaving an analysis of the minimum size approach out of both the BSAI and GOA Analyses leaves a significant void in both Analyses, thus failing to meet the requirements of NEPA. The CEQ Regulations require that the EA "objectively evaluate all reasonable alternatives" 40 CFR 1502.14 and 1508.9(b). Perhaps the most unfortunate failing of the IR/IU proposal is that the analysis looked at only one improved retention option. (BSAI EA/RIR, pages 4 & 5.) All other options submitted were rejected prior to analysis. The GOA EA/RIR simply carried this flaw forward.

The Council must at least analyze the reasonable and traditional option of requiring retention only of fish deemed marketable by virtue of being over a certain minimum size. While other fisheries managed by NMFS have lower end size limits (eg: 36" for the directed Pacific Halibut fishery), the Council has, so far, refused to consider industry proposals to have IR/IU only require retention of fish greater than 1.0 lbs. or 1.5 lbs. (eg: 12" to 18") citing enforcement concerns.

A minimum size standard applied to the IR/IU proposal would make this an effective program for reducing waste. The analysis itself bases its cost/benefit calculations on a set of minimum marketable sizes (GOA EA/RIR, pages 80-81; BSAI EA/RIR, pages 126 - 127):

<u>Species:</u>	<u>Weight:</u>	<u>Length:</u>
Pacific cod	900 -1,360 grams	47 cm

Pollock	350 - 450 grams	40 cm
Rocksole	300 grams	29 cm
Shallow water complex (GOA)	300 - 400 grams	~28 cm
Yellowfin Sole	260 grams	28 cm

While these sizes would still place great constraints on both the fleet and shoreside plants as well as on our industry's current markets,* they are an independent assessment that can serve as a basis for a minimum size standard above which the IR/IU program would apply.

The fact that only one alternative was considered for improved retention is a serious defect in the analysis, and the fact that the above-described option of using traditional size restrictions is available, strongly suggests that this alternative should be considered as viable for the purposes of analysis even if the NPFMC does not intend to select that alternative.

5. In order to avoid placing an undue hardship on the H&G fleet, NPFPI urges the Council to modify the IR/IU Analysis to consider minimum sizes above which IR/IU requirements would be applied.

While the onshore and large surimi trawl sectors have the ability to make meal from small, otherwise unmarketable fish, H&G longline and trawl vessels do not. The BSAI Analysis recognized this by identifying the sizes of fish that were not marketable and therefore that NMFS assumed would be made into meal. It simply does not make sense to impose a retention requirement on H&G vessels for product NMFS has determined is only suitable for meal.

As members of the Groundfish Forum, we would like the council to consider the work that our organization has done to research and develop promising new methods and technologies for reducing the catch of unmarketable fish. We also would like to point out that the new multi-species CDQ program will provide a fertile ground for experimentation with new techniques for maximizing the potential from the TAC.

Rather than forcing a crippling IR/IU program upon the H&G fleet, the Council should consider implementing a minimum size scheduled IR/IU program to provide a strict fleetwide incentive to reduce the catch of unwanted fish but still allow the operation of a sector of the fleet that provides a valuable benefit to the nation.

6. The Council should not refuse to modify the IR/IU program based on the Magnuson-Stevens Act timeline for submitting a report on the Council's IR/IU plans.

Congress did not direct the Council to have an IR/IU plan in place at any particular time. It merely requested a report on IR/IU-type programs and their projected impacts or advisability by the fall of 1997. 16 USC 313(i)(1). In order to make the IR/IU plan feasible for the H&G fleet,

* For example, this includes a great deal of cod under the 6 lb. size necessary to receive full price for catcher-vessel deliveries last summer.

the analysis of minimum sizes that we have been requesting throughout the development of the IR/IU plans must be conducted. By directing the Analysis, the Council will still be able to take action at its next meeting and still be able to submit a timely report to Congress.

7. The BSAI program should be modified to include a buffer between the Maximum Retainable Bycatch Allowance (MRBA) and the IR/IU retention requirement.

The AP's April 1997 suggestion of a 5% buffer between the MRBA and IR/IU retention requirement was a rational and necessary way to allow fishing vessel captains to simultaneously meet the regulatory discard requirement of the MRBA's (directed fishing standards) and the retention requirement of IR/IU. The BSAI program should be modified to avoid placing captains in the Bering Sea with this impossible dilemma.

9. The changes to the GOA and BSAI proposals that we are recommending would reduce the likelihood that a more detailed cost-benefit analysis would be required under E.O. 12866 or that the action would be considered a significant major federal action under NEPA.

The minimum size proposal would make successful implementation of IR/IU in a timely manner possible by significantly reducing the harmful effect of the program on small entities while still meeting the Council's goal of achieving Optimum Yield (OY) by reducing waste and discards.

Conclusion:

Since 1) the National and Regional fishing industry economies are of concern to the Council; 2) the Council has the time to carefully consider these alternatives; and 3) since there is no environmental benefit expected from IR/IU, we ask the Council to help the H&G fleet and other small entities to meet both the goal of improved retention but still stay in business by implementing an IR/IU program that recognizes the H&G fleet's inability to process small sized fish which are practically speaking, only suitable for meal production.

Sincerely,



Rob Gudmundson