

North Pacific Fishery Management Council

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Certified by John Bruce
Date 9/28/95

ADVISORY PANEL MINUTES
JUNE 10-14, 1995
~~ANCHORAGE, ALASKA~~
DUTCH HARBOR

Advisory Panel members in attendance:

Bruce, John (Chair)
Benson, Dave
Burch, Al
Cotton, Bruce
Falvey, Dan
Fraser, David
Fuglvog, Arne
Highleyman, Scott
Jones, Spike
Madsen, Stephanie
Maloney, Pete

Nelson, Hazel
Ogden, Doug
Roos, John
Sevier, John
Stevens, Mick
Stewart, Beth (Vice Chair)
Westman, Gary
Wurm, Robert
Yeck, Lyle

Absent were Ragnar Alstrom and Dean Paddock. Minutes for the April 1995 meeting were approved with one correction.

C-1 Inshore/Offshore

The AP addressed the Gulf of Alaska (Amendment 23) and the Bering Sea/Aleutian Islands (Amendment 18) separately.

Gulf of Alaska. The AP recommends the Council reauthorize Amendment 23 to the GOA FMP without changes. Motion carried 17/0.

Bering Sea/Aleutian Islands. The AP recommends the Council reauthorize Amendment 18 to the BSAI FMP with the following changes:

1. Include Akutan in the list of CDQ-eligible communities (unanimous approval); and
2. Include a provision to lift the CVOA restrictions for any "C" season.

Finally, the AP does not want to revisit inshore-offshore again in three years, but rather the AP wants to complete a CRP plan in that time. (Motion carried 13/2)

C-2 License Limitation

The AP unanimously voted to reaffirm its "preamble" contained in the draft April 17-25 minutes which reads as follows:

The objective of License Limitation is to serve as an interim measure to create the foundation upon which further rationalization of the fisheries might be built. As such it needs to take into account the diverse sectors of the fishery, such as:

1. The industrial scale fisheries including - the shore based pollock fleet, the factory longline and factory trawl fleets,
2. The midscale fisheries - the small family owned businesses operating pot, longline and trawl catcher vessels,
3. The small scale fisheries - artesianal fisheries often associated with local community access and new entry, and
4. Communities qualifying for CDQ's.

At this point in the CRP path these concerns, together with the desire of participants to maintain a degree of flexibility with regard to changing markets and fish populations within current levels of capitalization, points to a License Limitation program that mirrors and builds upon the moratorium.

The AP voted unanimously to use agenda item C-2(a)(1) as the framework document to work from.

The AP recognized that the moratorium qualifying period was 1/1/88-2/9/92, but extended the General Qualifying Period to 6/27/92 to be consistent with the control date notice contained in the moratorium action. (This is actually 6/24/92 but 6/27/92 is the "week ending date" for reporting catches.

The AP also recognized that moratorium crossovers on or before December 11, 1994 were allowed for all legal gears and that crossovers using "pot gear only" may continue through the moratorium period. The 6/15/95 date prevents vessels from crossing into groundfish or crab and receiving a license after this date. The AP also extended the EQP to 6/15/95 to allow vessels which receive a general license to qualify for endorsements and to recognize current participation.

GROUND FISH LICENSE OPTIONS
Components and Alternative Elements Affecting Initial Assignment

The AP used the Council summary as the basis for taking action. We focused on those topics where more than one option remained and those where the AP sought modifications of the existing option.

License Classes

A single class of licenses (motion passes unanimously) 1000000

Nature of Licenses

Non-severable area endorsements for the following management areas: AI, BS, WG, CG+WY, EY+SO. The endorsements would be contained under a General License and General Qualifying period (1/1/88-6/27/92 a landing in any FMP fishery qualifies) is North Pacific-wide (motion passes unanimously) C00000

A motion to designate SE as fixed gear only failed 8/12. A motion to reconsider passed 11/9 and the motion failed in a 10/10 tie.

License Recipients

Current owners 10000

License Designations

Catcher vessels & Catcher/processors (includes 20% moratorium upgrade rule, see Vessel/License Linkages). This option would also issue licenses in trawl and non-trawl gear categories. Vessels will not be allowed to use a non-trawl license on a trawl vessel, however, trawl licenses may be used on a non-trawl gear vessel (motion passes 14/6) A000

Qualifying Periods

The General Qualifying period is Jan. 1, 1988 - June 27, 1992, with the additional provision that any vessel which "crossed over" to groundfish from crab under the provisions of the proposed moratorium by June 15, 1995 would also qualify for a General License. For vessels under 60', the general QP is extended through Dec. 31, 1994 for groundfish pot or jig gear — recipients must choose one FMP subarea if qualified for multiple areas. For Area Endorsements, the QP is Jan. 1, 1992 - June 15, 1995.

This option contains the following exemptions to the License Limitation program: (1) vessels that were exempted from the proposed moratorium would also be exempt from the license limitation program (26' in the GOA and 32' in the BSAI). (2) Vessels in the BSAI using jig gear that are < 60' using a maximum of 5 machines, one line per machine, and a maximum of 15 hooks per line. Motion passed unanimously (20/0). (*considered for GOA-failed; considered for SE-failed) B00

A motion to extend the qualifying period to 6/15/95 failed 10/10, but carried for landing requirements.

Landings Requirements For General License Qualification

One landing in the General QP, or qualified "moratorium crossover" vessels 60

Landings Requirements for Endorsement Qualification

For vessels ≥ 60', a vessel must have made a landing in two of the four calendar years from 1/1/92-6/15/95 and must have made at least 20,000 pounds of landings in the FMP subarea during the entire period. For vessels < 60', except in the EY+SEO and those using jig gear, a vessel must have made 3,000 pounds of landings in the entire endorsement qualifying period. F

A motion to include any vessel which made five landings between 1/1/95-6/15/95 as another way to qualify during the recent endorsement qualifying period. The motion was amended to delete "... between 1/1/95-6/15/95. ..." and replace with "... in any one year in the endorsement qualifying period ..." - the motion failed on a tie vote (8/8).

The options for Qualifying Periods, Landing Requirements for General License Qualification and Landing Requirements for Endorsement Qualification was voted on as a package and the motion passed 18/1/1.

Components and Alternative Elements Affecting the Ownership, Use, and Transfer of Licenses

Who May Purchase Licenses

1. Licenses could be transferred only to "persons" defined as those eligible to document a fishery vessel under chapter 121, Title 46 U.S.C.

Vessel/License Linkages

2. Licenses may be transferred without a vessel, i.e., licenses may be applied to vessels other than the one to which the license initially was issued, subject to license designations, and the "20% rule" in the moratorium.

Options Regarding the Separability of Species and/or Area Designations

1. Area designations are not separable, and shall remain as a single license with those initial designations.

Vessel Replacement and Upgrades

3. Vessel may be replaced or upgraded within the bounds of the 20% Rule defined in the moratorium proposed rule.
4. Catcher-vessels would be allowed to upgrade to enable a limited amount of processing at sea. The limit would be set at 5 mt (round weight) per day for vessels < 60' and 18 mt (round weight) per day for vessels ≥ 60'.

License Ownership Caps

2. No more than 5 general licenses per person with grandfather provisions. Vessel owners who receive more than this ownership cap initially, will be "grandfathered in," i.e., they will be allowed to keep all general licenses they receive, but will not be allowed to purchase additional licenses. If a person owns less than 10% of a vessel, it will not count towards the license cap. There was a great deal of concern about enforceability. Motion passed 11/8.

Vessel License Use Caps

1. No limit on the number of licenses (or endorsements) which may be used on a vessel.

Vessel Designation Limits

1. A vessel which qualifies for multiple designations (i.e., both as a CV and as a CP) under the use restriction component will be able to participate under any designation for which it qualifies - motion passes 15/0. Vessel designations will be based on activities during 1/1/94 - 6/15/95 or the most recent year of participation during the EQP. If a vessel qualifies as a CP only, it may select a one-time conversion to a CV - motion passes 7/6. Main motion passes 10/5.

Buy-back/Retirement Program

1. No buy-back/retirement program.

Two-Tiered Skipper License Program

1. Do not implement a Two-Tiered Skipper License Program. The Council recommends that this program should be deleted from the license limitation package at this time. Future analysis of a license limitation program for skippers, based on the amended program outlined by SEA, will be set on its own time line.

Community Development Quotas.

2. 3% of all groundfish TACs that are not currently covered under a CDQ program - motion passes 14/5. A 3% prorata allocation of PSC species that will be allocated before the fixed/trawl gear split - motion passes 15/0. This program will be patterned after the current program with the exception that Akutan will be included - motion passes 11/7. The program will include a 3-year sunset provision with a renewal option - motion passes 14/4. Main motion passes 10/9.

A motion to reconsider the groundfish CDQs passed 9/7. Main motion made to adopt option 3 (7.5%), to be patterned after current program with the exception that Akutan will be included, and a prorata allocation of PSC species that will be allocated before the fixed/trawl gear split. This motion failed in an 8/8 tie.

Amendments to the main motion are as follows:

Motion for 3-year sunset. Motion passes 12/5.

Motion requiring CDQs utilize catcher vessels to harvest 50% of their allocation. Motion passes 12/3.

Substitute motion to adopt option 2 (3%) failed 4/10.

Substitute motion to adopt 0% failed 4/10.

Motion to adopt 5% resulted in a 7/7 tie.

The end result is that the AP has no recommendation for groundfish CDQs.

Community Development Licenses.

- 1. No Community Development Licenses.

Other Provisions

- 1 Licenses represent a use privilege. The Council may convert the license program to an IFQ program or otherwise alter or rescind the program without compensation to license holders.
- 2 Severe penalties may be invoked for failure to comply with conditions of the license.
- 3 Licenses may be suspended or revoked for multiple violations. (The Council recommends NMFS Enforcement consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation.)
- 4 Implement a Skipper Reporting System which requires groundfish license holders to report skipper names, address, and service records to NMFS.
- 5 An analysis of the impact of various rent collection levels and mechanisms, and enforcement and program implementation costs is required.
- 6 Vessels which qualified for the NPFMC license limitation program that have been lost or destroyed are still eligible to receive earned licenses and endorsements.
- 7 Vessels targeting non-groundfish species (salmon, crab, etc.) that are currently allowed to land incidentally taken groundfish without a groundfish permit, will be allowed to continue to land bycatch amounts. Additionally, vessels participating in the Sablefish and Halibut IFQ program would continue to be able to land bycatch amounts of groundfish as specified in regulations governing that program.
- 8 Vessels < 60' in the BSAI would be exempt but limited to the use of jig gear per the following provisions (this option was also discussed under qualifying periods) :
 - a maximum of 5 jigging machines per vessel,
 - a maximum of 1 line per jigging machine, and
 - a maximum of 15 hooks per line.

This option is probably not necessary to include here because of other AP recommendations.

Sunset Provisions

- 1 No sunset.

The AP recommends that the Council adopt the entire "framework" motion for groundfish license limitation. Motion passes 9/7.

CRAB LICENSES

Components and Alternative Elements Affecting Initial Assignment

License Classes

A single class of licenses 100000

Nature of Licenses

The AP made the following changes in species/area combinations:

- 1. Pribilof red king crab + Pribilof blue king crab + St. Matthew blue king crab;
- 2. *C. opilio* + *C. bairdi*;
- 3. Adak brown king crab;
- 4. Adak red king crab;
- 5. Bristol Bay red king crab;

- 6. Dutch harbor brown king crab; and
- 7. Norton Sound red king crab.

The AP recommends classifying Bering Sea brown king crab, Bering Sea/Aleutian Island *C. tanneri* and *Lithodes couesi* and Dutch Harbor red king crab as developing fisheries which will not be included in license limitation at this time. However, in order to participate in these developing fisheries, a vessel must have a valid federal crab license. This motion carried unanimously.

License Recipients

Current owners, except for Norton Sound Red King Crab summer fishery. For Norton Sound, license recipients are those who:

- a) individuals who held State of Alaska Permit for the Norton Sound Red and Blue King Crab summer fishery and who made at least one landing; or
- b) vessel owners in instances where a vessel was corporate owned, but operated by a skipper who was a temporary contract employee
- c) deleted Revised 3,000*

Motion carried 19/1.

License Designations

Catcher vessel & catcher/processor designations, and vessel length as defined by the 20% moratorium upgrade rule. Further, for Norton Sound, vessels less than 32' may upgrade beyond 20% but may not exceed 32' unless the 20% upgrade would result in a vessel that exceeds 32' Revised 400
 Motion passed unanimously.

Qualifying Period

A General License Qualifying Period (GQP) of 1/1/88 - 6/27/92, with the additional provision that any vessel which "crossed over" to crab from groundfish under the proposed moratorium would also qualify for a General License. Vessels meeting these requirements would receive endorsements based on landings in the primary Endorsement Qualifying Period (EQP) of 1/1/92 - 12/31/94, except Bristol Bay Red King Crab which will use 1/1/91 - 12/31/94 as the endorsement qualifying period. [For vessels in the Norton Sound Red and Blue King Crab fisheries, and Pribilof Red King Crab fisheries, the requirements of the GQP will be waived, but must have made landings between 1/1/93 - 12/31/94].
 Motion passes unanimously.

Minimum landings

The AP recommends a minimum of two landings for king crab (in the areas specified above) except for Norton Sound where the requirement would be one landing. Motion carried 12/3.

For Tanner crab the AP recommends three landings. Motion carried 14/2.

The AP dealt with five other motions on qualifying periods, two of which were less restrictive and one which would have required deliveries in two of the three qualifying years. Those motions failed.

Components and Alternative Elements Affecting the Ownership, Use, and Transfer of Licenses

Who May Purchase Licenses

- 1. Licenses may be transferred only to "persons" defined as those eligible to document a fishery vessel under chapter 121, Title 46 U.S.C.

The AP discussed restricting the issuance of licenses to vessels that are currently eligible for U.S. documentation.

Vessel/License Linkages

2. Licenses may be transferred without a vessel, i.e., a license may be applied to a vessel other than the one to which the license initially was issued. License transfers are subject to the 20% Rule defined in the moratorium and the vessel class designations selected.

Options Regarding the Separability of Species and/or Area Designations

The AP adopted Option 1 initially which created nonseverable licenses. The AP then went on to discuss whether groundfish and crab licenses would be severable with the following result:

The AP recommends that groundfish and crab licenses be treated as two components of a North Pacific Umbrella License (NPUL). An entire crab or groundfish license package may be severed from the NPUL, but may only be acquired by a holder of a NPUL within the constraint of the 20% rule.

Vessel Replacement and Upgrades

3. Vessels may be replaced or upgraded within the bounds of the CP and CV designation and the 20% Rule defined in the moratorium proposed rule.

License Ownership Caps

No more than 5 general licenses per person with grandfather provisions. Vessel owners who receive more than this ownership cap initially, will be "grandfathered in," i.e., they will be allowed to keep all general licenses they receive, but will not be allowed to purchase additional licenses. If a person owns less than 10% of a vessel, it will not count towards the license cap. There was a great deal of concern about enforceability. Motion passed 12/4.

Vessel Designation Limits

- 1* A vessel which qualifies for multiple designations (i.e., both as a CV and as a CP) under the use restriction component will be able to participate under any designation for which it qualifies. Vessel designation will be based on activities during most recent year of participation, through 1994. If a vessel qualifies as a CP only, it may select a one-time conversion to a CV. Motion passes 16/0.

Buy-back/Retirement Program

1. No buy-back/retirement program. However, a buy-back program may be necessary at some future date.

Two-Tiered Skipper License Program

- 1* Do not implement a Two-Tiered Skipper License Program. The Council recommends that this program should be deleted from the license limitation package at this time. Future analysis of a license limitation program for skippers, based on the amended program outlined by SEA, will be set on its own time line. The Council would prefer that this time line parallel license limitation.

Community Development Quotas.

As with groundfish, the AP went through a series of motions beginning with a motion for 3% which was amended to include a 3-year sunset and a recommendation that Akutan be included. This was followed by a substitute motion for option 3 which was 7.5% with no sunset. That motion was amended to include a provision that would have resulted in a 5% CDQ and a provision that 50% of the CDQ must be taken by catcher vessels and included Akutan. That motion failed 5/12. A motion was made to amend option 3 to provide that 100% of the harvesting vessels must be catcher vessels and Akutan was included as a friendly amendment. Motion passes 10/5. A motion was then made to include a 3-year sunset which carried 9/5. The question was called for option 3 as amended and that motion failed 8/8. That took us back to the main motion which was 3% with a 3-year sunset, including Akutan. A substitute motion was made to change the CDQ percentage to 7% and that was amended to include a 3-year sunset and that carried 10/3. Another amendment was made to provide for a minimum of 50% onshore processing including floaters which carried 11/5. Akutan was again included as a friendly amendment. The main motion now reads as 7%, 3-year sunset, minimum 50% allocation to onshore processors including

floaters and Akutan as a CDQ eligible community. That motion failed 7/10. Back to the original amended motion which is 3%, 3-year sunset, minimum 50% harvested by catcher vessels and include Akutan as an eligible CDQ community. The motion failed 8/10.

Community Development Licenses.

The original motion was for 7.5% of the vessel capacity equivalence be set aside for CDLs in addition to the licenses given to the qualifying fleet. The main motion failed 4/8.

Other Provisions

1. Licenses represent a use privilege. The Council may convert the license program to an IFQ program or otherwise alter or rescind the program without compensation to license holders.
2. Severe penalties may be invoked for failure to comply with conditions of the license.
3. Licenses may be suspended or revoked for multiple violations. (The Council recommends NMFS Enforcement consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation.)
4. Implement a Skipper Reporting System which requires groundfish license holders to report skipper names, address, and service records to NMFS.
5. An analysis of the impact of various rent collection levels and mechanisms, and enforcement and program implementation costs is required.
6. No future super-exclusive areas will be proposed.
7. Vessels which qualified for the NPFMC license limitation program that have been lost or destroyed are still eligible to receive earned licenses and endorsements.

Sunset Provisions

- 1 No sunset. Motion carried 11/6.

Individual Transferable Pot Quota (ITPQ) System

The AP recommends Option 1, not to implement a ITPQ System. However, an ITQP program may be necessary at some future date.

The AP recommends that the Council adopt the entire "framework" motion for crab license limitation. Motion carries 15/3.

MINORITY REPORT C-2 License Limitation

We, the undersigned members of the AP, support designating licenses issued in the Southeast Outside area as hook-and-line only. One of the stated goals in the Council's problem statement for CRP is to "support the stability, economic well-being, and diversity of the seafood industry, and provide for the economic and social needs of the communities dependent upon that industry."

We note that Southeast is unique in the size of its small boat hook-and-line fleet and in the almost total dependence of the region's communities on the viability of this fleet. Given the long history of preemption and other problems associated with the development of "industrial" fishing operations in Southeast, we believe that it is consistent with the Council's stated CRP goals to designate Southeast licenses as a hook-and-line only. We further note that the current license program may exacerbate the problems in Southeast by eliminating flexibility for the local hook-and-line fleet and by substantially increasing the number of industrial fishing operations licensed for the area.

Therefore, given likelihood and magnitude of potential impacts to Southeast from the expansion of industrial fishing operations under the current plan, we believe that the Council's stated goal of enhancing regional stability

and preventing further overcapitalization of a region mandate designating Southeast licenses as hook-and-line only at this time.

Signed: Dan Falvey Hazel Nelson
 Scott Highleyman Doug Ogden
 Stephanie Madsen Arne Fuglvog

MINORITY REPORT
C-2 Crab License Limitation
Crab General License Comment

Historically, the BSAI crab fisheries are fluctuating in nature and require a great deal of flexibility on the part of crab fishermen. Due to the fluctuation of area specific stocks, crab fishermen traditionally rely on the ability to shift fishing effort in order to survive in the fishery. Concurrent openings, limited season length and gear restrictions continue to be utilized successfully by ADF&G to manage the crab fisheries while allowing participants the necessary flexibility. In light of these facts, we support a general license which will exploit current ADF&G management techniques to limit participation and control effort in individual fisheries.

Signed: Spike Jones Robert Wurm
 John Sevier Doug Ogden
 Bruce Cotton Gary Westman

MINORITY REPORT
C-2 License Limitation

We oppose the license limitation plan because:

1. By itself, a license limitation plan clearly does not address the problem statement including the identified 14 problems associated with overcapitalization,
2. License limitation does not provide any of the benefits demonstrated through the pollock CDQ program as identified in the Inshore/Offshore document (page 229). A license program fails to provide these benefits to either CDQ communities or the existing fleet, and
3. The qualification criteria under this motion tends to be arbitrary in that it measures only a single dimension of dependance. An equitable qualification criteria should have measured and weighted a variety of factors to capture "length and depth" of involvement in the fisheries through a point system as the State of Alaska did with salmon.

Signed: John Bruce Bruce Cotton
 Mick Stevens David Fraser

C-3 Observer Program

The AP recommends proceeding with initiation of the necessary regulatory action to continue the existing observer program through 1996 while the Research Plan is revised with the goal of being in place for 1997. Motion carries unanimously (18/0).

C-4 Sablefish/Halibut IFQs

The AP took staff reports, but did not make any recommendations.

Chinook Salmon Bycatch

At its April meeting, the Council approved a 1996 'A' season chinook bycatch cap in the Bering Sea which would trigger block closures. The Advisors to the Council did not recommend that such action should be taken since a conservation problem was not the issue, and that the Research Foundation was continuing its research program. The AP believes the agreement between the Council and the Salmon Research Foundation has been breached by the Council action. In addition, the Council's action could exacerbate the bycatch problem as chinook populations decline. The AP was deeply disappointed with the Council's decision. Motion carries 11/0/4.