

North Pacific Fishery Management Council

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February 1, 2002

DRAFT AGENDA
155th Plenary Session
North Pacific Fishery Management Council
February 6-12, 2002
Hilton Hotel
Anchorage, Alaska

The North Pacific Fishery Management Council will meet February 6-12, 2002 in the Aleutian Room at the Hilton Hotel in Anchorage, Alaska. Other meetings to be held during the week are:

Committee/Panel

Scientific and Statistical Committee
Advisory Panel
Joint Council/Board of Fisheries Protocol
Committee
Full Council/Board of Fisheries Joint Meeting
Groundfish DPSEIS Public Workshop

Beginning

8:00am, Monday, Feb. 4 [King Salmon Room]
8:00am, Monday, Feb. 4 [Dillingham/Katmai Rm]
1:00pm, Monday, Feb. 4
[Birch/Willow Rms-First Floor]
8:00am, Tuesday, Feb. 5 [Aleutian Room]
2:00pm, Tuesday, Feb. 5 [Aleutian Room]

All meetings will be held at the hotel unless otherwise noted. All meetings are open to the public, except executive sessions of the Council. Other committee and workgroup meetings may be scheduled on short notice during the week, and will be posted at the hotel.

INFORMATION FOR PERSONS WISHING TO PROVIDE PUBLIC COMMENTS

Sign-up sheets are available at the registration table for those wishing to provide public comments on a specific agenda item. Sign-up must be completed **before** public comment begins on that agenda item. Additional names are generally not accepted **after** public comment has begun.

Submission of Written Comments. Any written comments and materials to be included in Council meeting materials must be received at the Council office **by 5:00 p.m. (Alaska Time) on Wednesday, January 30.** Written and oral comments should include a statement of the source and date of information provided as well as a brief description of the background and interests of the person(s) submitting the statement. Comments can be sent by mail or fax--please **do not** submit comments by e-mail. **It is the submitter's responsibility to provide an adequate number of copies of comments after the deadline.** Materials provided during the meeting for distribution to Council members should be provided to the Council secretary. A minimum of 18 copies is needed to ensure that Council members, the executive director, NOAA General Counsel and the official meeting record each receive a copy. If copies are to be made available for the Advisory Panel (23), Scientific and Statistical Committee (13), staff (10) or the public (50) after the pre-meeting deadline, they must also be provided by the submitter.

FOR THOSE WISHING TO TESTIFY BEFORE THE ADVISORY PANEL

The Advisory Panel has revised its operating guidelines to incorporate a strict time management approach to its meetings. Rules for testimony before the Advisory Panel have been developed which are similar to those used by the Council. Members of the public wishing to testify before the AP **must** sign up on the list for each topic listed on the agenda. Sign-up sheets are provided in a special notebook located at the back of the room. The deadline for registering to testify is when the agenda topic comes before the AP. The time available for individual and group testimony will be based on the number registered and determined by the AP Chairman. **The AP may not take public testimony on items for which they will not be making recommendations to the Council.**

FOR THOSE WISHING TO TESTIFY BEFORE THE SCIENTIFIC AND STATISTICAL COMMITTEE

The usual practice is for the SSC to call for public comment immediately following the staff presentation on each agenda item. In addition, the SSC will designate a time, normally at the beginning of the afternoon session on the first day of the SSC meeting, when members of the public will have the opportunity to present testimony on any agenda item. The Committee will discourage testimony that does not directly address the technical issues of concern to the SSC, and **presentations lasting more than ten minutes will require prior approval from the Chair.**

COMMONLY USED ACRONYMS

ABC	Acceptable Biological Catch	MSFCMA	Magnuson-Stevens Fishery Conservation and Management Act
AP	Advisory Panel	MMPA	Marine Mammal Protection Act
ADFG	Alaska Dept. of Fish and Game	MRB	Maximum Retainable Bycatch
BSAI	Bering Sea and Aleutian Islands	MSY	Maximum Sustainable Yield
CDQ	Community Development Quota	mt	Metric tons
CRP	Comprehensive Rationalization Program	NMFS	National Marine Fisheries Service
CVOA	Catcher Vessel Operational Area	NOAA	National Oceanic & Atmospheric Adm.
EA/RIR	Environmental Assessment/Regulatory Impact Review	NPFMC	North Pacific Fishery Management Council
EEZ	Exclusive Economic Zone	OY	Optimum Yield
EFH	Essential Fish Habitat	POP	Pacific ocean perch
FMP	Fishery Management Plan	PSC	Prohibited Species Catch
GHL	Guideline Harvest Level	SAFE	Stock Assessment and Fishery Evaluation Document
GOA	Gulf of Alaska	SSC	Scientific and Statistical Committee
HAPC	Habitat Areas of Particular Concern	TAC	Total Allowable Catch
IBQ	Individual Bycatch Quota	VBA	Vessel Bycatch Accounting
IFQ	Individual Fishing Quota	VIP	Vessel Incentive Program
IPHC	International Pacific Halibut Commission		
IRFA	Initial Regulatory Flexibility Analysis		
IRIU	Improved Retention/Improved Utilization		
ITAC	Initial Total Allowable Catch		
LAMP	Local Area Management Plan		
LLP	License Limitation Program		

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PRELIMINARY DRAFT AGENDA
155th Plenary Session
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February 6-12, 2002
Hilton Hotel
Anchorage, Alaska

Estimated Hours

- | | |
|---|-------------------------|
| A. CALL MEETING TO ORDER | |
| Approval of Agenda | • |
|
 | |
| B. REPORTS | |
| B-1 Executive Director's Report | • |
| B-2 NMFS Management Report (includes status report on CDQ policy amendment) | • |
| B-3 ADF&G Report (include enforcement report for State waters) | • |
| B-4 NMFS & Coast Guard Enforcement Reports (VMS report/ Russian Delegation) | • |
| B-5 IPHC Annual Meeting Report | • |
| B-6 Chiniak Study Report | • |
| | (3 hours for A/B items) |
|
 | |
| C. NEW OR CONTINUING BUSINESS | |
| C-1 <u>Programmatic Groundfish SEIS Revision</u> | (5 hours) |
| (a) Approve alternatives for analysis. | |
| (b) Provide direction to Ecosystem Committee. | |
| C-2 <u>Essential Fish Habitat</u> | (2 hours) |
| Report on progress and discuss alternatives for mitigating fisheries impacts. | |
| C-3 <u>Halibut/Sablefish IFQ Program</u> | (4 hours) |
| (a) Review IFQ Committee report. | |
| (b) Initial review of Community QS purchase amendment. | |
| C-4 <u>Gulf of Alaska Rationalization</u> | (2 hours) |
| Review discussion paper and provide direction. | |

- C-5 Crab Rationalization (16 hours)
 - (a) Initial review of rationalization analysis.
 - (b) Discuss Crab FMP EIS and potential alternatives.
- C-6 American Fisheries Act (2 hours)
 - (a) Review final co-op reports for 2001 fisheries.
 - (b) Review final AFA report to Congress.
- C-7 Observer Program (3 hours)
 - (a) Initial review of regulatory analysis.
 - (b) Review Observer Committee report.
 - (c) Discuss status of long-term program adjustments..
- C-8 Steller Sea Lion Measures (2 hours)
 - Discuss trailing amendment package from October.
- C-9 Salmon Bycatch (2 hours)
 - Review discussion paper on salmon bycatch.
- C-10 Research Priorities (1 hour)
 - Discuss and identify research priorities.

D. GROUND FISH MANAGEMENT

- D-1 Groundfish Management Issues (8 hours)
 - (a) Differential gear impact analysis - develop problem statement and direction for analysis.
 - (b) Review information/discussion paper on LLP recency.
 - (c) F40% review:approve plan for independent review.
- D-2 Staff Tasking (2 hours)
 - (a) Review tasking and provide direction.
 - (b) Review agency initiative for mandatory data collection.

E. PUBLIC COMMENTS

F. CHAIRMAN'S REMARKS AND ADJOURNMENT

Total Agenda Hours: 52 hours

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Certified: Alan Binder
Date: 1/22/02

MINUTES Scientific Statistical Committee December 3-6, 2001

The Scientific Statistical Committee met December 3-6 in Anchorage, Alaska. All members were present except Sue Hills, George Hunt, Ken Pitcher, and Terry Quinn.

Rich Marasco, Chair
Keith Criddle
Jeff Hartman
Seth Macinko

Jack Tagart, Vice Chair
Doug Eggers
Mark Herrmann
Al Tyler

Steve Berkeley
Steve Hare
Dan Kimura

C-3 SEABIRD AVOIDANCE

The SSC received a presentation by Kim Rivera of NMFS on the revised seabird EA/RIR/IRFA. Public testimony was provided by Thorn Smith (North Pacific Longline Association) and Gerry Merrigan.

The SSC found the document to be thorough, well written, and responsive to previous SSC comments. The SSC notes that Alternative 4, merges protective actions and attempts to minimize regulatory burden on smaller vessels.

- Information on seabird bycatch for vessels of less than 26 feet is not currently available. These vessels do occasionally fish in areas where short-tailed albatross occur. It is important that seabird bycatch data be obtained and, if warranted, regulations should be modified to require seabird avoidance measures on these vessels.
- Although the costs of purchasing various seabird deterrent devices is documented, other effects of these regulations, such as the industry costs of deploying and operating these devices in various fisheries were not presented. There may be potential economic benefits from the proposed measures, such as less bait lost to seabirds.
- The inclusion in Table 1 of the exemption for vessels less than 32 feet is confusing and implies that this exemption is the preferred alternative. Since this exemption is not supported by discussion in the text of the EA/RIR (e.g., P. 63), the table should be modified to reflect the intent of this alternative.

- Some aspects of the performance standards (e.g., distance behind vessel that streamers must remain in air) will be difficult to enforce. These standards differ from others (e.g., mesh sizes, catch quotas, minimum sizes) because there is a greater possibility that they will be inadvertently violated. For example, torri lines lost in the middle of a set may not be replaceable within the 90 second interval required. While enforcement officers will certainly judge the circumstances of any apparent violation, we don't believe the performance standards should be relaxed. Prudent operators will take precautions to assure compliance.

C-4 CRAB RATIONALIZATION

Darrell Brannan (NPFMC) and Mark Fina (NPFMC) provided a brief overview of the Preliminary Draft Analysis of Bering Sea and Aleutian Island Crab Rationalization Program Alternatives and sought SSC input on the analytic approach and scope. Public testimony was provided by Tom Suryan (Skippers for Equitable Access), Bing Hinkle, Lenny Herzog, Bob Storrs, Dorothy Childers (Alaska Marine Conservation Council), and Barney Olson.

The SSC notes with concern that the preliminary draft analysis does not include an Environmental Assessment. The analysts explained that because a DPSEIS for crab is in preparation on a separate track, they had been advised that it was unnecessary to prepare a separate EA for the specific actions contemplated for crab rationalization. We respectfully and strenuously disagree and strongly advise that the analysis include an EA.

The conceptualization and scope of analysis as depicted in the Figure on page 31 should be broadened to establish context and narrowed to bound the analysis. The key point following a decision to rationalize the fishery is a determination of whether to rationalize based on collective or individual entitlements. A variety of institutional arrangements can be adopted under either organizational structure. Institutional structures based on collective entitlements include Co-Ops and community ownership of quota shares or control over harvest areas (collective territorial use rights). Individual entitlement institutions include IFQs, ITPQs (individual transferable pot quotas), and ITURFs (individual territorial use rights in fisheries). Each of these institutional structures could be constructed under a set on entitlements for sellers owners, operators, processors and/or crew.

The universe of rationalization strategies is too vast to be fully evaluated. Consequently, it is incumbent on the Council to eliminate institutional alternatives that are ill suited to the crab fishery as presently configured or ill suited to address the Council's problem statement. The RIR should include a short (1-2 paragraph) description of the general characteristics of and experience with the rejected alternatives and identify the basis for rejecting the alternative. The SSC notes that even after some alternatives have been rejected the scope of alternative rationalization measures to be evaluated is likely to be very broad and that analysis of far more limited sets of alternatives in the case of the pollock Co-Op and halibut/sablefish IFQ programs required substantial staff resources and a much longer period for preparation of analytic documents than has been budgeted for this analysis. We are concerned that it may be difficult to appropriately characterize the anticipated outcomes of the alternatives in time for an initial review in February 2002.

The preliminary draft analysis includes a brief discussion of an arbitration process for setting exvessel prices that might be adopted as a component of the proposed action. The SSC notes that arbitration procedures are not indifferent to the participants. That is, arbitration merely establishes a set of rules for decision-making. The outcome of arbitration will depend on the degree to which parties are able to focus their interests and on the particular arbitration rules adopted. The Final Offer Arbitration (FOA) procedure described in the preliminary draft document has been shown in empirical studies to generate higher dispute rates than Conventional Arbitration.

The October 2001 SSC minutes include recommendations of economic performance measures that could be used to assess the consequences of crab rationalization.

C-6 COMMUNITY OWNERSHIP IN HALIBUT/SABLEFISH IFQs

Nicole Kimball (NPFMC) and Mark Fina (NPFMC) provided an overview of the Initial Review Draft EA/RIR/IRFA for proposed Amendment 66 to the Gulf of Alaska Fishery Management Plan. The proposed action would change ownership requirements in the halibut and sablefish IFQ fisheries to allow certain Gulf of Alaska communities to hold commercial halibut and sablefish quota shares for lease to community residents. Public testimony was provided by Bob Alverson (North Pacific Longliners Association), Will Brown (Metlakatla Indian Community), and Duncan Fields (Gulf Coastal Communities Commission).

In general, the SSC commends the analysts for preparation of a document that provides the Council with relevant data and discussions. However, the SSC recommends that the draft analysis be revised before it is released for public review. The general tone of the document, particularly the net benefits section, should be revised to reflect impartiality towards the proposed alternatives. In addition, the consideration of distributional issues should be expanded, particularly between eligible communities and residents of ineligible communities.

Clarification of Council intent is needed in regard to the following three issues. First, the idea that communities will purchase QS for use by community residents is an assumption that runs throughout the document, however the proposed action does not include formal provisions to ensure that QS will be used exclusively by community residents. Second, the SSC notes that option 2a—communities may only sell QS to other communities—would lead to a permanent accumulation of QS to participating communities, thereby irreversibly depleting the pool of QS available for private purchase and substantially limiting the opportunity for communities to divest their QS holdings. Third, restrictions on the transfer of quota share between vessel classes, consolidation or subdivision of blocked quota shares, and caps on ownership are characteristics of the design of the Alaska halibut/sablefish IFQ program. To the extent that these program attributes impede consolidation, they reduce the value of quota share holdings. The EA/RIR prepared for the Council's decision to adopt the IFQ program included a discussion of the expected effect of these constraints on ownership. Relaxation of these constraints would be as advantageous to *any* current quota share holder as it would be to communities. However, relaxation of these constraints could be expected to lead to consolidation and changes in ownership that may not be consistent with Council objectives for this fishery. For example, if communities are permitted to acquire class C and D quota shares or consolidate blocked quota shares for lease to larger vessels, there may be an opportunity for substantial financial gains to the communities. However, communities' will act in their own self-interest and may lease to non-residents with no improvement in access opportunities for local residents.

In addition, the SSC notes that the ownership restrictions in the halibut/sablefish IFQ program specifically exclude many potentially interested parties (e.g., processors, absentee capitalists, communities, foreign nationals, etc.) from participation in the market for quota shares. Adoption of the proposed action may invite future requests to expand the universe of eligible owners.

Finally, the SSC notes that it is usually easier to relax constraints imposed at the time a program is approved than it is to impose new constraints after a program has been implemented—as such, if the Council decides to adopt a community purchase provision, the Council may wish to consider starting out with a fairly constrained program (e.g., one that mirrors constraints present in the existing IFQ program) and adjust the program subsequently if needed to meet perceived goals. In this vein, it would be useful if the analysts could comment on the likely influence (magnitude and trend) of each particular program design option on the acquisition of QS by communities.

Specific concerns that should be addressed in the revision process are listed below:

1. The document includes several unsupported assertions that need to be eliminated or appropriately qualified. For example, there is no basis for the assertion that “added costs to private fishers will be less than the social benefits realized by communities.” If the entities making decisions about community purchases are representative of all interests in a community and fully informed of the cost consequences, this assessment may be valid within that particular community but the analysis provides no basis for comparing effects across communities. Similarly, the characterization of some actions as “more equitable” than others should be removed in acknowledgment that those who win and lose as a result of management actions are unlikely to agree as to whether the action is equitable. Finally, in several places it is noted that “some QS holders have been forced to sell at below average market prices”. First, if the transaction was legal, it was voluntary and no force was involved. Second, while it would be convenient if all sellers received prices above the average and all buyers paid prices below the average, in reality the average price is determined such that the weighted sum of transactions above the average market price will be offset by the weighted sum of transactions below the average price.
2. The comparison of net benefits needs to be symmetric. The draft analysis correctly notes that parties who are not directly involved in a market transaction may be affected by that transaction. That is, there may be external costs or benefits associated with voluntary market transactions. While this observation is correct, care needs to be exercised to ensure that comparisons are symmetric. If the analysis addresses potential positive spillover effects for communities where quota share holdings increase, the analysis should note that there is a concomitant negative spillover effect for communities from which the quota shares are sold. As noted above, intra-community assessments of net benefits do not automatically identify inter-community net benefits.
3. While the proposed action may have some effect on local levels of abundance, halibut production is assumed to be governed by single stock dynamics throughout the GOA. Consequently, changes in the geographic distribution of catch that might arise as a result of the proposed action are unlikely to affect stock-level dynamics.
4. Contrary to assertions in the document, it is unlikely that the proposed action will impact exvessel or first-wholesale prices of halibut. Exvessel price is determined by purchasers “willingness-to-pay” for a given quantity of halibut. Because the total quantity of halibut available to the market is determined in the annual TAC setting process and because this proposed action will not affect the quantity of halibut harvested, it is unlikely that exvessel price will be affected by the proposed action.
5. The discussion (section 2.4.4.2) regarding economic development programs is too narrowly focused on loan programs specifically tailored to fishing and should be broadened to consider other financial resources available to communities and non-governmental organizations within communities. Communities may be eligible for a variety of bond, loan, and grant programs that could be used to support private business development activities, including the purchase of halibut/sablefish quota shares, boats, etc. The terms and conditions for the award of economic development loans could include covenants regarding the utilization and transfer of quota shares financed under the loan. The purpose of an expanded discussion is to provide an indication of the likely extent to which communities could be expected to purchase quota shares. Finally, funds available from the North Pacific Loan Program have recently expanded from less than \$1 million to over \$46 million. Some discussion of the potential impacts of this dramatic increase in available loan funds on QS acquisition within the communities of interest and on QS markets should be presented.
6. The discussion regarding Element 2 (Appropriate Ownership Entity) is potentially misleading. First, the issue of whether an entity truly represents all interests in a specific community is relevant for all forms of entities considered not just a select few. The assessments of within-community net benefits are critically

dependent upon the ownership entity being representative of the entire community. Second, it is not obvious that element 2e (Regional or Gulf-wide umbrella entity acting as trustee for individual communities) will "substantially reduce the administrative costs to each community". In fact, a coast-wide umbrella organization might face high transportation and communication costs in seeking to provide service to widely distributed and variably organized communities.

7. The net benefit analysis implies that by introducing the ability of communities to purchase commercial halibut and sablefish catcher vessel quota share that this "will introduce social value into the market and may increase overall net benefits of the of the IFQ fisheries (p.105)". It is not at all evident that quota purchases resulting from community held quota would imply an increase in industry-wide economic net benefits as any eligible community purchases may be due to increased purchasing power and reduced investment risk as compared to competing individuals who are purchasing from non-eligible communities. Additionally, there is no acknowledgment that there were initial benefits to the eligible communities from the initial individual sales of IFQs nor is there discussion of the potential loss in "social value" to non-eligible communities of resultant quota sales. It is also noted that individuals leasing quota from participating communities will have tax advantages over self-employed individual purchasers.

8. The proposed action should not be based on a tenuous net economic efficiency argument but should be characterized as a redistribution of opportunity based on equity considerations. The proposed action implies that the initial allocation of quota shares through the IFQ program failed to achieve some of the Council's objectives with respect to preserving fishing opportunity in small communities.

C-7 EFH

The SSC was given a status report on the EFH/EIS development process by Michael Payne. The following documents were provided: "Draft Report To The Council from the Essential Fish Habitat (EFH) Committee, November 2001", "Draft Minutes from the EFH Committee, Nov. 27th 2001 teleconference", "Summary of NMFS EFH Workshop, Held November 6-8, 2001, in Juneau, AK", and the "Proposed Draft Revised Purpose and Need Statement". The SSC is encouraged by the progress that the EFH Committee has made on this difficult issue. Public testimony was provided by Heather McCarty and Glenn Reed.

The focus of the staff presentation was on alternatives for EFH and HAPC designations. The SSC believes that the alternatives described span the spectrum of possible alternatives. We would, however, like to note that EFH designation necessitates consideration of multiple dimensions, for example, vertical, horizontal and temporal. As the process continues, it is important that this feature be kept in mind.

The criteria specified for HAPC designation also was a concern. Care should be taken to ensure that they are functional. One criterion discussed was, "The importance of the ecological function provided by the habitat". A question that comes to mind is, "What is an unimportant ecological function?" Further, how is function defined?

Overall, there is a need to decide on the philosophical perspective that the Council wishes to assert while exercising its EFH responsibilities. The habitats supporting fisheries regulated by the Council overlay a wide spectrum of biota. Designation of EFH in the context of sustaining the productivity of predominate fish species managed by the Council would lead to attention being focused on varying elements of the appropriate biota. Assuming a broader sense of responsibility positions the Council as the guardian of all biota within it's domain, with all the concomitant dedication of Council resources to assure protection of these habitats.

C-8 GROUND FISH SEIS

Tamra Ferris (NMFS) provided an update on NMFS progress on the DPSEIS. The SSC observes that following an apparent epiphany, NMFS determined that the DPSEIS is improperly framed and should be revised. Regrettably, the untimely occurrence of the epiphany is the cause of wide spread dismay given the effort devoted, over the last 18 months, to the development of a viable DPSEIS. Public testimony was provided by Donna Parker (Marine Conservation Alliance).

D-1(a) BSAI SPECS

POLLOCK

EBS: The EBS pollock population continues to be strong, holding at near record levels of abundance. Current age 3+ biomass is estimated to be 11.7 million mt. The population is predominately supported by above average 1992 and 1996 year-classes. ABC is determined under Tier 1.a. Current spawning biomass is 2.9 million t, with F_{MSY} set at 0.52. The SSC concurs with the Plan Team recommended ABC of 2.11 million mt. OFL levels for this stock are 3.53 million mt at a fishing mortality rate (F_{OFL}) of 1.2

AI: The SSC concurs with the Plan Team's Aleutian Islands pollock ABC set at 23,800 mt. This is based on a harvest rate of 75% of M where $M=0.30$, and biomass of 106,000 mt estimated from bottom trawl survey. OFL is 31,700 mt.

Bogoslof: The SSC agrees with the Plan Team's recommended ABC. Under tier 5 ($0.75 F=M \times$ current biomass) the maximum ABC is estimated to be 34,800 mt with a companion OFL of 46,400 mt. Traditionally, the SSC has recommended down-weighting the ABC proportionately to the ratio of current to target stock biomass. Current stock biomass is estimated at 232,000 mt. Previously, the SSC has estimated a B_{target} of 2 million mt. The stock assessment authors, utilized the SSC B_{target} as a proxy for $B_{40\%}$ in a Tier 3.b. style reduction of ABC. They set $F_{40\%}$ at 0.27, and calculated an F_{ABC} of 0.019. The resultant down-weighted ABC is 4,310 mt. The SSC notes that the SAFE utilizes the down-weighted ABC in its tabular representation, but fails to mention this down-weighting in the text. The reduced ABC calculation is present in the stock assessment report on page 1-89.

PACIFIC COD

The SSC agrees with the Plan Team's recommended ABC of 223,000 mt a 19% increase over 2001 ABC estimate based on F_{ABC} of 0.40. The ABC falls under tier 3.b., since projected spawning biomass is 1% below $B_{40\%}$. F_{OFL} is 0.35, generating an OFL of 294,000 mt.

Current model configurations estimate fishery selectivity in two time stanzas. Given the regulatory changes of the last two years, the SSC recommends that the stock assessment authors evaluate selectivity to determine if additional divisions are appropriate. We also reiterate our call to attempt to calculate a statistically valid spawner-recruit relationship for this stock.

YELLOWFIN SOLE

The SSC concurs with the Plan Team's recommendation for yellowfin sole ABC (115,000 mt; $F_{40\%} = 0.11$; Tier 3a) and OFL (136,000 mt; $F_{35\%} = 0.13$, Tier 3a). The yellowfin sole stock continues to decline in spite of low exploitation due to low recruitment during the 1990's. The SSC notes that the projected 2002 biomass is 33% below 2001 level. This decline in biomass is partially due to the implementation of a bottom temperature effects model that reflects reduced survey catchability commonly observed in cold bottom

temperature conditions? The current assessment features a much-improved fit to the survey data, although survey catchability under the new model averaged 1.36 (compared to the 1.0 used in prior assessments) accounting for reductions in stock biomass relative to prior assessments.

GREENLAND TURBOT

The SSC concurs with the Plan Team's recommendation for Greenland turbot ABC (8,100 mt; $0.25\% \times F_{40\%} = 0.065$; Tier 3a) and OFL (36,500 mt; $F_{35\%} = 0.32$, Tier 3a). The stock condition has not changed substantially over the past several years. There is no indication of substantial recruitment and biomass continues to exhibit a downward trend.

ARROWTOOTH FLOUNDER.

The SSC concurs with the Plan Team's recommendation for arrowtooth flounder ABC (113,000 mt; $F_{40\%} = 0.22$; Tier 3a) and OFL (137,000 mt; $F_{35\%} = 0.38$, Tier 3a).

ROCK SOLE

The SSC concurs with the Plan Team's recommendation for rock sole ABC (225,000 mt; $F_{40\%} = 0.16$; Tier 3a) and OFL (268,000 mt; $F_{35\%} = 0.20$, Tier 3a).

FLATHEAD SOLE

The SSC concurs with the Plan Team's recommendation for flathead sole ABC (82,600 mt; $F_{40\%} = 0.30$; Tier 3a) and OFL (101,000 mt; $F_{35\%} = 0.38$, Tier 3a).

OTHER FLATFISH

The SSC concurs with the Plan Team's recommendation that Alaska Plaice be separated from the Other Flatfish group. The SSC concurs with the Plan Team's recommendation of ABC (143,000 mt; $F_{40\%} = 0.28$; Tier 3a) and OFL (172,000 mt; $F_{35\%} = 0.34$, Tier 3a) for Alaska Plaice. We also agree with the ABC (18,100 mt; $F_{40\%} = 0.28$; Tier 3a) and OFL (21,800 mt; $F_{35\%} = 0.34$, Tier 3a) recommendation for the remaining species in the Other Flatfish group.

SABLEFISH

The BSAI portion of the sablefish stock is assessed jointly with the GOA component. See the GOA section for the SSC's general comments regarding the sablefish assessment. Projected 2002 spawning biomass level places sablefish in Tier 3b. The SSC concurs with the Plan Team's recommended EBS ABC=1,930 mt and OFL=2,900 mt, and the recommended AI ABC=2,550 mt and OFL=3,850 mt. The ABC is based on a decision analytic approach.

PACIFIC OCEAN PERCH

This stock assessment is a step forward, using ADMB and examining new stock structures. The SSC reviewed this stock assessment model at the October meeting and concluded that the appropriate assessment model is the one proposed: combined EBS/AI fishery data and using the AI survey data as an index of abundance. Year 2000 fishery and survey age data have been included in the current assessment. As pointed out by the Plan Team, this approach seems the most reasonable because of the paucity of data for the EBS portion of the stock, and uncertainty concerning the stock structure. This new assessment gives an ABC 2,836 mt greater than that proposed for 2001. Although the new value is the best available assessment for

the stocks in question, the assessment scientist should try to monitor information which gives clues that would indicate a different stock structure than that which is assumed. The SSC concurs with Plan Team's recommended ABC=14,800 mt based on Tier 3b, using an adjusted $F_{40\%}=0.046$, and an OFL=17,500 mt based on Tier 3b, using an adjusted $F_{35\%}=0.055$. The Plan Team recommends, and the SSC concurs, that ABCs be set regionally based on the 2001 apportionments:

<u>Area</u>	<u>ABC</u>
BS	2,620
541	3,460
542	3,060
543	5,660

OTHER RED ROCKFISH

The Plan Team noted that sharpchin rockfish are rare in the BSAI and should be moved to the Other Rockfish complex. The SSC concurs with this suggestion. This leaves northern, rougheye, and shortraker rockfish in the Other Red Rockfish complex. The SSC, as it did last year, recommends aggregation by species across areas rather than by areas across species. If subsequent stock structure research indicates that the stocks in the Eastern Bering Sea and Aleutian Islands are generally distinct, the SSC would recommend stock specific ABCs and OFLs. The SSC concurs with the Plan Team's recommendation of setting F_{ABC} at the maximum value allowable under Tier 5, which is $0.75 * M$. Accepted values of M for these rockfish are: rougheye rockfish – 0.025, shortraker rockfish – 0.03, northern rockfish – 0.06. The resultant ABCs for these three Other Red Rockfish species are:

<u>Species</u>	<u>BSAI</u>
Northern	6,760
Rougheye	266
Shortraker	766

OFL for these species are also defined by Tier 5 ($=1.0 * M$):

<u>Species</u>	<u>OFL</u>
Northern	9,020
Rougheye	349
Shortraker	1,020

OTHER ROCKFISH COMPLEX

The Other rockfish complex is dominated by light dusky rockfish and shortspine thornyhead rockfish. The SSC concurs with the Plan Team's ABC and OFL assuming Tier 5 with $F_{ABC}=0.75 * M$ where the accepted value of M is 0.07. The SSC notes that biomass estimates for the dominant species in this complex are likely much higher than those estimated by the survey. The SSC wishes to highlight the need to improve these particular biomass estimates.

<u>Species</u>	<u>BS ABC</u>	<u>AI ABC</u>
Other rockfish	361	676

OFL was also determined using Tier 5 status ($F_{OFL}=1.0 * M$):

<u>Species</u>	<u>BS OFL</u>	<u>AI OFL</u>
Other rockfish	482	901

ATKA MACKEREL

For the current assessment, catch data were updated and the 2000 fishery age composition was added. The authors provide several concerns for caution including the decline in stock size, low survey confidence, and the possibility of the stock staying below the $B_{40\%}$ level. Therefore the authors continue to propose the $F_{52\%}=0.021$ fishing rate used in the assessment since 1999. The SSC concurs, resulting in an ABC=49,000 mt. The allocation by area was accomplished by a 2/3 exponential weighting of the 1991, 1994, 1997, and 2000 surveys:

<u>Area</u>	<u>ABC</u>
EBS&Eastern AI	5,500
Central AI	23,800
Western AI	19,700

The OFL=82,300 mt was computed using Tier 3b, adjusted $F_{35\%}=0.37$.

The current use of $F_{52\%}$ as a precautionary approach is somewhat problematic. A decision theoretic risk analysis such as that performed in the sablefish assessment might produce a precautionary ABC of greater utility.

SQUID AND OTHER SPECIES

The SSC considers the calculation procedure for the squid and other species group to be problematic. The data for many of the species in the other species group allows only a tier 5 or 6 algorithm for estimating ABC. The tier 5 procedure requires an estimate of stock biomass and natural mortality. Biomass estimates are predominately available for groups of species rather than individual species (e.g., sculpins, sharks and skates). Moreover, individual species are differentially vulnerable to the survey gear affecting the accuracy of their abundance estimates.

The tier 6 ABC algorithm relies on landings data and sets maximum ABC at 75% of the mean annual catch. This process has little biological basis, especially for species that are both incidentally caught and not normally vulnerable to trawl or other fishing gear (e.g., squid). In such cases, landings above the prescribed ABC level would not necessarily indicate a stock problem.

For the Other Species, aggregating both within a group (e.g., sharks), and among species groups (sharks and skates), is likely to obscure problems affecting weaker stocks within the aggregate. Our recommended procedure for calculating an ABC for the Other Species group is viewed by the SSC as an interim procedure that will provide protection to the stocks in the short term while not unnecessarily constraining directed fisheries. However, the SSC recommends that the council create a committee to develop more appropriate exploitation and management strategies for non-target species. Toward that end, we recommend that the committee evaluate the likelihood of improving abundance estimates that would be used in tier 5 ABC calculations, and the cost of doing so; as well as, exploring alternative management processes for dealing with these species (e.g., removal from the FMP, or development of different management standards).

The SSC disagrees with the Plan Team's proposal to split the Other Species into individual group ABCs at this time. Rather, we are continuing the procedures we have used for the past three years, to incrementally step up to the maximum allowable ABC for the aggregate Other Species complex. To do so, the individual group ABCs are calculated and summed to form an aggregate maximum allowable ABC. Since we are in the 4th year of a 10 year stair-step to maximum ABC, the adjusted ABC is calculated as 40% of the difference between the current aggregate maximum ABC (59,200 t) and the year one adjusted ABC (25,800 t) plus the year one adjusted ABC. The resultant 2002 adjusted ABC is 39,200. OFL is the sum of the individual

species OFL, calculated from $F=M$ times biomass. Biomass estimates, fishing mortality rates, and OFL and maximum ABC calculations are presented in the table below.

Other Species mean biomass in the 1990s (t) as reported on Table 14-13 of the 2001 BSAI SAFE .

Species	EBS	AI	Total	F=M	OFL	MAX ABC
Sculpins	211,859	14,950	226,809	0.15	34,021	25,516
Skates	407,036	24,500	431,536	0.10	43,154	32,365
Sharks	1,782	2,025	3,807	0.09	343	257
Octopi	3,391	1,200	4,591	0.30	1,377	1,033
Total			666,700		78,900	59,200

D-1(a) GOA SPECS

POLLOCK

The GOA pollock assessment utilizes the same basic model employed last year. An extended trawl survey time series was derived to cover an early (1961-1982) period of the fishery. This series was incorporated as additional auxiliary data to the model. Recent estimates from surveys all indicated continuing decline of W/C/WYK pollock abundance, with a particularly dramatic decline in the bottom trawl survey index. No survey information was available to update trends in EGOA. Model projected 2002 biomass is 726,000 t. Spawning biomass, has declined 22% over that estimated for 2001, to 158,300 mt and is estimated to be only 26% of the $B_{40\%}$ spawning biomass of 245,000 mt. While the SSC is concerned by the decline in spawning stock biomass, the apparent strength of the 1999 year-class (second largest on record) gives us a reason for guarded optimism that stock condition is improving. Our optimism needs to be guarded because this year-class is now just 2-years old, and there is a history of revised estimated abundance for the 1994 year-class which when observed at age 2 was thought to be very strong, but now is only 17% of the originally estimated level. Thus the SSC finds itself in concurrence with the Plan Team's recommendation for ABC, based on a conservative estimate of projected stock abundance (having down-weighted the 1999 year-class from strong to average), and an adjusted F_{ABC} formula that provides greater than normal protection against the possibility of approaching an OFL designation for this stock.

W/C/WYK pollock ABC is estimated under tier 3.b, using an adjusted $F_{40\%}$ harvest strategy. F_{ABC} is 0.17, resulting in an ABC of 53,490 mt. The companion F_{OFL} is 0.24, producing an OFL of 75,480 mt. Projected harvest for PWS (1700 t) is subtracted from the W/C/WYK ABC leaving a remainder of 51,790 mt. This amount is then apportioned regionally and seasonally. The SSC received public testimony on GOA pollock from Beth Stewart, Joe Childers, Steve Gare, Julie Bonney, and Ken Roemhildt. Predominate concerns of those testifying were methods used for regional apportionment of ABCs and the conservatism of the adjusted ABC harvest rule.

With respect to the conservative level of the proposed ABC, the SSC believes this level is justified to ensure that fishing does not propel the stock to an OFL condition. The adjusted ABC exploitation rate is responsibly derived to reduce the probability that the stock will decline below OFL thresholds. Given current stock levels, this is a prudent precaution. Regarding regional apportionments, the SSC recommends that the Plan Team carefully examine the representativeness of the EIT data used in the A/B season. The small sample size for portions of the area, and lack of synoptic coverage limit the utility of these data for the assigned purpose. Second, we encourage NMFS to extend the Winter EIT survey to encompass E. Kodiak, and W. Yakutat regions to assure that all reasonable efforts to locate spawning pollock have been undertaken. Lastly, we ask

the Plan Team to evaluate the linkage of the W. Yakatat spawning stock to determine if it is more appropriate to combine it with the EGOA or W/C stock.

PACIFIC COD

The SSC recommends acceptance of the Plan Team's ABC of 57,600 mt for 2002, and OFL of 77100 mt., both down 15 % from last year. The exploitable biomass and spawning biomass have continued to decrease due to reduced year-class success in the decade of the 1990s. The 2001 bottom trawl survey showed a stronger than average year class from the 2000 spawning, however. This year class has not yet entered the fishery.

The Plan Team presented a choice of apportionments for the ABC among GOA management areas. The apportionment was based on either the most recent survey (2001), the 1999 survey, or an average spread of biomass calculated from the 1996, 1999, or 2001 surveys. The advantage of using the most recent survey is that the decision is based on the most recent information of the distribution of Pacific cod. It is well known that the distribution of this species changes annually. The advantage of the average of three years is that the annual changes are smoothed and possibly more equitable in relation to regional fishing interests. Using the 1999 survey would favor fishing ports in relation to the 1999 distribution of cod. The decision clearly has an economic allocative effect. Since new survey data on the distribution of Pacific cod will not be available until 2003, the principal of using the average for a smoothing effect has merit, as does the use of the most recent information.

The SSC commends the author for attending to the Committee's concerns from previous years regarding the need for precautionary measures and additional analyses, though these analyses have not all been carried out due to time constraints. These measures are shown on page 2.2 of the Pacific cod safe document and also in the December 2000 SSC minutes.

FLATFISH

The SSC concurs with the Plan Team's recommendation for ABC and OFL levels for deepwater, rex sole, shallow water and flathead sole groups.

<u>Species Group</u>	<u>ABC</u>	<u>F_{ABC}</u>	<u>OFL</u>	<u>F_{OFL}</u>	<u>Tier</u>
Deep Water	4,880	0.075	6,430	0.10	5,6
Rex Sole	9,940	0.15	12,320	0.2	5
Shallow Water	49,550	0.15-0.17	61,810	0.2-0.21	4,5
Flathead	22,690	0.15	29,530	0.2	5

The regulatory area apportionment of ABC were based on biomass distributions from the 2001 survey. The SSC agrees with this apportionment method.

<u>Species Group</u>	<u>WESTERN</u>	<u>CENTRAL</u>	<u>WYAK</u>	<u>EYAK/SEO</u>	<u>TOTAL</u>
Deep Water	180	2,200	1,330	1,150	4,880
Rex Sole	1,280	5,540	1,600	1,050	9,470
Shallow Water	23,550	23,080	1,180	1,740	49,550
Flathead	9,000	11,410	1,590	690	22,690

ARROWTOOTH FLOUNDER

The SSC concurs with the Plan Team's recommendation for ABC (146,260 mt; $F_{40\%} = 0.134$; Tier 3a) and OFL (171,000 mt; $F_{35\%} = 0.16$, Tier 3a) for arrowtooth flounder. Area apportionments are:

<u>Western</u>	<u>Central</u>	<u>WYAK</u>	<u>EYAK/SEO</u>
16,960	106,580	17,150	5,570

SABLEFISH

Generally, the sablefish stock assessment model has done an excellent job describing the stock dynamics of Alaska sablefish, even predicting two years ago the bottoming of abundance that we have seen this year. The SSC also commends the analysts' continued innovation and attempts to continually refine the model.

Relative abundance and length data from the 2001 longline survey and 2000 longline fishery, and age data from the 2000 longline survey and longline fishery, and age data from the 1985 longline survey were added to the model.

The longline fishery CPUE data should be carefully monitored when used in sablefish stock assessment. For example, the use of a 50% qualifying value (targeted catches only) may bias estimated declines in fish stocks. Typically fishery CPUE declines will be less, as larger qualification values are used posing the question of what qualification value should be used?

The SSC would like to see an initial attempt at examining the stock-recruitment relationship for this species. Initially, simply fitting a Ricker, or alternate, curve through the model output estimates of stock and recruitment would be useful. More elegant means of internally estimating this relationship are being developed in the scientific community and might profitably be pursued in the sablefish model.

The Bayesian analysis provides insight as to what the precautionary level of management should be. The analysis based on uninformative priors is equivalent to likelihood profiling, and is to be preferred when the data are strongly informative as appears to be the case for sablefish. The SSC concurs with the Plan Team that the ABC recommendations based on Decision Analysis (ABC=12,820 mt) should be adopted because it guarantees preservation of the spawning biomass. The sablefish area apportionment was based on a 5-year $\frac{1}{2}$ exponential weighted average of survey and fishery CPUE data. The survey data was given a 2 to 1 weighting over fishery data.

<u>Area</u>	<u>ABC</u>
Western	2,240
Central	5,430
Eastern	5,150
WYAK	(1,940)
SEO	(3,210)

The OFL is determined from Tier 3b $F_{35\%}=0.14$, which is 19,350 mt for the GOA.

SLOPE ROCKFISH

Pacific ocean perch

This year the POP model has migrated from stock synthesis to ADMB. New data for this assessment included the 2000 fishery age composition data and the 2001 survey biomass estimate. Interestingly, the estimated q somehow came down from last years estimated $q=2.9$ to an estimated $q=1.04$ for this year's base model. Somehow this difference in q does not affect the estimated ABC's, but the authors noted that several year-classes that were strong in last year's assessment are weaker in the current assessment. The reasons for these anomalies, and better tracking of year-classes should be worked out in future modeling. The SSC concurs with the Plan Team's Tier 3a ABC recommendation of 13,190 mt based on an $F_{40\%}=0.05$; and an $OFL=15,670$ mt based on an $F_{35\%}=0.059$. The areal estimates are based on a 2/3 exponential weighted average of 1996, 1999, and 2001 surveys resulting in:

<u>Area</u>	<u>ABC</u>	<u>OFL</u>
Western	2,610	3,110
Central	8,220	9,760
Eastern	2,360	2,800
WYAK	(780)	
EYAK	(2,580)	

The EGOA ABC was further split between WYAK and EYAK using the upper 95% CL of the WYAK proportion from the 3 surveys.

Northern rockfish

The northern rockfish model is basically the same model used in last year's assessment with addition of 2001 fishery catch data, and the addition of 1998 and 1999 fishery age composition data. Previous modeling work found an inconsistency in length frequency data and the survey age data that resulted in a poor model fit. This was resolved by weighting the fit toward the survey age data which generally resulted in a more satisfactory fit. This is sensible in light of the fact that northern rockfish are relatively easy to age. The SSC concurs with the Plan Team's Tier 3a determination of $ABC=4,980$ mt based on $F_{40\%}=0.055$, and an $OFL=5,910$ mt based on an $F_{35\%}=0.067$. The areal apportionment was again based on 2/3 exponential weighting of previous survey resulting in areas specific ABCs as reported below. Minor amounts of northern rockfish are combined with other slope rockfish in the Eastern area for management purposes:

<u>Area</u>	<u>ABC</u>
Western	810
Central	4,170
Eastern (combined with other slope rockfish)	

SHORTRAKER/ROUGHEYE AND OTHER SLOPE ROCKFISH

Shortraker/rougheye

The exploitable biomass for these species are calculated from the average of the 1996,1999, 2001 surveys. The SSC concurs with the Plan Team's shortraker $ABC=586$ mt calculated at Tier 5 $F_{abc}=0.023$, and rougheye $ABC=1,034$ mt based on Tier 4 $F_{abc}=0.025$, which is less than $F_{40\%}=0.032$. The shortraker ABC is based on the accepted natural mortality value $M=0.03$. The 2/3 exponentially weighted areal apportionment method used for POP was also applied to shortraker/rougheye resulting in:

<u>Area</u>	<u>ABC</u>
Western	220
Central	840
Eastern	560

OFL=2,340 mt, was calculated using $F_{35\%}=0.038$ for roughey rockfish and $F=M=0.03$ for shorttraker.

Other slope rockfish

For the Other slope rockfish (sharpchin, redstripe, silvergrey, harlequin, redbanded etc.) The SSC concurs with the Plan Team's recommended ABC=5,040 mt estimated using Tier 5 and the 1996, 1999 and 2001 trawl surveys. The areal apportionment method using the 2/3 exponential weighting was applied to the Other slope rockfish resulting in

<u>Area</u>	<u>ABC</u>
Western	90
Central	550
Eastern	4,400
WYAK	(260)
EYAK	(4,140)

The EGOA ABC was further split between WYAK and EYAK using the point estimate of the WYAK proportion from the 3 surveys.

OFL=6,610 mt was calculated using $F_{35\%}=0.064$ for sharpchin and $F=M=0.05$ for all other species.

PELAGIC SHELF ROCKFISH

The assessment of the Pelagic shelf rockfish complex (dusky, yellowtail, and widow rockfish) is based on the 1996, 1999, and 2001 surveys. The SSC concurs with the Plan Team recommendation that dusky rockfish be treated as Tier 5, rather than Tier 4 as was done in the past. The Plan Team felt that this more conservative approach was necessary considering the uncertainty in the assessment. The remaining major components (yellowtail and widow) were treated as Tier 5. The SSC noted that M for widow and yellowtail rockfish may be underestimated by using the dusky value of $M=0.09$. The SSC concurs with Plan Team's ABC recommendation of 5,490 mt, allocated using the 2/3 exponential weighting method to:

<u>Area</u>	<u>ABC</u>
Western	510
Central	3,480
Eastern	1,500
WYAK	(640)
SEO	(860)

The EGOA ABC was further split between WYAK and EYAK using the upper 95% CL of the WYAK proportion from the 3 surveys. Total OFL=8,216 for this species complex is based on Tier 5, $F=M$.

DEMERSAL SHELF ROCKFISH

Yelloweye is the dominant species in the demersal shelf rockfish complex.

The current assessment includes new density data from the NSEO management area. In last year's stock assessment review the SSC recommended that the lower 90% confidence interval be calculated from the sum of the estimates and the sum of the variances in each area. This would be the standard method for calculating the lower 90% confidence interval for the total population estimate. This resulted in a biomass estimate 3,000 mt larger than the method currently being used. The authors point out that DSR is surveyed and managed on the 4 management areas, so that the overall population estimate is somewhat of an artifact. The question is how does this assessment differ from other groundfish assessments that we manage by area. The answer seems to be that these are very localized populations that can be only crudely surveyed. The SSC concurs with the Plan Team and authors view that the lower 90% confidence interval by area should be used to calculate the biomass estimates thus protecting each area separately. Under Tier 4 and adjusting for the 10% of other species landed in the assemblage, and assuming $F=M=0.02$, the resulting $ABC=350$ mt; the resulting OFL using $F_{35\%}=0.0279$ for yelloweye is 480 mt. This turns out to be more conservative than $F_{40\%}$ for calculating ABC. The SSC noted that other estimates of natural mortality for yelloweye exist (e.g., for Canada and the West Coast) and the current estimates should be re-examined.

THORNYHEAD ROCKFISH

New data for the current assessment includes the 1999-2000 catch data, biomass estimates from the 2001 trawl survey, and Relative Population Number (RPN) data from the 2001 sablefish longline survey. The SSC reviewed this assessment at the October meeting, and noted that the baseline model estimated $M=0.081$, was unusually high when related to radiometric aging, GSI studies, and early attempts at age determination. The SSC felt that the model might be reacting to a truncated age distribution from the fishery, since thornyheads are known for their size and age stratification by depth. We still have this concern, and so concur with the Plan Team preferred alternative model with fixed $M=0.038$. Under Tier 3a $F_{40\%}=0.035$, gives an $ABC=1,990$ mt, allocated using an average of the 1990, 1993, 1996, and 1999 surveys.

<u>Area</u>	<u>ABC</u>
Western	360
Central	835
Eastern	795

with a total OFL=2,330 mt based on $F_{35\%}=0.042$.

ATKA MACKEREL

The SSC concurs with the authors and Plan Team in concluding that Atka mackerel in the GOA should be a bycatch only fishery with an $ABC=600$ mt.

General SAFE comments:

1. The SSC encourages the use of retrospective analysis of stock abundance trends, (i.e. the sequential deletion of annual input data to check for changes in output trends.) The presence of a sustained retrospective pattern can be a diagnostic of model adequacy.
2. Some of the rockfish (flatfish) complexes are comprised of many species that are relatively rare in the study areas. As a measure of the degree of scarcity of these species it might be useful to show which of these scarce species are more abundant in other geographic ranges.

3. Bering Sea Flatfish.

The SSC made a number of general suggestions for improved assessment of Bering Sea flatfish in its December 1999 minutes. The SSC notes that several of these suggestions have been carried out by the assessment authors and commends the authors for their efforts. Many others have not been carried out due to time constraints. These suggestions are briefly reviewed below.

1. Implement the development of AD models for Greenland turbot and arrowtooth flounder. The SSC notes that AD models have been implemented for the other Bering Sea flatfish species.
2. Examine the feasibility of linking survey catchability to bottom water temperature index. The SSC notes that a bottom temperature model has been implemented for yellowfin sole and the authors plan to examine this for the other flatfish species in next year's assessment.
3. Examine the assumption of static size-at-age common to flatfish assessments.
4. Many of the flatfish species have 30-40 years of stock recruitment data. Further, the stock recruitments plots are quite similar and indicate density dependent response at high biomass levels as well as strong recruitment response following the 1976-77 climatic change. The SSC recommends that for assessments with a lengthy stock recruitment time series, that management under Tier 1 status be explored.

4. Trends in flatfish stocks

Five of the six assessed flatfish species (yellowfin sole, Greenland turbot, arrowtooth flounder, rocksole and flathead sole) currently have decreasing biomass trends, some being more long-term. The declines in biomass have been preceded by declines in recruitment for the period starting in the mid-1980's or earlier. The SSC wishes to flag these changes in population abundance as a possible concern that requires close scrutiny. The decadal projection is one of continued decline under some ABC scenarios.

D-1(c) HALIBUT EXCLUDER DEVICE—EXPERIMENTAL FISHING REPORT

The SSC received a report from John Gauvin of the Groundfish Forum on an experiment conducted in 2000 on halibut bycatch reduction devices in the Pacific Cod trawl fishery. The tests were conducted under an experimental fishing permit issued by NMFS. The experimental gear used a series of filters placed in the intermediate portion of the net. Results of initial experiments were very promising, reducing halibut retention by approximately 85% while limiting the loss of target catch to approximately 15%. Some of filters employed in the gear modification created handling problems and were cumbersome to accommodate. Nevertheless, the SSC encourages the council to begin exploring mechanisms to implement incentive based systems that will promote the development and widespread use of bycatch reduction devices in this, and other fisheries.

D-1(g) F_{40%} REVIEW

It was brought to the attention of the SSC that the Council passed a motion in October requesting an independent review of the current groundfish harvesting strategy. While time didn't permit discussion of this issue by the SSC, as Chairman I'm prepared to offer the assistance of the SSC in any such undertaking. However, for the SSC to be of assistance, there is a need for the development of a carefully worded Terms of Reference Statement. Such a statement would contain a tightly structured description of the issue, the purpose of the review and a list of charges to be addressed by the review.

ADVISORY PANEL MINUTES
Anchorage Hilton
December 3-7, 2001

Advisory Panel members in attendance:

Alstrom, Ragnar	Fuglvog, Arne
Benson, Dave	Kandianis, Teresa
Boisseau, Dave	Jones, Spike
Bruce, John	Mayhew, Tracey
Burch, Al	Nelson, Hazel
Cross, Craig	Norosz, Kris
Ellis, Ben	Ridgway, Michelle
Enlow, Tom	Steele, Jeff
Falvey, Dan	Stephan, Jeff
Farr, Lance	Ward, Bob
Fields, Duncan	Yeck, Lyle
Fraser, David	

The AP unanimously approved the minutes of the October 2001 meeting.

C-1 CDQ

a. 4E/4D Amendment Package

The AP request the Council adopt 4E/4D Amendment Package as follows:

Issue 1: Revise the 6000 lb trip limit for area 4E halibut CDQ to 10,000 lbs to apply through August 1 of each year, after which no trip limit applies. *Motion passed 19-0.*

Issue 2: Adopt Alternative 3: Allow the harvest of Area 4D halibut CDQ in Area 4E, and the harvest of Area 4E halibut CDQ in Area 4D. *Motion passed 19-0.*

b. CDQ Policy amendment package

The AP recommends releasing Amendment 71 for initial review and requests that the analysis make clear that CDQ Policy Committee's Preferred Alternative be included in the text and directly analyzed. We further recommend the following additional information and options be included prior to release:

A. Add Problem Statement (from staff recommendation on page 8 of the analysis)

The Western Alaska Community Development Quota program was developed by the Council for the purpose of providing western Alaska communities with an opportunity to participate in the BSAI fisheries to promote the overall economic well being of these communities. Although the primary objective of the CDQ Program is to help the participating communities to establish a viable presence in this capital-intensive industry, over time there has been a growing need to take in to account the changing nature of the CDQ groups, the conditions in which they operate, and the communities they serve to benefit.

The CDQ Program was designed to provide for a substantial level of government oversight and includes a fairly complex allocation process conducted by the State of Alaska and approved by NMFS. It also requires

the majority of benefits from the CDQ allocations to be reinvested in fishing and fisheries related activities within the region. Given the growth and maturation of the CDQ Program over the last eight years, some of the administrative and policy aspects of the program are not currently structured to adapt to changes, or are not clarified in Federal regulations, to the extent that they will best suit the long term goal of the program, which is development of opportunities for communities in western Alaska.

B. Issue 1, Define the roles of NMFS, the Council and the State.

Add new Alternative 2A:

NMFS would continue to make CDQ allocations through an administrative process that continues to require the State to submit CDQ allocation recommendations. Regulatory amendments would be implemented to describe the administrative process that would be used to make CDQ allocations, including evaluation criteria. No appeals process would be included. The state would conduct a comment period and hearing as described in Issue 6, Alternative 2.

C. Issue 3, Define the Role of Government Oversight,

Amend Alternative 2 as follows:

Purpose#5 is redundant, and should be replaced with (from state comments):

Ensure that training, employment and education benefits are being provided to the communities and residents.

A new purpose #6 should be added (from analysis)

Ensure that the CDQ Program is providing benefits to each CDQ community and meeting the goals and purpose of the Program.

D. Issue 4, Types of Quota

The analysis should be expanded to include a more thorough analysis of the potential for splintering that foundation quotas might provide.

E. Issue 5. CDQ Allocation Process the Evaluation Criteria. Alternative 2.

Amend Alternative 2 to specifically list the criteria proposed by the State (pg. 101 of the analysis) modified as recommended in the analysis (at page 115). The following policy decisions required under this alternative are decided as follows:

1. CDQ allocations will be based only on the evaluation criteria published in NMFS regulations, and the introductory paragraph is revised to read:

The following evaluation criteria shall be used as the basis for allocating CDQ among the CDQ groups or eligible communities. Public comment will be considered in the CDQ allocation process.

2. Criteria 6 should be deleted as it is redundant, and replaced with the employment and training criteria.

3. Add the suggested new criteria for incidental catch and PSQ species.

4. Include the state scorecard as an option, with the criteria mirroring the evaluation criteria and that is as transparent as possible while maintaining confidentiality of business information.

F. Issue 8. Alternative 3

Add a new Option 4: Allow each CDQ group to invest up to \$1,000,000 in non-fisheries related projects.

Motion passes 19/0

The following amendments to the main motion failed:

The AP requests the Council add alternatives under Issue 2 Alternative 3 (fixed allocation alternative) as follows:

1. Allocation based on the current (status quo) allocations, except if the judge rules for APICDA and imposes different allocations that serve as status quo.
2. Each group receives 1/6th of the allocation
3. Each group receives and allocation equal to their historic percentage allocation using the years 1992-2001 as the base. Failed 6/14

The AP requests the Council include in analysis under Issue 8 Alternative 4, a suboption 1: Require that any non-fisheries related investments be made in economic development projects in the region of Alaska represented by CDQ groups . Failed 9/10/2

C-2 Halibut Subsistence

The AP recommends the Council adopt the following elements and options for Halibut Subsistence:

1.3.2 Alternative 2. Modify the previous action on halibut subsistence

Part 1: in Areas 4C, 4D, and 4E: eliminate gear and harvest restrictions;

~~Part 2: in Areas 3B, 4A, and 4B, allow stacking up to three times the number of hooks on a single unit of gear provided the subsistence user(s) are on board the vessel;~~

Part 3: in Area 3A,

A) Kodiak Road Zone and Chiniak Bay

- 1) decrease the gear limit to 5 hooks,;
- 2) create a 20 fish annual limit,
- 3) allow stacking up to three times the number of hooks on a single unit of gear,
- 4) allow proxy fishing;
 - a) proxies may be issued to any eligible subsistence user
 - b) no one may hold more than one proxy per trip
 - c) proxies apply to annual fish limits, not gear units

A motion to use the State of Alaska's proxy definition failed 6/16.

~~B) Prince William Sound:~~

- ~~1) decrease the gear limit to 5 hooks;~~
- ~~2) allow stacking up to three times the number of hooks on a single unit of gear;~~

~~C) Cook Inlet:~~

- ~~1) decrease the gear limit to 5 hooks;~~
- ~~2) allow stacking up to three times the number of hooks on a single unit of gear;~~
- ~~3) increase the size of the Cook Inlet non-subsistence fishing area by adjusting its southern boundary;~~

Motions to include the Alaska Board of Fisheries recommendations for Cook Inlet and Prince William Sound failed 6/13 and 7/13 respectively.

- B) Area 3A-wide**
1. **Limit stacking provisions to 3 units of gear and require subsistence users be on the vessel.**
 2. **Create an area-wide 20 fish annual limit**
 3. **Allow the use of proxy fishing area-wide.**
 - a) **proxies may be issued to any eligible subsistence user**
 - b) **no one may hold more than one proxy per trip**
 - c) **proxies apply to annual fish limits, not gear units**
- C) Maintain the current boundary for the Cook Inlet non-subsistence fishing area**

~~Part 4: in Area 2C, Sitka:~~

- ~~1) decrease the gear limit to 2 hooks;~~
- ~~2) create a 20 fish annual limit;~~
- ~~3) allow proxy fishing;~~
- ~~4) decrease the daily harvest limit to 2 fish (Council option);~~

Part 4: Area 2C-wide

- (a) **Limit stacking provisions to 3 units of gear and require subsistence users to be on the vessel.**
- (b) **Create an area-wide 20 fish annual limit**
- (c) **Allow the use of proxy fishing area-wide.**
 - a) **proxies may be issued to any eligible subsistence user**
 - b) **no one may hold more than one proxy per trip**
 - c) **proxies apply to annual fish limits, not gear units**
- (d) **Establish a 2-hook, 2 fish daily limits with State of Alaska proxy provisions in the Sitka LAMP area**

A motion to Table failed 10/1.

A motion to approve Alternative 1: no action failed 0/19/2.

The Minority opposes the final motion on subsistence halibut for the following reasons:

In general:

1. *The action is inconsistent with the Council's intent to provide for customary and traditional subsistence practices and uses.*
2. *The restrictions are not necessary for conservation of halibut, rockfish or lingcod. No data was presented to the AP to demonstrate that subsistence uses must be restricted for conservation reasons.*
3. *In instituting strict annual and daily bag limits, the action fails to acknowledge that subsistence uses are self-limiting.*
4. *The action will unnecessarily restrict the ability of subsistence users to get enough halibut to meet subsistence needs.*
5. *Placing unnecessary restrictions that are inconsistent with meeting the nutritional needs and traditional practices of subsistence users continues the long history of making subsistence "outlaws" just to feed their families and live their way of life. This will result in continued resistance to reporting subsistence harvest and the Council, NMFS and the IPHC will fail in one of their primary objectives; a good subsistence harvest monitoring and reporting system.*

In regards to the 20 halibut annual limit with a proxy system for all of areas 3A and 2C:

1. *This annual harvest limit is far broader and much more restrictive than what was recommended by the Alaska Board of Fisheries. The restriction would apply to even the smallest Native Villages in these areas where there is no basis for conservation or other concerns.*
2. *Instituting a proxy system where one is not necessary for conservation, including villages within Areas 3A and 2C, causes unnecessary administrative burdens on both NMFS and subsistence users, and may result in disrupting traditional subsistence harvest patterns and preventing the harvest of sufficient fish to meet subsistence needs.*

In regards to Sitka LAMP area:

1. *The 2/day bag limit and the state proxy system will not meet subsistence needs, is inconsistent with traditional practices and patterns of harvest and is not necessary for conservation*
2. *The LAMP was not intended to regulate subsistence.*
3. *If a proxy system is needed in Sitka Sound, it should provide for customary and traditional subsistence harvest patterns and practices and allow harvest sufficient to satisfy subsistence needs.*

Conclusion:

The better course of action would be to first get good subsistence harvest data, and good data for those halibut, rockfish and lingcod stocks of concern, and if there is a problem, the Council can take necessary action based on such data.

Subsistence users should be involved in the design and implementation of any proxy system through working groups and/or cooperative agreements.

Signed: Dave Fraser, Tracey Mayhew, Al Burch, Michelle Ridgway, and Hazel Nelson

C- 3 Seabird Avoidance Measures

The AP recommends the council Adopt Alternative 4 with the following modifications:
(Please note that alternative 4 incorporates, by reference, the measures in Alt. 3 for vessels over 55 ft. LOA. The AP recommends the council revise the language under Alternative 3: E. IV. Use of a line shooter as a sole deterrent method.)

Offal discharge requirements—**Clarify wording to ensure that strategic discharge of offal from the stern of the vessel to distract seabirds away from the groundline is allowed.**

Bird Line Requirements

Inside Waters (Area 649, 659, state waters of Cook Inlet):

1. A minimum of 1 buoy bag line of a specified performance standard is required of vessels without **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA.
2. A minimum of 1 streamer line of a specified performance standard is required of vessels with **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA
3. A minimum of 1 streamer line of a specified performance standard is required of vessels greater than ~~45~~ 55 ft LOA..

EEZ:

1. A minimum of 1 buoy bag line of a specified performance standard and one other specified device is required of vessels without **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA
2. A minimum of 1 streamer line of a specified performance standard and one other specified device is required of vessels with **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA
3. A minimum of paired streamer lines of a specified performance standard is required of vessels greater than ~~45~~ 55 ft LOA

Vessels using Snap Gear:

1. A minimum of 1 buoy bag line of a specified performance standard and one other specified device is required of vessels without **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA
2. A minimum of 1 streamer line of a specified performance standard and one other specified device is required of vessels with **superstructures mast, poles, or rigging** greater than or equal to 26 ft (7.9 m) LOA and less than or equal to ~~45~~ 55 ft LOA
3. A minimum of 1 streamer line of a specified performance standard and one other specified device is required of vessels greater than ~~45~~ 55 ft LOA

Performance Standards for Bird Line Requirements are as follows (Table 1a):

Buoy Bag Line Standard: A single streamer line (10 to 40 m length) with no streamers attached; buoy bag line to be deployed within 2m of either side of the point where the main groundline enters the water.

Single Streamer Standard: A single streamer line deployed in such a way that streamers are in the air for a minimum of 40 m aft of the stern and within 2m of either side of the point where the main groundline enters the water.

Paired Streamer Standard: Paired streamer lines deployed in such a way that streamers are in the air for a minimum of 40 m aft of the stern. For side-setters, one line must be over the main groundline, while the other streamer must be deployed to either side.

Snap Gear Streamer Standard: A single streamer line (45 m length) deployed in such a way that streamers are in the air for 20 m aft of the stern and within 2m of either **side of the point where the main groundline enters the water.**

For vessels < 55 ft LOA, the applicable performance standard would be implemented as guidelines in the first year and become regulation in the following year unless modified. The AP further recommends NMFS, WSGP and industry engage in a cooperative study during the first year of the program to determine if modification to the performance standard for this class of vessels is warranted and investigate if vessels <55 ft.LOA should be exempted from the performance standards when fishing at night from November1 to April 1.

The following motion failed 9/11: For vessels less than 100ft LOA, the applicable performance standard would be implemented as guidelines in the first year and become regulation in the following year.

Minority Report

We, the minority, think that a large portion of the current halibut fleet with vessels in the 55-100 LOA range, particularly those vessels that only fish for a week or two each year, are not knowledgeable about the proposed seabird avoidance regulations and do not have experience in using and deploying the recommended seabird avoidance mechanisms. It is unlikely that this "part time" fleet will be able to comply with the proposed performance standards and we are concerned that observers and NMFS enforcement may strictly enforce them. A one year implementation period is needed for this fleet to become familiar with the seabird avoidance regulations and knowledgeable about use of seabird avoidance mechanisms so that they can meet the required performance standards.

Signed: Michael (Spike) Jones, Tom Enlow, Dave Boisseau, Ben Ellis, Al Burch, Duncan Fields, Jeff Stephan, Lyle Yeck, John Bruce

The AP notes that minor variations from the performance standards are likely. We request the council discuss the level of enforcement expected. Reasonable efforts displayed by vessels should be taken into consideration prior to enforcement actions. More blatant, intentional and egregious violations should justify enforcement action.

The AP also recommends the Council encourage the NPGOP & NMFS enforcement to expand outreach and assistance to industry in developing and using seabird avoidance gear, including the training of observers to provide informational resources to industry in regards to seabird avoidance measures.

Further, the AP recommends that NMFS, in conjunction with industry, be required to develop a seabird avoidance incident reporting form. This form is to be placed in the observer handbook and be used when there is a question on performance standards.

Other Devices include the following:

Add specified weights to groundline.

Use a buoy bag line or streamer line, of specified performance standards.

Strategic offal discharge to distract birds away from the setting of baited hooks: Discharge fish, fish

parts (i.e. offal) or spent bait, to distract seabirds away from the groundline while setting gear.

Requirements for All Operators of Applicable Vessels **while engaged in fixed gear operations**
Seabird avoidance devices as described above must:

- (1) **Be onboard the vessel**
- (2) Be made available for inspection upon request by an authorized officer (USCG, NMFS Enforcement Officer or other designated official)
- (3) Meet certain specified standards.
- (4) Be used while hook-and-line gear is being deployed.
- (5) ~~A functioning and effective spare bird line must also be onboard.~~

Seabird Avoidance Plan must be:

- (1) Completed.
- (2) Onboard the vessel.
- (3) Made available for inspection upon request by an authorized officer (USCG, NMFS Enforcement Officer or other designated official).
- (4) **Consistent with USCG safety information posting requirements**

Alternative 4 Option for Small Vessel Exemption in Specified Areas:

Vessels fishing **less than or equal to 32 ft. LOA** in the "internal waters" of Southeast Alaska (NMFS Area 659; Southeast Inside District), Prince William Sound (NMFS Area 649), and State waters of Cook Inlet ~~would also be exempted.~~ **would be required to tow a buoy bag.**

Vessels 32 ft (9.8 m) LOA or less fishing halibut in IPHC Area 4E would be exempted from seabird avoidance regulations.

Motion passes with 2 abstentions.

C-4 Crab Rationalization

The AP recommends the following clarifications and additions for analysis in the Crab Rationalization document:

Issue 1. Clarification of eligibility requirements.--Reword 1.2 option 1 as follows

1.2 Persons eligible to receive an initial allocation of QS must be:

~~Option 1. Persons that own NMFS certified BSAI crab vessels based on the catch history that gave rise to that vessel's certification, including NMFS approved Amendment 10 combinations, provided PL 106-554 is amended. To qualify as a certified vessel, a vessel must not at any time since October 10, 1998, been ineligible for a U.S.C.G. fishing endorsement. NMFS/RAM approved replacement vessels, qualified under the Amendment 10 exception for replacement vessels that have not at any time since October 1998 been ineligible for a U.S.C.G. fishing endorsement, would also qualify.~~

Option 1 Any person that holds a valid, permanent, fully transferable LLP license ;or

Option 2 A person, defined as a U.S. citizen that owns a MarAd certified and/or USCG documented BSAI crab vessel that: (i) was used to satisfy the General Qualification Period and Endorsement Qualification Period landings requirements of the License Limitation Program ("LLP"), and (ii) either was used to satisfy the Recent Participation Period landings requirement of Amendment 10 or meets the exemption requirements of Amendment. 10 replacement vessels

Suboption: Persons who have purchased LLP, with GQP, EQP, and RRP qualifications to remain in a fishery may obtain a distribution of QS on the history of either the vessel on which the LLP is based or on which the LLP is used, NOT both.

~~Option 2. Persons that own the catch history and/or fishing rights of BSAI crab vessels that satisfied the General Qualification Period and Endorsement Qualification Period landings requirements of the License Limitation Program ("LLP"), and (ii) either the Recent Participation Period landings requirement, or one or more of the specific exemption requirements of Amendment 10 to the LLP.~~

Motion passes 18/0

Issue 2. Eligibility to receive an initial allocation of QS- Replace 1.4.1 option 1 and 2 language as follows:

1.4.1. Calculation of initial QS distribution will be based on legal landings excluding deadloss.

(b) Basis for QS distribution.

~~Option 1. For eligibility criteria outlined in paragraph 1.2, Option 1, the distribution of QS shall be based on the catch history of the certified vessel on a fishery-by-fishery basis. The underlying principle of this program is one history per vessel and that the initial allocation of quota share will disallow stacking or combining histories of vessels that are not currently participating in BSAI fisheries, with the exception of Amendment 10 exemptions and replacement vessels with fishery endorsements since October 10, 1998.~~

Option 1. For eligibility criteria in paragraph 1.2, the distribution of QS to the LLP license holder shall be based on the catch history of the vessel (including replacement vessels) on which the LLP license and endorsements are based and shall be on a fishery by fishery basis. The catch history upon which the fishing quota shares are derived, must have been earned on vessels that are currently MarAd certified and/or USCG documented fishing vessels. The initial allocation of quota share will allow stacking or combining of LLPs and histories that satisfied (i) the General Qualification Period and Endorsement Qualifying Period landings requirements of the License Limitation Program ("LLP"), and (ii) either the Recent Participation Period landings requirement, or one or more of the specific exemption requirements of Amendment 10 to the LLP.

~~Option 2. For eligibility criteria outlined in paragraph 1.2, Option 2, the distribution of QS shall be based on the catch history of the qualified vessel on a fishery-by-fishery basis. The underlying principle of this program is one history per vessel. However, the initial allocation of quota share will allow stacking or combining of histories of vessels that each satisfied (i) the General Qualification Period and Endorsement Qualification Period landings requirements of the License Limitation Program ("LLP"), and (ii) either the Recent Participation Period landings requirement, or one or more of the specific exemption requirements of Amendment 10 to the LLP.~~

Option 2. For eligibility criteria in paragraph 1.2, Option A, the distribution of QS to the LLP license holder shall be based on the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per vessel. However, the initial allocation of quota share will allow stacking or combining of valid, permanent, fully transferable LLP licenses and of histories of vessels as permitted under the LLP.

Suboption: Persons who have purchased LLP, with GQP, EQP, and RRP qualifications to remain in a fishery may obtain a distribution of QS on the history of either the vessel on which the LLP is based or on which the LLP is used, NOT both.

Motion passes 18/0

Issue 3. Application of PQS ownership caps.

Section 2.7.1 (PQS ownership caps) and section 1.6.4 (vertical ownership caps on processors) should be analyzed using both the individual and collective rule and the threshold ownership rule using 10%, 25%, and 50% minimum ownership standards for inclusion in calculating the cap.

Motion passes 18/0

Issue 4. Application of PQS ownership caps.

The AP recommends applying ownership caps at the company level.

Motion passes 18/0

Issue 5. Inclusion of closed fisheries

The AP requests staff provide information describing these fisheries, issues related to recency, potential proxy QS in other fisheries. We further request the State of Alaska be consulted on potential options which can be implemented as trailing amendments.

Motion passes 17/1

Issue 6. Use caps

The AP recommends clarifying that use caps would apply fleet wide and are based on percent rather than lbs. Alternative 1.7.4 Option 1 should be modified as follows:

1.7.4 Use caps on IFQs harvested on any given vessel:

Option 1. Range from average to highest of annual catch by vessel by species

Suboption 1

- a) fleet average percent of the catch in the qualifying period (check wording with staff - ask lance)
- b) highest single vessel percentage of the catch in the qualifying period

Suboption 2 Options for a specified time period:

- a) the IFQ qualifying years;
- b) the IFQ qualifying years plus the years from the end of the qualifying period through the year of the final Council action.

Motion passes 18/0

Issue 7. Delete the following option from section 2.3

~~Option 3. Processing quota shares shall be initially issued to Eligible Processors based on the 1995-1999 processing history for each fishery, determined by the buyer of record listed on ADF&G fish tickets:~~

~~Suboption: Processor able to choose the best 4 of 5 years.~~

Motion passes 18/0

Issue 8. Limits on processor ownership of harvester QS

The AP recommends option 2, with grandfather provisions, be applied to both the initially issued QS and any additional purchased.

Motion passes 18/0

Issue 9. Penalties on IPQs

Modify 2.8.8 option as follows:

Note: All three options for reclassification of these temporary B QS should require a regionalization designation to maintain the appropriate regional allocations. Additionally, the AP requests staff include discussion of reasons a processor may not use its quota, including physical inability (e.g. plant breakdown); harvesters being unable to deliver when the processor is able to process; bona fide price disagreement; concern over exceeding the processor quota allotment (when there is only a small amount of processor quota remaining); and bonafide dispute over quality of the crab.

2.8.2 Penalties - Eligible Processors must fully utilize their processing quota shares in the season while a fishery is open or lose the amount that is not utilized for one season in the next season.

i. Distribution of unused quota:

- Option 1. Distributed to other processors proportionally
- Option 2. Distributed to other processors equally
- Option 3. Allocate to open access.

Suboption 1. Distribution of QS from A class to B class with regionalization

- a) reclassification of Class A QS proportionally among all Class A QS holders
- b) reclassification of Class A QS equally among all Class A QS holders
- c) reclassification of the unused Class A QS to B class

Motion passes 18/0

Issue 10. Options for Catcher/Processors

The AP recommends allowing the purchase and processing of B share IFQ crab. We further recommend adding a new option 5 under section 1.7.2.3, Basic eligibility criteria for initial allocation of IPQ quota shares, to mirror the eligibility for processors in section 2.1,

1.7.2.3 Allowances for Catcher/Processors

Option 5. U. S. corporation or partnership (not individual facilities) that processed crab for any crab fishery included in the IFQ program during 1998 or 1999.

Motion passes 19/0

Issue 11. Catch history, co-ops and open access

Add 2 new options to 6.2.3 Options for assignment of QS: (Note: the vessel owner may choose which of these options to apply.)

6.2.3 Other Options/Considerations.

Calculation of Co-op Catching and Processing History. A co-op consists of some number of vessels delivering to a processor. Catch histories assigned to each vessel will be determined by analysis of catch and delivery patterns. Processing histories shall be determined in an identical fashion:

Cumulative history of co-op participant (harvester or processor)
 Total history of all qualifying co-op participants (harvester or processor)

Option 1. Catch history is added to the open access pool, and all open access vessels would be allowed to harvest their history. But the coop vessel, since it belonged to a cooperative would not be allowed to participate in the open access fishery during the same year it is in a coop for a specific target fishery.

Option 2. Assign all of a person's catch history for a specific target fishery to the respective Cooperatives, if they join only one cooperative. Because the vessel owner is not a member of the other cooperatives, they would not be eligible to participate in the harvest of the other cooperatives' allocations of the target species.

Motion passes 19/0

Issue 12. Calculation of a cooperative's allocation

The AP recommends using the AFA method, rather than the State of AK proposed method, for calculating Coop histories in order to allow for an open access fishery. *Motion passes 19/0*

Issue 13. Regional division of harvest shares

The AP recommends the regional distribution apply to each initial allocation of harvesting and processing shares. *Motion passes 19/0*

Issue 14. Provision against leasing

The AP recommends exempting from the definition of a lease the use of IFQs on a vessel on which the owner of the underlying QS is present. *Motion passes 19/0*

Issue 15 and 16. Skipper qualification criteria

The AP recommends replacing 1.8.1 Options 1 with the SEA skipper and crew initial allocation proposal and Option 2 with the SEA first right of refusal proposal. We further recommend the SEA proposals be modified as follows:

Option 1.

I. Percentage to Captains and/or crew:

A range of percentages for initial allocation from 0% to 20% should be analyzed.
(i.e. 0%, 10%, 20%)

A crewman is defined as a US citizen who held a commercial fishing landing permit or crew license during the qualifying period.

II. Species specific:

As with vessels.

III. Eligibility:

(a) Determined on a fishery by fishery basis by 1) having at least one landing in the qualifying years used by the vessels and 2) having recent participation in the fishery as defined by at least one landing per year in the fishery in the last two years prior to adoption of a rationalization program by the Council.

(b) As a second option, eligibility could be determined by a point system modeled after that used by the State of Alaska in SE Alaska for limited entry in the Dungeness, King, and Tanner crab fisheries there.

1. Skippers
2. Crew

IV. Qualification period:

As with vessels.

V. Distribution per Captain and/or crew:

- i) Shares based on landings. (personal catch history based on ADF&G fish tickets).
- ii) Shares distributed equally among qualified participants.
- iii) For crew: distribution based on a point system

- iv) A mix of one or more of the above, with a range of 0-50% distributed equally and the balance based on landings and/or points

VI. Transferability criteria:

- (1) Sale of QS
 - a) QS is fully transferable
 - b) QS is only transferable to active participants
- (2) IFQ leasing
 - a) IFQ is fully leasable
 - b) IFQ is only leasable to active participants
 - c) IFQ is leasable to smaller, distant fisheries (i.e. St. Mathew, Pribilof and Adak King Crab)

Use it or lose it would apply to either 1 or 2 above, with a one year hardship provision. If the crew QS holder does not maintain active status in the fishery they would be required to transfer their QS to another active participant in the fishery

An active participant is defined as a skipper or crewman who makes a minimum of one delivery per year in the subject crab fishery as evidenced by fish tickets, or in the case of a crewman, an affidavit from the vessel owner.

VII. Limits on ownership:

A cap on ownership of crew QS shall be the same percentage as that used for vessels, but will be separate from vessel caps.

Option 2: First Right of Refusal on Quota Share Transfers

- (1) A range of 0-20% of initially issued QS would be designated as crew shares, these shares would remain as a separate class of QS. Transfer of initially issued QS must include transfer of 0-20% crew shares for which there will be a first right of refusal for eligible crew to buy. The owner of the QS being offered for sale would have to give notice to NMFS RAM division of the impending sale. RAM in turn could then notify the fleet of the available QS. After this initial transfer crew QS will be available for transfer to any active participant in the fishery.
- (2) If a qualified buyer cannot be found then 50% of the 0-20% crew QS offered for sale would have to be gifted to a pool available to qualified buyers and the remaining 50% of the 0-20% could then be offered for sale on the open market to any buyer.
- (3) The skipper/crew pool of QS would be overseen by RAM and that the proceeds from the sale of this QS by auction to the highest qualified bidder would go into a dedicated low interest loan program for skippers and crew.
- (4) Time frame for the first right of refusal is 1-3 months.
- (5) Eligibility of a U.S. citizen to purchase crew shares would be defined by participation in at least one delivery in the subject crab fishery in the last year as evidenced by ADF&G fish ticket or affidavit from the vessel owner.

Motion passes 17/0/1

In addition to the clarifications noted by staff, the AP makes the following additional recommendations:

Issue 16. Add to 6.2.2 (a) a new option:

6.2.2. Processor Sector Options

Eligible processors as defined under paragraphs 2.1 and 2.3 Option 1, a-g. In addition:

1. C/P vessels may process their own history and the history of those who made deliveries to them, or may deliver their catch to inshore processors;
2. inshore processing sector (floaters, mother-ships and shore-based) is restricted to its qualifying processing history and may not convert such history to C/P operations.
3. **Allow new processors, meeting the appropriate criteria, to form Co-ops (i.e. no closed class of processors)**

Motion passes 9/5/4

Issue 17. Add to 1.6.2 a new option

Option 5 A brown king crab QS holder may annually swap with any other brown king crab QS holder, on a pound for pound basis, IFQ in one district for IFQ in the other district

Motion passes 15/0

The following motion failed 5/12

1.8.2 Owner on Board requirements

- a. No owner on board requirements*
- b. Initial issues of QS would not be required to be aboard the vessel, subsequent transferees would be required to be aboard the vessel when harvesting IFQ's. (Transfer rules similar to halibut/sablefish IFQs)*

Minority Report

The minority of the AP believes that Owner on Board provisions should be reviewed by Council staff because:

- a. Without Owner on Board provisions, a given crab fishery is likely to consolidate up to the vessel or owner cap and the ownership interests are likely to migrate from the waterfront. eg. If the ownership cap is 1% of a fishery, there will eventually be very close to 100 participants in the fishery-- those owning the fishery do not need to be fishermen, familiar with vessels or knowledgeable about the resource, simply investors.*
- b. The National Academy of Science review of IFQ programs, Sharing the Fish - Toward a National Policy on IFQ's, suggests that a number of options for facilitating entry into the fishery and crew member opportunities should be considered when considering an IFQ plan.*
- c. Owner on Board provisions will ensure and may enhance the nexus between those actually harvesting the resource and those making the decisions regarding when, where and how to participate in the fishery. This will enhance safety, resource protection and care of the active participants in the fishery.*

Signed: Duncan Fields, Michelle Ridgway, Dave Fraser, Jeff Stephan, Arne Fuglvog

Issue 18. Replace the Coop options in 6.1 as follows

6.1 Use a co-op model that would have similar elements (qualifying years, ownership caps, skipper provisions, etc) as the IFQ program alternative as appropriate and the following options for comparison with the IFQ model:

~~Option 1. AFA-style co-op~~

~~Option 2. Dooley-Hall style co-op~~

1. Formation of Coop

A. There would be one coop formed with each eligible crab processor. Coops would be formed with the processor at the company level, not the plant level. Two or more vessels are sufficient to form a coop. The coop would handle all species of crab.

B. Crab processor eligibility would be determined using the qualifying period identified for allocation of initial IPQs (Eligible Processors, including C/P as revised in 1.7-2.3 option 5, Issue 10, processors eligible to receive an initial allocation of processing quota shares (PQs) are defined as follows: U.S. Corporation or partnership (not individual facilities) that processed crab for any crab fishery included in the IFQ program during 1998 or 1999.)

C. Each crab vessel is eligible to join only one coop. Which coop the vessel is eligible to join is determined based on which eligible processor that vessel delivered the highest dollar value of crab to during the processor qualifying period used for 1.B above.

D. The dollar value is determined by multiplying the average price per pound published by the State of Alaska in each season for each crab fishery in which that vessel made deliveries by the number of pounds delivered to each processor by that vessel in each season of the qualifying period.

E. Vessels that join a coop will have their catch history from the vessel qualifying period protected. A vessel that does not elect to join in the coop for which it is eligible remains under an open access fishery.

F. Each vessel's catch history is determined using the formulas identified for calculation of initial quota shares selected under section 1.4 as modified above.

G. A coop agreement would be filed annually with the Secretary of Commerce, after review by the Council, before a coop's catch history would be set aside for their exclusive use. The processor and each boat that is eligible and elects to join the coop must sign the agreement. Only the histories of those boats that sign will be protected.

2. Operation of Coop

A. The coop is responsible for allocating fishing quotas for each species of crab to the coop members. Each vessel is entitled to one vote, and decisions will be made by majority vote unless otherwise agreed to by the coop members.

B. The processor with which the coop is formed gets

- i. first right of refusal for all crab harvested by coop members, with coop free to deliver crab to another eligible processor if no agreement is reached; or
- ii. a guaranteed amount of coop crab to be delivered, with the amount ranging from 10% to 100%, the remainder of which can be delivered by the coop to either—

- I. any eligible processor, or
- II. any processor, eligible or not (i.e., new entrant allowed).

C. If the processor buys the coop crab, it may process the crab itself or may arrange to have it processed by any other crab processor (i.e., the processor acts as broker for coop crab it does not wish to process).

D. In the alternative, the processor may elect to have the coop act as its own broker for crab the processor does not wish to buy, with the coop free to either sell the crab to another processor or allow individual vessels to make arrangements on their own.

E. Cooperatives may arrange to swap, purchase, or trade deliveries of crab by mutual agreement of the cooperatives concerned.

3. Movement of Vessels Between Coops

A. Three alternatives would be analyzed.

- i. Vessels are free to transfer between coops once each year, with agreement of the coop to which they are moving. Vessel catch history goes to new coop.
- ii. Vessels may move to a new coop after spending one year in the open access fishery. Coop must agree to entry of new vessel. Vessel catch history is not protected in open access, but is restored upon entering new coop.
- iii. Vessels may only leave coop with agreement of the processor. Catch history only goes with vessel if processor agrees.

B. Vessels that did not join a coop in the first year coops are formed may join the coop of the processor to which they delivered the highest dollar value of crab in the previous year after spending one year in the open access fishery.

4. Regionalization, Etc.

A. All other options in the June Draft Council motion regarding regionalization, skipper/crew shares, etc. would be applied to the Lead Fishery Cooperative Model based on the options identified for analysis in those areas.

5. Taxes

Add a new # 5. Taxes: Require owners of CP vessels to pay a fee equivalent to the tax that would have been imposed had the CP operated in State waters.

Motion passes 15/4

Issue 19. Remove from section 1.4.2.7 Options for Dutch Harbor Western Aleutians Brown King Crab as follows:

Suboption: Award each initial recipient QS based on:

- (a) ~~GHL split Dutch Harbor/western Aleutian Island brown king crab~~
- (b) historical participation in each region

Motion passes 11/3/5

Issue 20. Adjust the range in 1.6.3 (d) as follows:

Steele - 1.6.3 Separate and distinct QS Ownership Caps

Change option (d) as follows:

Percentage cap-ranging from 15 - 40% for the Dutch Harbor and western Aleutian Island BKC

Motion passes 17/0/1

Issue 21. AP requests that the council reiterate that a comprehensive section on environmental consequences of these rationalizations alternatives be included in the next draft document.

Motion passes 10/4/1

D-1 Groundfish Management

The AP requests the Council approve the SAFE reports for the BSAI and GOA. *Motion passed 18/1.*

Additionally, the AP approves the SSC's ABC with the following changes as included in the attachment:

- GOA: Set TAC fop Shallow water flatfish in WGOA to 4,500 mt and CGOA to 13,000mt
- Set TAC Flathead sole in WGOA to 2,000 mt and CGOA to 5,000mt
- Set TAC Arrowtooth flounder in all areas: WGOA 8,000mt, CGOA 25,000 mt, WYAK 2,500mt, EYAK/SEO 2,500mt
- Decrease Other slope rockfish in WYAK to 150mt and EYAK/SEO to 200 mt

For PSC's, the AP adopted the following:

Halibut PSC Limits - Trawl			
	shallow	deep	Total
Jan 20 - Apr 1	450	100	550
Apr 1 - Jul 1	100	300	400
Jul 1 - Sept 1	200	400	600
Sept 1 - Oct 1	150 any rollover		150
Oct 1 - Dec 31	no apportionment		300
Total	900	800	2000
Halibut PSC Limits - Fixed			
Jan 1 - June 10	250		
June 10 - Aug 31	5		
Aug 31 - Dec 31	35		
DSR	10		
Total	300		

Motion passed unanimously.

In the GOA, the AP requests the Council adopt the 3 survey average for projecting ABC for P cod. *Motion passed unanimously.*

Additionally, the AP recommended that the amount for arrowtooth flounder non-specified reserve for CDQ be increased from 15% to 50%. *Motion passed unanimously.*

Further, the AP requests the IPHC or other government agencies to work cooperatively with the small boat pacific cod fisherman to design a study capable of determining differences in halibut discard mortality rates and bycatch amounts. *Motion passed unanimously*