

MEMORANDUM

TO: Council and AP Members
FROM: Chris Oliver
Executive Director
DATE: May 30, 2003
SUBJECT: BSAI Amendment 77 - Fixed gear Pacific cod allocations

ESTIMATED TIME
6 HOURS

ACTION REQUIRED

Final action on BSAI Amendment 77 - Fixed gear Pacific cod allocations

BACKGROUND

The fixed gear sectors (hook-and-line and pot gear) currently receive 51 percent of the BSAI Pacific cod TAC under BSAI Amendment 46. The trawl sector and jig sector receive 47 percent and 2 percent, respectively. Effective since September 2000, BSAI Amendment 64 apportions the fixed gear share of the BSAI Pacific cod TAC among the fixed gear sectors as follows:

- 80% hook-and-line catcher processors
- 0.3% hook-and-line catcher vessels
- 18.3% pot vessels
- 1.4% hook-and-line and pot catcher vessels <60' in length

This amendment sunsets on December 31, 2003. In October 2002, the Council initiated a new plan amendment (**BSAI Amendment 77**) to retain or alter these allocations, and the problem statement and alternatives for analysis were approved at the December Council meeting. Amendment 77 proposes implementing separate allocations to hook-and-line catcher processors, hook-and-line catcher vessels, pot vessels, and catcher vessels <60' LOA, with the option to split the pot vessels' allotment between pot catcher processors and pot catcher vessels. In essence, this action would continue to further split the 51 percent of the BSAI Pacific cod TAC allocated to fixed gear vessels among the above sectors based on recent catch histories.

This amendment package considers four primary alternatives, including the no action alternative (Alternative 1). The status quo alternative (Alternative 2) would continue the fixed gear Pacific cod apportionments approved by the Council under Amendment 64, which closely represent harvests in this fishery over the period 1995 - 1998, with an additional allocation for catcher vessels <60' LOA. A third alternative would apportion the fixed gear BSAI Pacific cod TAC according to catch histories by sector during 1995 - 1999. Finally, a fourth alternative is included to apportion the pot share of the BSAI Pacific cod TAC between pot catcher processors and pot catcher vessels. There are also several options provided to address BSAI Pacific cod quota reallocated to and within the fixed gear sectors, as well as an option for a five-year sunset provision.

Similar to the original action, Amendment 77 is intended to respond to concerns that the stability of this fully utilized fishery is threatened by increased competition, driven in part by recent increases in the market value of cod products. While participants in the BSAI fixed gear Pacific cod fishery include longline and pot fishermen with extensive catch histories, absent a gear split, there is no mechanism that would prevent one sector from increasing its effort in the fishery and eroding another sector's relative historical share. The original fixed gear split was approved as a step to promote stability in the BSAI Pacific cod fishery until comprehensive rationalization is completed. The Pacific cod endorsements required under Amendment 67 and implemented in 2003 are considered a further step in this process. The Council noted that prior to the expiration of Amendment 64, it intended to reconsider the allocation issue in light of the impending Pacific cod endorsement requirement on permits issued to fixed gear vessels $\geq 60'$ under the License Limitation Program.

Because Amendment 77 includes an alternative that would split the pot share of the TAC between pot catcher processors and pot catcher vessels, each issue (the overall fixed gear split and the pot split) is addressed in a separate problem statement guiding analysis of this proposed action. The alternatives for analysis and the problem statements are included in the executive summary, attached as Item C-4(a). The Council made an initial review of the analysis in April, and a revised draft of the analysis was sent to you on May 9. Final action is scheduled for this meeting, in order to have implementing regulations in place by January 1, 2004.

Executive Summary

Beginning in 1997, Amendment 46 to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (FMP) allocated the total allowable catch (TAC) for Bering Sea/Aleutian Island (BSAI) Pacific cod among jig gear, trawl gear, and fixed gear (hook-and-line and pot). It reserved two percent of the TAC for jig gear, 51 percent for fixed gear, and 47 percent for trawl gear. The amendment also split the trawl apportionment between catcher vessels and catcher processors 50/50, but did not split the fixed gear allocation between hook-and-line and pot vessels.

At its April 1999 meeting, the North Pacific Fishery Management Council (Council) initiated an analysis to examine the effects of splitting the fixed gear allocation of Pacific cod between the various components of the fixed gear sector in the BSAI (BSAI Amendment 64). In October 1999, the Council approved BSAI FMP Amendment 64, which further split the fixed gear allocation of Pacific cod among the hook-and-line catcher processors, hook-and-line catcher vessels, and pot sector in the BSAI. Under this amendment, the Council approved the following allocations as a percentage of the fixed gear share of the BSAI Pacific cod TAC:

- 80% hook-and-line catcher processors
- 0.3% hook-and-line catcher vessels
- 1.4% pot or hook-and-line catcher vessels <60'
- 18.3% pot vessels

The above percentages were based closely on the historical harvest shares of each gear sector from 1995-1998, with an additional provision for catcher vessels <60'. Amendment 64 was approved by the U.S. Secretary of Commerce (Secretary) in July 2000, and implemented by final rule on August 24, 2000 (65 FR 51553). Amendment 64 became effective on September 1, 2000. Included in the final rule for Amendment 64 is a sunset date of December 31, 2003, meaning that the regulations implementing the allocations established for the fixed gear sectors will expire at that time. Thus, continuing the allocations of Pacific cod among the hook-and-line and pot gear sectors (or selecting new allocation percentages) requires Council and Secretarial approval of a new amendment. This Environmental Analysis/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) for BSAI Amendment 77 represents a new amendment proposed to continue apportioning the fixed gear share of the BSAI Pacific cod TAC among the fixed gear sectors.

At the same time the Council initiated the original analysis for Amendment 64, an analysis was initiated to support a follow-up amendment (BSAI Amendment 67) to add a Pacific cod endorsement to Federal licenses held by fixed gear vessels that qualify for a BSAI area endorsement under the current License Limitation Program (LLP) and meet specified qualification criteria. In April 2000, the Council defined qualification criteria for hook-and-line catcher processors, hook-and-line catcher vessels $\geq 60'$, pot catcher processors and pot catcher vessels $\geq 60'$. Because the Pacific cod endorsement is added to a vessel's Federal LLP license, the resulting number of vessels in each sector that qualify under the endorsement criteria depends on the number of vessels that also hold an LLP license. Amendment 67 was approved by the Secretary of Commerce in November 2001, and the requirement for a cod endorsement became effective January 1, 2003. Thus, the number of fixed gear vessels that are eligible to fish the BSAI Pacific cod allocations at issue in Amendment 77 will be reduced starting in 2003.

In addition, at the time the Council approved Amendment 64, it acknowledged that a further split of the pot sector share of the BSAI Pacific cod fixed gear TAC between pot catcher processors and pot catcher vessels might be necessary to ensure the historical harvest distribution between those sectors of the fishery. Concern was expressed that the pot sector needed the stability of a direct gear allocation, much like was done for the hook-and-line sectors under Amendment 64, and the trawl sectors previously under Amendment 46. However, because the public had not been noticed that this action may be taken under Amendment 64, the Council decided to delay action specific to the pot sector and include the proposal in a follow-up amendment (BSAI Amendment 68). Thus, in June 2002, the Council considered BSAI Amendment 68 to create separate allocations for the pot catcher processor and pot catcher vessel sectors. The Council ultimately decided to take no action on the amendment, deferring action on the pot allocations until it could be rolled into one amendment package that would also address the issues associated with the expiration of Amendment 64.

Like the original action, proposed Amendment 77 is intended to respond to concerns that the stability of this fully utilized fishery is threatened by increased competition, driven in part by recent increases in the market value of cod products. While participants in the BSAI fixed gear Pacific cod fishery include longline and pot fishermen with extensive catch histories, absent a gear split, there is no mechanism that would prevent one sector from increasing its effort in the fishery and eroding another sector's relative historical share. Because the new amendment (BSAI Amendment 77) to allocate Pacific cod among the fixed gear sectors includes an alternative that would also split the pot share of the TAC among pot catcher processors and pot catcher vessels, both issues are addressed in two separate problem statements guiding analysis of the proposed action.

The first problem statement was developed in response to the expiration of the fixed gear allocations under Amendment 64. Amendment 77, which proposes to continue Pacific cod allocations among the fixed gear sectors, addresses protecting the relative historical catch distribution among the fixed gear sectors by apportioning the TAC accordingly; it does not propose alternatives to limit the number of individual vessels entering the fishery. (Limiting individual vessel participation in the fixed gear cod fishery is not addressed in this amendment package. That issue is addressed under BSAI Amendment 67, which requires a BSAI Pacific cod endorsement for hook-and-line and pot vessels $\geq 60'$.) Thus, the first problem statement is applicable to **Alternatives 1- 3**, which address the overall fixed gear allocations. The second problem statement was developed in response to the concern that the pot catcher processor sector's historical harvest share is being eroded by the pot catcher vessel sector. Thus, the second problem statement is applicable to **Alternative 4**, which proposes to split the pot share of the BSAI Pacific cod fixed gear TAC between pot catcher processors and pot catcher vessels according to recent catch histories. The complete Council problem statement for Amendment 77, approved in December 2002, is included below.

Problem Statements for proposed Amendment 77 to the BSAI FMP

Problem Statement 1: Overall fixed gear allocations (Applicable to Alternatives 1 -3, formerly under Amendment 64)

The fixed gear fisheries for Pacific cod in the BSAI are fully utilized. The fishermen who hold licenses in the BSAI Pacific cod fisheries have made substantial investments and are significantly dependent on BSAI Pacific cod.

The longline and pot gear allocations currently in place for the BSAI Pacific cod fishery under Amendment 64 expire December 31, 2003. Without action by the North Pacific Fishery Management Council, serious disruption to the BSAI Pacific cod fixed gear fisheries will occur. Prompt action is required to maintain stability in the BSAI fixed gear Pacific cod fishery until comprehensive rationalization is completed.

Problem Statement 2: Separate allocations for pot catcher processors and pot catcher vessels: (Applicable to Alternative 4, formerly under Amendment 68)

The catcher processor and catcher vessel pot fisheries for Pacific cod in the Bering Sea/Aleutian Islands are fully utilized. Pot catcher processors who have made significant long-term investments, have long catch histories, and are significantly dependent on the BSAI cod fisheries need protection from pot catcher vessels who want to increase their Pacific cod harvest. This requires prompt action to promote stability in the BSAI pot cod fishery until comprehensive rationalization is completed.

Alternatives for Consideration

Similar to the original analysis for Amendment 64, this EA/RIR/IRFA for Amendment 77 examines separate apportionments of the BSAI Pacific cod TAC among hook-and-line catcher processors, hook-and-line catcher vessels, and pot gear vessels. In addition to the no action alternative, two alternatives are proposed which would either continue or modify the split among hook-and-line and pot vessels. A fourth alternative, which is applicable in conjunction with either alternative to make the split among the fixed gear sectors, would further split the pot share of the BSAI fixed gear TAC between pot catcher processors and pot catcher vessels. The fourth alternative is therefore only applicable in conjunction with either Alternative 2 or 3, as an overall fixed gear split is necessary in order to facilitate a further split of the pot sector share. The Council approved the following alternatives, options, and suboptions in December 2002 for analysis:

Alternative 1: No action. BSAI Pacific cod allocations for the fixed gear sectors (hook-and-line catcher processors, hook-and-line catcher vessels, pot vessels, and hook-and-line and pot vessels <60') under Amendment 64 would expire on December 31, 2003.

Alternative 2: Status quo. Continue the current BSAI Pacific cod allocations among the fixed gear sectors as originally determined under BSAI Amendment 64:

- 80% hook-and-line catcher processors
- 0.3% hook-and-line catcher vessels
- 1.4% pot or hook-and-line catcher vessels <60'
- 18.3% pot vessels

Rollover Options

Option 1: (Status quo) Any unharvested portion of the hook-and-line catcher vessel and the <60' pot and hook-and-line vessel quota that is projected to remain unused by a specified date shall be reallocated to the hook-and-line catcher processor fleet.

Option 2: (Status quo) Any quota reallocated from the jig or trawl sectors shall be apportioned 95% to the hook-and-line catcher processor sector and 5% to the pot sectors.

Option 3: Apportion the 2% BSAI Pacific cod jig allocation on a quarterly or trimester basis as follows, and reallocate unused jig gear quota to the catcher vessels <60' using hook-and-line or pot gear:

- Suboption: (a) 25% - 25% - 25% - 25%
(b) 50% - 30% - 15% - 5%
(c) 33.3% - 33.3% - 33.3%
(d) 60% - 25% - 15%
(e) Provide a regulatory framework such that the seasonal allocations of BSAI Pacific cod to the jig sector are determined annually and provided for in the annual TAC setting process.

Sunset Provision

Option 1: No sunset provision

Option 2: Sunset 5 years after implementation

Alternative 3: Modify the current BSAI Pacific cod allocations among the fixed gear sectors according to catch histories to be determined as a percentage of cumulative catches of BSAI Pacific cod by gear type for: 1995 - 1999.

Option: Include a 1.4% allocation to pot and hook-and-line catcher vessels <60', to be subtracted from the overall fixed gear allocation before the split is made.

Rollover Options

Option 1: Any unharvested portion of the hook-and-line catcher vessel and the <60' pot and hook-and-line vessel quota that is projected to remain unused by a specified date shall be reallocated to the hook-and-line catcher processor fleet.

Option 2: Any quota reallocated from the jig or trawl sectors shall be apportioned 95% to the hook-and-line catcher processor sector and 5% to the pot sectors.

Option 3: Apportion the 2% BSAI Pacific cod jig allocation on a quarterly or trimester basis as follows, and reallocate unused jig gear quota to the catcher vessels <60' using hook-and-line or pot gear:

- Suboption: (a) 25% - 25% - 25% - 25%
(b) 50% - 30% - 15% - 5%

- (c) 33.3% - 33.3% - 33.3%
- (d) 60% - 25% - 15%
- (e) Provide a regulatory framework such that the seasonal allocations of BSAI Pacific cod to the jig sector are determined annually and provided for in the annual TAC setting process.

Sunset Provision

- Option 1: No sunset provision
- Option 2: Sunset 5 years after implementation

Alternative 4: (Applicable only in combination with Alternatives 2 or 3). Apportion the pot share of the BSAI Pacific cod fixed gear TAC between pot catcher processors and pot catcher vessels according to catch histories to be determined as a percentage of cumulative catches of the BSAI Pacific cod TAC by pot sector for:

- Option 1: 1995-1999
- Option 2: 1996-2001
- Option 3: 1998 -2001
- Option 4: 2000, 2001

Suboption: Any portion of the Pacific cod pot catcher processor or pot catcher vessel quota that is projected to remain unused by a specified date shall be reallocated as follows:

- (a) Unused quota from either pot sector would be reallocated to the other pot sector before it is reallocated to the other fixed gear sectors.
- (b) Unused quota from the pot catcher vessel sector would be reallocated to the hook-and-line catcher vessel sector before it is reallocated to the pot catcher processor sector.

Under the no action alternative (**Alternative 1**), each of the fixed gear sectors would compete against the others to harvest the fixed gear share (51%) of the BSAI Pacific cod fixed gear allocation. This mirrors the circumstances present in the fishery prior to September 2000, the concern over which prompted initiation of Amendment 64 in 1999. The amendment was proposed to respond to concerns that the stability of the fully utilized BSAI Pacific cod fishery is threatened by increased competition, driven in part by recent increases in the market value of cod products. This action was intended to protect the historical harvests of each gear sector and protect those participants with extensive histories and long-term dependence on the fishery. Given the difficulty associated with making predictions regarding effort by the different gear sectors absent a fixed gear split, the no action alternative is characterized in qualitative terms in this document and a baseline of 1995 - 1999 is used as a reference point. There is a discussion provided on whether the problems which spurred the original amendment would continue to exist under the no action alternative and what outcomes may be expected under this scenario.

Alternative 2 as considered by the Council would continue the existing allocations that have been in place under Amendment 64 since mid-2000. This means that 80 percent of the fixed gear BSAI Pacific cod TAC

would be allocated to hook-and-line catcher processors, 0.3 percent to hook-and-line catcher vessels, and 18.3 percent to pot vessels. These percentages closely represent harvests in this fishery during 1995 - 1998. In addition, a separate 1.4% allocation was established for hook-and-line and pot catcher vessels <60' LOA. This small boat allocation was 'funded' through a reduction in the hook-and-line catcher processors' allocation, as the <60' fleet harvested about 0.3 percent of the overall fixed gear TAC during that time period. The action taken by the Council in the original amendment in October 1999 was based on historical data through 1998, the best scientific information available at the time. Since then, catch data for 1999 has become available and is included for consideration under Alternative 3. As the original amendment for the fixed gear split was implemented in 2000, using catch history from the most recent years (2000 and 2001) would essentially be the same as maintaining the existing allocations. Deviations from the current allocations would only occur as the result of rollovers or TAC that was left unharvested.

Alternative 3 would allocate BSAI Pacific cod to the fixed gear sectors based on the actual harvest distribution from 1995 - 1999. The *actual* catch distribution among the fixed gear sectors does not change whether 1995 - 1998 or 1995 - 1999 harvest data is used. Depending on whether a separate allocation is made for <60' catcher vessels, based on actual catch history, the allocations would be as follows: 81.6 percent to hook-and-line catcher processors, 0.1 - 0.3 percent to hook-and-line catcher vessels, 18.0 - 18.1 percent to the pot sector, and 0 - 0.3 percent to the hook-and-line and pot vessels <60' LOA.

Option 1 under Alternative 3 would provide for a 1.4 percent allocation to catcher vessels <60' LOA, taken off the top of the fixed gear share before the split is made among the remaining sectors. Option 1 would modify the allocations as follows: 80.5 percent to hook-and-line catcher processors, 0.3 percent to hook-and-line catcher vessels, 17.8 percent to the pot sector, and 1.4 percent to the hook-and-line and pot vessels <60' LOA. Option 1 was proposed to mirror the allocation the <60' sector currently receives under Amendment 64, but it differs in that under Amendment 64, the small boat allocation came entirely from the hook-and-line catcher processors' allotment, while under Alternative 3, Option 1, the small boat allocation is taken off the top of the fixed gear TAC prior to the split being made. Each sector's allocation receives a proportional decrease as a result.

In addition, under **Alternative 4**, the four options considered by the Council would allocate between 13.2 and 24.2 percent of the pot gear share of the BSAI Pacific cod TAC to pot catcher processors and between 75.8 and 86.8 percent to pot catcher vessels, depending on the years selected to determine the allocations. This is a difference of 11 percentage points among the options. Under Alternative 2, in which the whole pot sector is allocated 18.3 percent of the overall fixed gear cod TAC, this equates to direct allocations of 2.4 - 4.4 percent of the fixed gear TAC to pot catcher processors and 13.9 - 15.9 percent to pot catcher vessels. Under Alternative 3, in which the whole pot sector is allocated 18.1% of the fixed gear cod TAC, this equates to direct allocations of 2.4 - 4.4 percent of the fixed gear TAC to pot catcher processors and 13.7 - 15.7 percent to pot catcher vessels. Under Alternative 3, Option 1, the allocations would change slightly to 2.4 - 4.3 percent to pot catcher processors and 13.5 - 15.4 percent to pot catcher vessels (total of 17.8 percent to pot vessels).

The Council considered an amendment (BSAI Amendment 68) to split the 18.3 percent between the pot catcher processor sector and the pot catcher vessel sector in June 2002, but ultimately selected the no action alternative. The Council noted in that decision the pending expiration of Amendment 64 and suggested that a further split between the pot sectors could be considered as an alternative under reauthorization of that amendment if desired. As related in the problem statement for Amendment 68, the proposal to split the pot sectors' allocation is spurred by a concern that pot catcher processors who have made significant long-term investments, have substantial catch histories, and are significantly dependent on the BSAI cod fisheries need

protection from pot catcher vessels who continue to increase their Pacific cod harvest. The original intent of Amendment 64 was to stabilize the Pacific cod fixed gear fishery in a way that preserves the historical character of the fishery, by basing the allocations on historical harvests by the respective gear sectors. The pot catcher processor sector asserts that the same type of split is necessary in the pot sector as was established in the hook-and-line sector under Amendment 64 and is being considered again under Amendment 77.

Rollover Options

Because a sector of the BSAI Pacific cod fishery may not be able to harvest its entire allocation in a year due to halibut bycatch constraints or, in the case of the jig fishery, insufficient effort in the fishery, the Council also provided direction on how reallocated quota should be treated under the original Amendment 64. Thus, there are also several options that address how to reallocate quota among gear types under this amendment package. Note that not all of the rollover options are mutually exclusive.

Currently, under Amendment 64, reallocated quota from the jig or trawl sectors is apportioned 95% to hook-and-line catcher processors and 5% to pot vessels. This split was based on the actual harvest of reallocated quota from 1996 - 1998. In addition, under the status quo, any unharvested portion of the catcher vessel longline and the <60' pot and longline vessel allocation that is projected to remain unused is reallocated to the hook-and-line catcher processor fleet in September. Both of these provisions are included for consideration under the status quo (Alternative 2) as well as the alternative to modify the existing fixed gear allocations (Alternative 3). In addition, both alternatives include an option (Option 3) to reapportion the jig gear allocation either on a trimester or quarterly basis, or under a regulatory framework in which seasonal jig allocations are established annually during the TAC-setting process. This option would not change the overall jig allocation (2% of the BSAI Pacific cod TAC), but would change the way unused jig quota is reallocated. Currently, any unused portion of the A season cod allowance for jig vessels is reapportioned to the B seasonal allowance, and any unused jig quota is reallocated to the hook-and-line catcher processor sector and pot sector, 95% and 5%, respectively, for harvest before the end of the year. Under this option, quota projected to remain unharvested by the jig sector would be reallocated to the <60' pot and longline sector near the end of each jig season.

Similarly, under Alternative 4, there are suboptions that would reallocate any portion of the Pacific cod pot catcher processor or pot catcher vessel quota that is projected to remain unused by a specified date as follows: a) unused quota from either pot sector would be reallocated to the other pot sector before it is reallocated to the other fixed gear sectors, or b) unused quota from the pot catcher vessel sector would be reallocated to the hook-and-line catcher vessel sector before it is reallocated to the pot catcher processor sector.

Suboption a would mirror the approach taken in the hook-and-line sector under the original Amendment 64, while Suboption b would allocate any quota that is projected to remain unharvested in the pot catcher vessel sector to the hook-and-line sector as a first option. Neither suboption is expected to affect whether fixed gear quota will go unharvested, as it is anticipated that the timing of the reallocations will continue to allow for the full harvest of the quota regardless of which sector receives the quota. Preliminary data indicates that the pot sector did not harvest its entire quota in 2002; therefore, 3,500 mt was reallocated to the hook-and-line catcher processors late in the season. No matter which suboption is preferred, it may be most effective to view the suboptions as setting an order of preference of recipients of reallocated quota, and allow the Regional Administrator to make the inseason determination regarding which sector is capable of harvesting the quota and subsequently allocate the quota to that sector.

The analysis uses 2001 first wholesale prices and the 2003 TAC to derive gross revenues across all sectors under each of the alternatives and options, as well as the 1995 - 1999 fishery, which is used as a point of

reference. This issue is unusual in that the fishery under the Amendment 64 allocations (2000 - 2003) is considered the status quo, but does not represent the no action alternative. The status quo represents the catch and revenue distributions that are projected to occur under the current system to apportion the BSAI fixed gear Pacific cod TAC. Conversely, if no action were taken, the current allocations would expire and all of the fixed gear sectors would compete for the 51 percent of the BSAI Pacific cod TAC that is allocated to fixed gear overall. Given the difficulty associated with making a prediction of catch and revenue distributions under that scenario, a general characterization of the no action alternative was made in this document.

Hook-and-line catcher processors estimated gross first wholesale revenues range from \$83.8 to \$85.4 million under the Alternatives 2 and 3 to make the allocations among the fixed gear sectors and the baseline (1995 - 1999) respectively. Pot catcher processors are estimated to generate \$2.7 to \$5.1 million. A similar range is projected for pot catcher processors should Alternative 4 be selected, in which pot catcher processors and pot catcher vessels receive separate allocations. In sum, total first wholesale revenues, including revenue from catcher processors and shoreside plants receiving catcher vessel deliveries, would range from \$107.7 to \$108.1 million under Alternatives 1 - 3.

Ex-vessel prices for 2001 were developed from gross earnings estimates prepared by the Commercial Fisheries Entry Commission (CFEC) so that a range of ex-vessel revenues for catcher vessels could be calculated. Assuming 2001 prices and using the 2003 TAC, ex-vessel revenues for hook-and-line catcher vessels $\geq 60'$ range from \$0.06 million to \$0.17 million. For pot vessels $\geq 60'$, the range is from \$7.06 to \$8.18 million. Should an option under Alternative 4 be selected, in which pot catcher processors and pot catcher vessels receive separate allocations, the projected ex-vessel revenues for pot catcher vessels ranges from \$6.96 to \$8.19 million.

Summary

In sum, there are four primary alternatives considered in this analysis:

- **Alternative 1.** No Action
- **Alternative 2.** Status quo. Continue the current BSAI Pacific cod allocations among the fixed gear sectors.
- **Alternative 3.** Modified status quo. Modify the current BSAI Pacific cod allocations to include catch histories from 1999.
- **Alternative 4.** (Applicable only in combination with Alternatives 2 or 3.) Further split the pot gear allocation between pot catcher processors and pot catcher vessels.

The alternatives and options are expected to have no significant biological impacts. The intent of the proposed amendment is the same as the original, to provide each of the fixed gear sectors with a direct allocation approximating historical harvest levels. By stabilizing the harvests of the different gear sectors, the proposed action would also be expected to stabilize the fixed gear Pacific cod fishery's environmental impacts. Any increase or decrease in harvest of Pacific cod by hook-and-line and pot fisheries and any substantial shift in effort between these fisheries would likely have a corresponding impact on incidental catch of "other species," such as octopus, sharks, and skates. By preventing any significant change in the relative percentages of the Pacific cod fixed gear TAC taken by the different fixed gear sectors, the proposed amendment would likely have the ancillary impact of stabilizing incidental catches of the "other species" management group also at their historical levels and percentages according to gear sector. Bycatch of halibut is limited by hook-and-line prohibited species caps, so no additional bycatch would be expected.

None of the alternatives change the harvest of BSAI Pacific cod by the fixed gear sectors as a whole (51% of the overall BSAI Pacific cod TAC). With the exception of the no action alternative, little variation is

expected among the allocations resulting from the alternatives and options. Any slight shift in effort between the different sectors as a result of the alternatives would likely have little corresponding impact on incidental catch of other species, as well as marine mammals such as Steller sea lions.

None of the alternatives are expected to result in a "significant regulatory action" as defined in E.O. 12866. None of the alternatives are likely to significantly affect the quality of the human environment, and the preparation of an environmental impact statement for the proposed action is not required by Section 102(2)(C) of the National Environmental Policy Act or its implementing regulations.

BLUEFIN PARTNERSHIP
1805 Village Green Dr.# 1.
Mill Creek, WA 98012
206 962 1658

May 25, 2003

Mr. David Benton, Chairman
North Pacific Fishery Management Council
605 W. Fourth Suite 306
Anchorage, AK 99501-2252

Re: Recency dates in pot cod IFQ

Dear Mr. Benton and Council Members:

I would like to express my concern and displeasure about an inequitable and dangerous precedent being established with the plan being proposed regarding the Cod Pot Fishery IFQ allocation.

There is a history by the North Pacific Management Council "The Council" of acknowledging those fishermen who pioneer and develop a fishery in a specific location, a specific species, and a specific catch method. The Council has even developed the term "long time participant" to describe those fishermen. Sadly, The Council is considering a change in this policy to reward a select group of participants rather than the "long term participant" as has been the usual and customary method.

In the split of the "fixed gear" fishery the council recognized the efforts of the longline and pot fishermen in developing the Pacific Cod fishery. The allocation between the two gear types to create what is today call the "pot quota" was set by the performance of the participants between the years of 1995 and 1999.

Now, as Individual Fishing Quotas are being planned the Council is considering using a different time period to allocate the resource. The net result is that the people who built up the fishery and resulted in the established quota are not being treated fairly and equitably.

Although there have been similar proposals in the past, The Council has always had the wisdom and foresight to support the long time participants.

cont.

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The concept of any environmentally friendly fishery needs encouragement. Those who believed in the concept and who pioneered the fishery need to be encouraged so that others who see a potential opportunity to develop or change a fishery for the better can see that The Council has a history of supporting the pioneers.

The Council should use the same years for determining quota and determining qualification. Anything else is blatantly unfair, shows favoritism, invites criticism, leaves the door open for litigation and undermines the quality and importance of the work done by The Council. The years 1995 to 1999 were used for determining the overall quota and the years 1995 to 1999 should be used for individual quota.

Respectfully Submitted,

Bluefin Partnership
Oluf Vedoy
Kurt Vedoy



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Seattle, WA 98119
Telephone (206) 284-1162
Fax (206) 283-5089

May 29, 2003

David Benton, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2252

RECEIVED

JUN 11 2003

N.P.F.M.C

RE: BSAI Pacific Cod Fixed Gear Allocation – Amendment 77

Dear Mr. Benton:

Clipper Seafoods, Ltd. has a longstanding history in the Pacific cod fishing industry. We operate four freezer longliners in the EEZ off Alaska and are pleased to offer comments on Amendment 77.

We understand that the purpose of Amendment 77 is to maintain stability in the BSAI fixed gear Pacific cod fishery until comprehensive rationalization is complete. From the alternatives presented in the analysis we encourage the North Pacific Fishery Management Council (Council) to select Allocation Alternative Two (status quo), which would continue the current BSAI Pacific cod allocations among the fixed gear sectors as originally determined under BSAI Amendment 64.

The main reason for Council consideration of this action is the sunset date contained in a previous action (Amendment 64). We prefer to maintain status quo in both allocation and rollovers. This is best accomplished with Alternative 2 including the existing rollover provisions (options 1 & 2) and no sunset date. Alternative 2 addresses the problem statements in Amendments 77, 67, and 64 and provides a fair allocation to those sectors with long-term dependency on a fully utilized resource.

The BSAI Pacific cod resource is already fully utilized. Changing the status quo or promoting new entrants is thereby problematic and would appear to be working against the objective of comprehensive rationalization. If the Council is considering changes to the status quo, it would be more appropriate to consider that action when all gear is on the table, not just fixed gear.

Sincerely,

DAVE

David Little, President
Clipper Seafoods, Ltd.

F/V Blue Fin
1805 Village Green Dr. # 1
Mill Creek 98012

May 30, 2003

To: Dave Benton, Chairman
North Pacific Management Council

Re: Proposed Recency Requirements in Pot Cod Fishing.

RECEIVED

JUN - 3 2003

N.P.F.M.C

We are concerned about the new discussion of recency requirement in Pot Cod Fishing in proposed management measures before the council. It appears that the council has forgotten the changes in the fishery as a result of the gear split several years ago and did not take into account the situation of the pot cod processor sector, a small but dedicated group of participants in the cod fishery. Because they were left out of the arrangements, they were highly vulnerable to changes due to 1) AFA implementation, i.e. they were not given protective sideboards, and 2) a major infusion of effort from the decline in crab fisheries. The end result of these measures has seriously disadvantaged a sector that once spent most of the year harvesting a portion of the cod stock using extremely conservation oriented gear (low impact and low by catch), and producing a product mainly for export. The influx of pot vessels quickly eats up the portion of cod which the pot cod processor depended on for their slow, steady and valuable fishery.

The council selected the period 1995-1999 for making the fixed gear split which best took into account the long-term participants. Now it appears that the council is being asked to change this formula to grant more recent participants a big share of the fishery through the recency provision. This sort of approach to redefining the qualifying years has not been used in any other fishery in the Council's authority. The council should not only consider recency but it should examine how and why it was brought in to consideration since the fixed gear split and the AFA implementation. These changes in regulation and situation in the fishery has seriously altered the environment for the long-term pot cod processing vessel.

In order to survive, for example, the F/V Blue Fin had to shift to buying the cod instead of fishing ourselves because of the short season. We did this to maintain our operations serving customers abroad with high quality product.

IS THIS A FAIR AND EQUAL TREATMENT OF THE LONG TIME PARTICIPANT IN THE FISHERIES?

Further, is it the pot cod processors that should be eliminated? This fishery is the only one where you sort the fish on the bottom and not on the deck after it is dead. Halibut mortality is not even an issue. This was seen by the long time participants in the fishery and why they choose to fish in an ecologically sensitive way. It is good for the ecosystem and it is good for the fishery.

We urge the Council to stay on course and keep the same qualification years as used in setting the quota by gear split. Please respect the needs of the long time participants.

Sincerely,

Oluf Vedoy

PROWLER FISHERIES, INC.

P.O. Box 1364
Petersburg, Alaska 99833

Phone (907) 772-4835
Fax (907) 772-9385

June 2, 2003

RECEIVED
JUN - 3 2003

Mr. Dave Benton, Chairman
NPFMC
605 W. 4th Avenue
Anchorage, AK 99501

N.P.F.M.C

Re: C-4: BSAI Pacific Cod Allocations, Final Action on Amendment 77

Mr. Chairman,


On behalf of Prowler Fisheries, I am submitting the following comments for the Council's consideration on Amendment 77. Prowler Fisheries owns and operates three freezer-longline vessels that are qualified under Amendment 67 and primarily fish for p-cod in the EBS & WGOA. Prowler Fisheries has made substantial long term investments in the BSAI cod fishery and is significantly dependent on this fishery with catch history beginning in 1989.

Problem Statement: The problem statement for Amendment 77 acknowledges that: 1.) the BSAI p-cod fixed gear fishery is a fully utilized fishery, 2.) current participants have made substantial investments and have significant dependence on BSAI cod, and 3.) the goal is providing stability until comprehensive rationalization is complete. This problem statement is best addressed with Alternative 2 with suboptions 1 & 2, and no sunset date.

Alternative 2 (status quo). This alternative represents the allocations previously adopted by the Council in Amendment 64 (CP H&L 80%, CV H&L 0.3%, pot 18.3% and 1.4% for <60' CV). These allocations are roughly based on the 1995-98 catch history with the exception that the <60' allocation came from the freezer-longline catch history. Alternative 2 (with suboptions 1&2) would provide stability by maintaining status quo in allocations and rollovers.

Status quo represents a previously accepted compromise which best addresses the problem statements in both Amendments 77 & 64. The problem statement in Amendment 64 specifically references protecting participants with long term dependence from those with little catch history. Alternative 2 provides a fair allocation to those sectors with a long term dependency on a fully utilized resource as well as providing some opportunity for a sector with little catch history.

A change in the allocation and rollovers appears to be inconsistent with the problem statement. If the Council wants to consider providing additional opportunity for the <60' sector, it would be more appropriate to consider this action when all gear is on the table, i.e. "comprehensive rationalization". The Council has previously considered all gear BSAI cod allocations in both Amendments 24 and 46.



Frozen at Sea Longline Caught Fish

Rollovers: Currently, rollovers from the jig and trawl sectors goes to CP H&L, CV H&L and pot. These rollovers (Alt. 2, Option 2) have been a significant portion of the freezer-longliners' harvest since 1995. In recent years (2000-02), these rollovers have comprised 17.4% of the freezer longline harvest.

It is appropriate that the freezer-longline sector continue to receive these rollovers for three reasons: 1.) the origin and history of the allocations that have resulted in these rollovers, 2.) the historic use and dependency of the freezer-longline sector on the rollovers, and 3.) freezer-longliners have consistently proven to be the only gear type capable of substantial cod harvest late in the year without exceeding halibut PSC limits.

The amount of rollovers in Alt 2, Option 1 (from the CV H&L and <60' CV) has declined in recent years but this option should be retained as CP H&L have proven to be the gear type consistently capable of harvest late in the year.

Amendment 46: The current fixed gear/trawl allocation and the initial rollover policy was established in Amendment 46 (1996) and has yet to be revisited. This amendment was scheduled for review in January 2001. This review did not occur as it was placed on a lower priority relative to existing Council projects at that time. The fixed gear/trawl allocation in Amendment 46 was based on recent catch history and the intent to implement management measures that reduces discards in target fisheries, reduces PSC mortality, reduce non-target bycatch of cod and groundfish while taking into account the impacts of the fishery on habitat.

If the review of Amendment 46 had occurred as scheduled, and the same parameters (recent catch history and management intent) were applied as the basis for the allocation, it is highly likely that the fixed gear allocation would have been increased. Many of the assumptions made in Amendment 46 regarding PSC halibut have not held true. Through a variety of initiatives, the freezer-longline fleet has significantly reduced its halibut PSC mortality below the projections in Amendment 46.

Therefore, status quo best addresses the problem statement in Amendment 77 for fixed gear. However, the review of the fixed gear/trawl allocation is overdue. If changes are to be considered, these changes should be examined with all-gear on the table. The all-gear cod allocation is currently on the table in IRIU Amendment A, Decision Point 26.

Thank you for your consideration,



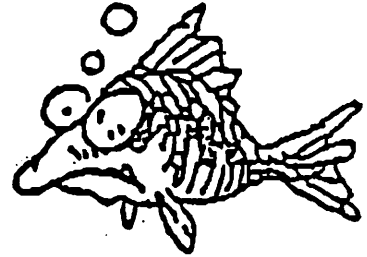
Gerry Merrigan

Government Affairs
Prowler Fisheries

**North
Pacific
Longline
Association**

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N.P.F.M.C Agenda C-4

June 3, 2003

Mr. David Benton, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, AK 99501

RE: BSAI Pacific Cod Fixed Gear Allocation – Amendment 77

Dear Dave:

The North Pacific Longline Association represents freezer-longliners that fish for groundfish off Alaska, processing and freezing their product at sea. We are pleased to offer comments on Amendment 77, the purpose of which is to maintain stability in the BSAI fixed gear Pacific cod fishery until comprehensive rationalization is complete.

The NPLA Favors the *Status Quo*

From the alternatives presented in the analysis we encourage the Council to select Allocation Alternative Two (*status quo*), which would continue the current BSAI Pacific cod allocations among the fixed gear sectors as originally determined under BSAI Amendment 64. That amendment expires on December 31 of this year, and a replacement is necessary to prevent a return to the race for fish in the fixed gear sector. We favor Rollover Options 1 and 2, (*status quo*), and Sunset Provision Option 1 (No sunset provision). Our reasoning follows:

The Problem Statements

Beginning with Amendment 24 and continuing through Amendments 46 and 64, all of which implemented cod allocations, the emphasis has been on providing stability in the fully-utilized cod fisheries until comprehensive rationalization is complete. The problem statement for Amendment 64 states, "*The hook-and line and pot fisheries for P-cod in the BSAI are fully*

utilized. Competition for this resource has increased for a variety of reasons, including increased market value of cod products and a declining ABC/TAC. Longline and pot fishermen who have made significant long-term investments, have long catch histories, and are significantly dependent on participation the BSAI cod fisheries need protection from others who have little or limited catch history and wish to increase their participation in the fishery. This requires prompt action to promote stability in the BSAI fixed gear cod fishery until comprehensive rationalization is complete." (emphasis added) The Amendment 77 problem statement also stresses full utilization, substantial investments, significant dependence, the possibility of serious disruption... "Prompt action is required to maintain stability in the BSAI fixed gear p-cod fishery until comprehensive rationalization is completed."

The allocations and rollover provisions contained in Amendment 64 reflect the approximate average harvest of the fixed gear fleet by each sector since the mid-1990s. There was compromise, the freezer-longliner sector funding the <60' quota, and the overall result was fair and equitable – a rational response to the problem statement. **These allocations should be revisited only in the context of comprehensive rationalization like that contemplated by industry sector split negotiations or by IR/IU Amendment A, where all gear types are involved and all the cards are on the table.** That is the clear intent of all of the problem statements – freeze things in place until comprehensive rationalization can be undertaken.

Rollover Option 3

It follows that we do not favor Rollover Option 3, which would apportion the unused 2% BSAI Pacific cod jig allocation on a quarterly or trimester basis to catcher vessels <60' instead of freezer-longliners. The <60' quota, 1.4%, has already been funded out of the freezer-longliner quota. The 2% jig quota was negotiated in the course of developing Amendment 24 when all gear types taking cod were in play, and was agreed to by the freezer-longliner fleet in the knowledge that most of it would roll back to our fall fishery. The 2% jig allocation was not based on catch history as were the other quotas, but again, all gear types were in play. Rollovers from the jig and trawl sectors are an important part of the freezer-longliner fishery, 17.4 % of our harvest for 2000–2002 – we are heavily dependent on them. Bycatch reduction has also been an objective of the cod allocation amendments. Over the years we have cut our halibut mortality in half,

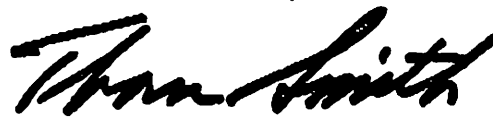
enabling us to take twice as much groundfish, and have reduced our seabird incidental take by 85%. Such performance should be rewarded, not penalized. Rollover Option 3 proposes another allocation without supporting catch history, which realistically will reduce freezer-longliner historic harvest. We believe that reconsideration of the <60' quota should take place in the course of comprehensive rationalization, with all gear types involved – just as the problem statement suggests.

Conclusion

We encourage the Council to select Allocation Alternative 2 (status quo), Rollover Options 1 and 2 (status quo), and Sunset Provision Option 1 as its preferred alternative. This course of action recognizes that the cod fisheries are fully utilized, that longline and pot fishermen have made significant long-term investments, have long catch histories, are significantly dependent on the fishery, and need protection from others who have little or limited catch history and want to increase their participation. In this way the objective of the problem statement will be met – **“to maintain stability in the BSAI Pacific cod fisheries until comprehensive rationalization is completed.”**

Thank you for your attention.

Sincerely,



Thorn Smith
Executive Director

Alaska Crab Coalition

3901 Leary Way N.W. Ste. 6
Seattle, WA 98107
206 547 7560
Fax 206 547 0130
acc-crabak@earthlink.net

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JUN - 3 2003
N.P.F.M.C.

June 3, 2003

Mr. David Benton Chairman
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, Alaska 99501

RE: C-4 BSAI PACIFIC COD FIXED GEAR ALLOCATION - AMENDMENT 77

Mr. Chairman:

The ACC represents crab pot catcher vessels that also fish with pots for Pacific cod in the Bering Sea and Aleutian Islands, and deliver their catches to shorebased plants in Dutch Harbor, Akutan, Adak and St. Paul.

At this time the ACC recommends the Council select Alternative Two—status quo, and Rollover Options 1 and 2—status quo, that would continue the current BSAI Pacific cod allocations among the fixed gear sectors as originally implemented under BSAI Amendment 46 in 1997, and then sub-allocated to fixed gear sectors under Amendment 64, beginning on September 1, 2000. The Council and the Secretary of Commerce have also approved a BSAI Pacific cod endorsement for fixed gear vessels under Amendment 67, that went into effect in 2003.

Under the Amendment 67 endorsement, the pot sector of the industry reliably estimates that there will be 53 vessels that qualify for fully-transferrable licenses (LLPs). As the problem statement for Amendment 77 notes, the fishermen who hold licenses in the BSAI Pacific cod fisheries have made substantial investments and are significantly dependent on BSAI cod.

The problem statement for Amendment 77 further notes that the longline and pot gear allocations currently in place for the BSAI Pacific cod fishery under Amendment 64 expire December 31, 2003. Without action by the North Pacific Fishery Management Council, serious disruption to the BSAI Pacific cod fixed gear fisheries will occur. Prompt action is required to maintain stability in the BSAI fixed gear Pacific cod fishery until comprehensive rationalization is completed.

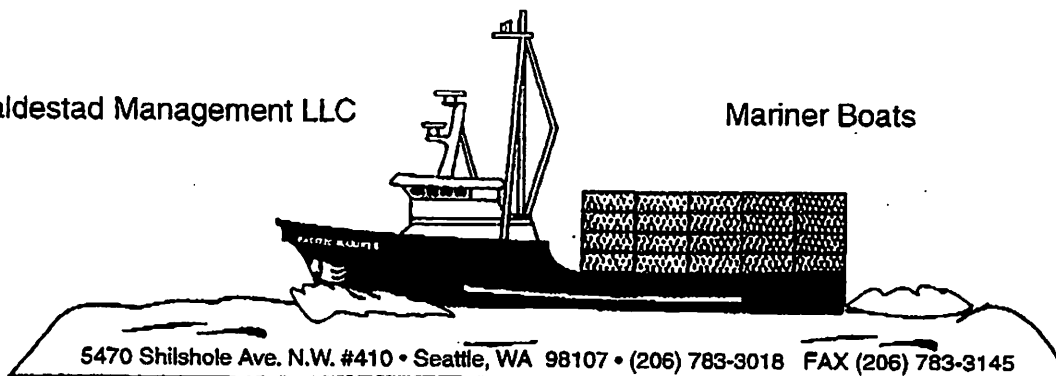
Sincerely,

Arni Thomson
Executive Director



Kaldestad Management LLC

Mariner Boats



5470 Shilshole Ave. N.W. #410 • Seattle, WA 98107 • (206) 783-3018 FAX (206) 783-3145

Date: June 2, 2003

To: North Pacific Fishery Management Council
605 W. 4th, Ste. 306
Anchorage, AK 99501-2252

RECEIVED
JUN - 3 2003

N.P.F.M.C

Re: Amendment 77, Allocation of Pacific Cod Among Fixed Gear Sectors

Dear Council Members,

I am writing concerning NPFMC action on Amendment 77, which allocates P-cod among fixed gear sectors. Our vessels are long time participants in the Bering Sea pot cod fishery. Amendment 64, the predecessor to Amendment 77, along with Amendment 67, which requires cod endorsements to participate in the cod fishery, has brought stability in the cod fishery for those who have made the long-term investment in the fishery. The pot cod fleet has not fully realized the results of Amendment 67 as there are still non-qualified vessels still fishing under appeal. The pot cod fleet has still not been defined due to these non-qualified vessels remaining in the fishery. As these appeals are flushed out, qualified vessels will finally realize the benefits of 67.

I would encourage the Council to adopt as the preferred alternative for 77: Option 2. Status quo and continue the current BSAI Pacific cod allocations among fixed gear sectors. This split appears to be working for all the sectors that have long time history in the BSAI cod fishery.

As for the CV/CP proposed split for pot vessels, I would also urge the Council to adopt status quo, where there is no split between these sectors. As was stated earlier, the pot fleet is still evolving and now is not the right time for this split, if ever.

Lastly, on the rollover issues, I would also recommend status quo.

Sincerely,

A handwritten signature in black ink that reads "Kevin L. Kaldestad". The signature is written in a cursive, flowing style.

Kevin L. Kaldestad
Mariner Boats

PUBLIC TESTIMONY SIGN-UP SHEET FOR

AGENDA ITEM C-4 Am. 77 (P. Cod)

PLEASE SIGN ON THE NEXT BLANK LINE.
LINES LEFT BLANK WILL BE DELETED.

	NAME	AFFILIATION
1.	GERRY MERRIGAN	PROWLER FISHERIES
2.	dave fraser	for FV Bluefin
3.	Linda Kozak	Alaskan Leader
4.	Solie Kavanaugh	F/V Sylvia Star
5.	Art Schultz	deckhand, <60 pot vessel
6.	DAVE LITTLE	CLIPPER SEAFOODS
7.	Charlie Johnson	F/V Linnea
8.	Bill Prout	F/V SILVER SPRAY
9.	Arni Thomson	A.C.C.
10.	Matt Hegge	F/V Ocean Bay
11.	Mike Clark	<60'
12.	John Smith	APCA
13.	Robert Williams	Coastal Village Region Fund
14.	Jerry Bengen	Pacific Ventures
15.	JAMES MIZE	Blue North Fisheries
16.	Bob Storrs	Alaska Native Fisherman's Association
17.	ALEXUS KWACHKA	F/V MAJOR
18.	Jeff Stephon	LIFNA
19.		
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21.		
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23.		
24.		
25.		

20. 10. 1964

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Handwritten notes in a grid, including the words "MAY" and "MAY" written vertically.

History of BSAI Pacific Cod Allocations

I.) Transition from the Foreign Fishery to Joint Venture to the Domestic Fishery

In order to fulfill the objectives of the Magnuson Act, there was a transition in the BSAI cod fishery from the foreign fleet to the joint venture fleet and finally to the domestic fleet. The foreign cod fishery (longline and trawl) was phased out by 1988. The joint venture trawl cod fishery peaked in 1988 (110,000 mt) and was phased out by 1990 (8,000mt). The resulting domestic catch by sector for the time period after phase-out of the foreign fishery and prior to Amendment 24 is below:

YEAR	LONGLINE	POT	FIXED	TRAWL	JIG
1990	47,598 (28%)	1,386 (1%)	48,984 (29%)	118,336 (71%)	139 (0.08%)
1991	79,703 (37%)	6,673 (3%)	86,376 (40%)	131,688 (60%)	No report
1992	101,182 (49%)	13,680 (7%)	114,862 (56%)	90,272 (44%)	117 (0.06%)
1993	65,688 (39%)	2,098 (1%)	67,786 (40%)	99,051 (60%)	35 (0.02%)
1990-92			42%	58%	
1991-93			46%	54%	

Table 1: Annual distribution of BSAI Pacific cod catch by sector in mt, 1990-93 (From Appendix A, Table A4, Amendment 24 EA/RIR/IRFA).

The increase in pot and longline harvest was in part due to cod trawl closures beginning in 1989 due to halibut PSC limits. There was no allocation of cod between gear types nor were there rollovers between sectors. The primary management tool was apportionment of PSC limits by season. Separate halibut PSC allowances were determined annually for the cod longline and trawl fisheries. Cod was being caught by longline, pot, jig, and trawl (in both directed and incidental) fisheries.

There were halibut PSC limit induced closures in the cod trawl fishery from 1990-92. By 1992, the fixed gear portion of the cod harvest was 56% and the trawl portion was 44%. In 1992, the Council was requested to look at establishing allocations in BSAI p-cod.

II.) Amendment 24: BSAI Pacific Cod Allocation by TAC and Season: Final action, June 1993. Implemented February, 1994.

Problem Statement: *"The BSAI p-cod fishery, through overcapitalized open access management, exhibits numerous problems which include: compressed fishing seasons, periods of high bycatch, waste of resource, gear conflicts and an overall reduction in benefit from the fishery. **The objective of this amendment is to provide a bridge to comprehensive rationalization. It should provide a measure of stability to the fishery while allowing various components of the industry to optimize their utilization of the resource.**" [emphasis added].*

Amendment 24 included:

- 1.) Allocation of BSAI p-cod TAC among sectors: 44% fixed gear/54% trawl/2% jig (allocation to run through 1996).
- 2.) Seasonal apportionment of BSAI p-cod TAC.
- 3.) Rollovers, i.e. reallocation from one sector to another in order to fully harvest the allocation. Reallocation could go from trawl to fixed gear and visa versa as needed.

Allocation: The allocation was based on recent catch history. The exception was the substantial increase to jig gear in order to increase participation of small shore based vessels. The recollection of most participants was that the jig allocation came equally from both fixed gear and trawl gear. However, according to the amendment summary in the DPSEIS (Appendix A) the allocation was based "...on approximately the average percent of Pacific cod taken with these gear type in 1991-93."

If the DPSEIS summary is correct, then the 2% jig allocation came predominately from fixed gear (and predominately from longline). The 1991-93 catch history was 46% fixed/54% trawl and the resulting allocation was 44% fixed gear/54% trawl/2% jig. For the same time period, longline comprised 92% of the fixed gear harvest. However, institutional memory indicates that the jig allocation came from fixed and trawl gear equally. In either case, the important distinction is that when the Council chose to allocate to a new fishery beyond its catch history, that allocation was done when all gear is on the table (and not a subset of gear types).

Following Amendment 24, the fixed gear proportion of catch increased primarily due to rollovers from jig and trawl (due to halibut PSC constraints) as well as an increase in pot effort. The Council was scheduled to revisit the allocation prior to December 31, 1996. The resulting catch by sector for the time period after Amendment 24 and prior to Amendment 46 is below.

YEAR	LONGLINE	POT	FIXED	TRAWL	JIG	TOTAL ROLL-OVERS TO FIXED GEAR
1994	85,573 (44.2%)	8,184 (4.2%)	93,757 (48.4%)	99,313 (51.2%)	730 (0.4%)	
1995	102,600 (41.9%)	20,299 (8.3%)	122,899 (50.2%)	121,530 (49.6%)	599 (0.25%)	11,800
1996	94,701 (39.3%)	32,617 (13.6%)	127,318 (52.9%)	113,089 (47%)	267 (0.1%)	19,400
1994-95			49.3%	50.4%		
1994-96			50.5%	49.3%		

Table 2: Annual distribution of BSAI Pacific cod catch by sector in mt, 1994-96. From NMFS website: Groundfish Catch Statistics and Information Bulletins

III.) Amendment 46: Pacific Cod Allocation (11). Final action, June 1996.
Implemented, January 1997.

Problem Statement: *“The BSAI p-cod fishery continues to manifest many of the problems that led the NPFMC to adopt Amendment 24 in 1993. These problems include compressed fishing seasons, periods of high bycatch, waste of resource, and new entrants competing for the resource due to crossovers allowed under the NPFMC’s Moratorium Program. Since the apportionment of BSAI cod TAC between fixed gear, jig, and trawl gear was implemented on Jan. 1, 1994, when Amendment 24 went into effect, the trawl, jig, and fixed gear components have harvested the TAC with demonstrably differing levels of PSC mortality, discards, and bycatch of non-target species. Management measures are needed to ensure that the cod TAC is harvested in a manner which reduces discards in the target fisheries, reduces PSC mortality, reduces non-target bycatch of cod and other groundfish, takes into account the social and economic aspects of the variable allocations and addresses the impacts of the fishery on the habitat. In addition, the amendment will continue to promote stability in the fishery as the NPFMC continues on the path towards comprehensive rationalization.”* [emphasis added]

Amendment 46 included:

- 1.) Allocation:** The allocation between sectors was amended to 51% fixed/ 47% trawl/2% jig (formerly 44% fixed/54% trawl/2% jig). Within the trawl sector, a 50/50 split between CV and CP was adopted.
- 2.) Rollovers:** All unused jig quota was to be reallocated to fixed gear on September 15 of each year. In a fishing year, if trawl, pot, and H&L gear were unable to catch their allocations, the projected portion to be left unharvested would be reallocated to other gear types as needed.
- 3.) Halibut PSC Mortality Caps:** The trawl halibut PSC mortality cap for p-cod was established to be no greater than 1,600 mt. The H&L halibut PSC mortality cap for p-cod was established to be no greater than 900 mt.
- 4.) Review:** There was no sunset provision but the Council was scheduled to review this agreement in four years following the date of implementation. [Note: this review should have then occurred on January 1, 2001 but did not.]

Allocation: The allocation percentages came from an industry negotiation and were subsequently adopted by the Council. However, the basis for the allocation ranges considered in the alternatives largely revolved around catch history and differing halibut PSC mortality by each sector. There was a specific focus on reducing PSC mortality, reducing impacts on habitat, and reducing cod discards by the different gear sectors. The exception again was the jig fishery where the allocation was roughly eight times the recent catch history.

The analysis made several assumptions concerning PSC use by sector and the resulting limitation on cod harvest by that sector. For example, the analysis concluded under a 49% fixed gear/ 49% trawl split, the longline sector would need a minimum of 912 mt of halibut PSC, and the trawl sector would need a minimum of 1,749 mt of PSC to cover

cod catch in the directed (target) cod fisheries. The Council adopted a 51% fixed gear/47% trawl split (and 2% jig) with 900 mt halibut PSC cap on longline and a 1600 mt halibut PSC cap on trawl.

If the assumptions in the analysis held true for halibut PSC use in the trawl fishery, there should have been sufficient halibut PSC to prosecute the trawl cod fisheries (directed and incidental) and catch the allocation (47%) without having any rollovers. The analysis stated that if the current 54% trawl/44% fixed gear split continued (as in Amendment 24), there would be an annual rollover to fixed gear of 12,000 mt/yr from trawl. It was anticipated that the reallocation would minimize the amount of rollovers.

However, despite the reallocation in Amendment 46, there has still been an average rollover from trawl to fixed gear of 11,416 mt annually (1997-02). The primary reason for this rollover has been the use of halibut PSC in the trawl fishery. The longline fishery (fixed gear) has been able to lower its PSC use and catch its allocation plus rollovers without exceeding the halibut PSC cap. The resulting catch by sector for the time period after Amendment 46 to present is below:

YEAR	LONGLINE	POT	FIXED	TRAWL	JIG	TOTAL ROLLOVERS TO FIXED GEAR
1997	124,233 (48.2%)	22,047 (8.6%)	146,280 (56.8%)	111,212 (43.2%)	173 (0.07%)	15,000
1998	98,094 (50.8%)	13,657 (7.1%)	111,751 (57.8%)	81,308 (42.1%)	192 (0.1%)	11,500
1999	78,852 (48.6%)	16,150 (9.9%)	95,002 (58.5%)	67,190 (41.4%)	169 (0.1%)	17,800
2000	85,106 (48%)	18,783 (10.6%)	103,889 (58.6%)	73,476 (41.4%)	71 (0.04%)	12,000
2001	96,874 (59.0%)	16,507 (10.1%)	113,381 (69.1%)	50,752 (30.9%)	71 (0.04%)	27,000
2002	89,802 (49.0%)	15,054 (8.2%)	104,856 (57.2%)	78,178 (42.7%)	166 (0.09%)	15,400
1997-02			59.6%	40.3%		
1997-99			57.7%	42.2%		
2000-02			61.6%	38.3%		

Table 3: Annual distribution of BSAI p-cod catch by sector in mt (1997-02). From NMFS website: Groundfish Catch Statistics and Information Bulletins.

Amendment 46 (and allocation split) was scheduled for review in January 1, 2001, but this did not occur. The next action by the Council toward comprehensive rationalization was Amendment 64.

IV.) Amendment 64: BSAI Fixed Gear Pacific Cod Allocations: Final action, October 1999. Implemented July, 2000. Sunset date December 31, 2003.

Problem Statement: *“The hook-and-line and pot fisheries for p-cod in the BSAI are fully utilized. Competition for this resource has increased for a variety of reasons, including increased market value of cod products and a declining ABC/TAC. **Longline and pot fishermen who have made significant long-term investments, have long catch histories, and are significantly dependent on the BSAI cod fisheries need protection from others who have little or limited catch history and wish to increase their participation in the fishery.** This requires prompt action to promote stability in the BSAI fixed gear cod fishery **until comprehensive rationalization is completed.**”* [emphasis added].

Amendment 64 included:

- 1.) Allocation: The Council adopted an allocation of 80% CP H&L, 0.3% CV H&L, 18.3% pot, 1.4% CV <60'. The allocation was roughly based on 1995-98 with some changes (pot and CV<60'). The CV < 60' sector received an allocation four times larger than its catch history along with the additional provision of being able to initially harvest off the >60' CV pot and H&L allocation before accruing harvest to the <60' quota.
- 2.) Rollovers: Any unused CV H&L and CV <60' are to roll to CP H&L in September. Any jig and trawl rollovers will be apportioned to CP H&L and pot in the proportion of actual harvest of rollovers in 1996-98. [Note: this is the 95/5].
- 3.) Bycatch of p-cod in other fixed gear fisheries comes off the top of the overall fixed gear allocation before allocations before the directed fisheries are set.
- 4.) Sunset December 31, 2003.

VI.) Amendment 67: BSAI P-Cod Species and Gear Endorsements: Final action in April 2000. Implemented in January 2002. Problem Statement: Same as Amendment 64.

This amendment is consistent with the NPFMC goal toward comprehensive rationalization. Amendment 67 added an endorsement to the LLP license based on minimum landing requirements for all freezer longliners and pot and longline CVs > 60'. Catcher vessels under 60' were exempted from the minimum landing requirements. This amendment limited the participants in the BSAI fixed gear cod fisheries to those vessels with recency and catch history.

VII.) Amendment 77: BSAI Fixed Gear Allocations (II): Final action scheduled for June 2003. Implementation scheduled for December 2003.

Problem statement: *“The fixed gear fisheries for p-cod in the BSAI are fully utilized. The fishermen who hold licenses in the BSAI p-cod fisheries have made substantial investments and are significantly dependent on BSAI p-cod. The longline and pot gear*

allocations currently in place for the BSAI p-cod fishery under Amendment 64 expire Dec. 31, 2003. Without action by the NPFMC, serious disruption to the BSAI fixed gear p-cod fishery will occur. **Prompt action is required to maintain stability in the BSAI fixed gear p-cod fishery until comprehensive rationalization is completed.** [emphasis added].

Amendment 77 has three alternatives in regards to allocations along with one alternative regarding pot allocation (between CV & CP). There are different options regarding the “funding” of the <60’ CV sector (i.e. allocations above catch history must de facto come from some other sectors’ catch history). There are also suboptions in regards to rollovers.

Prior to and since Amendment 64 (and 67), the CP H&L fleet has caught a consistent portion of the fixed gear catch (including rollover quota). Since Amendment 64, all the >60’ sectors (CP H&L, CV H&L, and pot) have caught their allocations except pot in 2002. The <60’ CV has increased its proportion from previous negligible amounts and caught its allocation for the first time in 2002. The fixed gear catch is below:

YEAR	CP H&L	CV H&L (BOTH < & > 60’)	POT (< & > 60’)	CV<60’ ONLY	JIG ROLL- OVERS	TRAWL ROLL- OVERS
1995	96,546 (81.6%)	797 (0.7%)	20,980 (17.8%)	Conf.	4,000	10,000
1996	91,113 (74.1%)	187 (0.15%)	31,727 (25.8%)	172 (0.14%)	4,400	15,000
1997	120,068 (84.3%)	206 (0.14%)	22,101 (15.5%)	Conf.	5,000	10,000
1998	94,879 (88.2%)	17 (0.02%)	12,634 (11.8%)	Conf.	3,500	8,000
1999	77,121 (83.2%)	217 (0.23%)	15,380 (16.6%)	174 (0.19%)	2,800	9,000
2000	81,494 (80.0%)	358 (0.36%)	19,963 (19.6%)	564 (0.55%)	3,000	9,000
2001	94,463 (83.5%)	613 (0.54%)	18,055 (16.0%)	1,046 (0.92%)	3,000	24,000
2002	89,399 (84.3%)	404 (0.4%)	14,878 (14.1%)	1,423 (1.3%)	3,400	8,500
1995- 99	82.3%	0.25%	17.5%	Conf.		
2000- 02	82.6%	0.43%	16.6%	0.92%		

Table 4: BSAI fixed gear cod catch and rollovers in directed cod fisheries in mt, 1995-02. Catch includes reallocated quota. Does not include incidental catch or discards (except for 2002). From Amendment 77 EA/RIR/IRFA, Tables 3.3, 3.26, and 3.27.

Conclusion:

- The problems statements in Amendments 24, 46, 64, & 67 have consistently identified the intent to promote stability while moving toward comprehensive rationalization in BSAI cod fisheries. Though BSAI cod fisheries have been rationalized to a degree, comprehensive rationalization has not yet been achieved. Until that time, the problem statements consistently call for stability (status quo).
- The problem statements in Amendments 64 and 77 reference stability in existing fisheries. The problem statements do not reference creating new fisheries. Amendment 64 specifically refers to protecting participants with long term dependence from those with little catch history. Amendment 77 calls for stability for fishermen who hold licenses (Amendment 67), have made substantial investments, and are significantly dependent on BSAI p-cod.
- The current fixed gear/trawl allocation was established in 1996 (Amendment 46) and has yet to be revisited. This allocation was scheduled for review in January 2001. This review did not occur as it was placed on a lower priority relative to existing Council projects at that time.
- The fixed gear/trawl allocation in Amendment 46 was based on recent catch history and the intent to implement management measures that reduces discards in target fisheries, reduces PSC mortality, reduce non-target bycatch of cod and groundfish while taking into account the impacts of the fishery on habitat.
- If the review of Amendment 46 had occurred as scheduled, and the same parameters (recent catch history and management intent) were applied as the basis for the allocation, it is highly likely that the fixed gear allocation would have been increased (see catch tables). Many of the assumptions made in Amendment 46 regarding PSC halibut have not held true. Through a variety of initiatives (Careful Release Program, fleet monitoring through FIS), the freezer-longline fleet has significantly reduced its halibut PSC mortality below the projections in Amendment 46.
- Therefore, status quo best addresses the problem statement in Amendment 77. If changes are to be considered, these changes should be examined with all-gear on the table. The review of the fixed gear/trawl allocation is overdue. However this allocation is currently on the table in IRIU Amendment A, Decision Point 26.

C-H
Dave Fraser

The Bluefin - a story of significant investment and history in the pot cod fishery.

Kurt and Oluf Vedoy bought the Bluefin in the beginning of the 1990's. They invested roughly an additional \$1,000,000 to upgrade and sponson the vessel.

By 1994 they added processing equipment to split and salt codfish.

They pot fished for cod and salted the processed fish with the Bluefin during the full period between the end of opilio and the beginning of king crab each year for between 1995 and 1999, which became the basis years for the sector splits.

In 1998 the Vedoy brothers invested about \$500,000 more dollars in a salt cod reprocessing plant to add value to their catch.

In response to the shortened seasons that followed the fixed gear split they attempted to supplement their reduced opportunity by buying from other boats in 2000, while continuing to pot fish.

Given the relatively small size of their vessel (120 feet) they were unable operate efficiently as a combination mothership/catcher-processor. So in 2001 and 2002 they hired a 58' trawl catcher boat and operated solely as a mothership. The economics didn't work out and the company that was backing their loan called it early. As a result they have not been able to operate in 2003 though they retain control of their vessel.

The Vedoy brothers' situation fits perfectly with the Amendment 68 problem statement criteria.

They are:

"Pot catcher processors who have made significant long-term investments, have long catch histories, and are significantly dependent on the BSAI cod fisheries,"

They need:

"protection from pot catcher vessels who want to increase their Pacific cod harvest."

Adoption of amendment 64 destabilized their operation.

"This requires prompt action to promote stability in the BSAI pot cod fishery."

The pot CP LLP requirement was 300,000lbs in each of at least 2 years between 1995-1998. By contrast the pot CV LLP requirement was only 100,000lbs in each of at least 2 years between 1995-1999. In 2001 over half the CP income came from cod while less than a quarter of the CV income was from cod. (pg. 167-168)

The Bluefin was one of 2 pot CPs that didn't participate in 2001; however, 10 pot CVs didn't participate in that year. To punish the Vedoy's by failing to act at this time would amount to blaming the victim. (pg. 94-95)

The aftermath of amendment 64 reduced the pot CPs harvest share by ^{45%}27% from their 95-99 history. Even more dramatically, the average catch per vessel dropped from 714 mt to 390 mt while CV catch actually increased from 237 mt to 272 mt. (pg. 142-143)

Average catch / CP in CP qualifying years	550 mt.	- 2001 average CP catch	374 mt
" " CV in CV "	184 mt	" " CV "	206 mt

AMENDMENT 77 - DISCUSSION POINTS

- The reason this amendment is before the Council at this meeting is the result of a mandatory three-year sunset provision. Without action at this meeting, the regulation will not be in place for January 2004.

- The first allocation of cod in the Bering Sea/Aleutian Islands was Amendment 24, which passed in June 1993. This allocation was between trawl and fixed gear, with a specific allocation of 2% to jig gear. It was understood that this was reserved for jig gear ONLY and that any rollovers would be applied to the freezer longline fleet. The 2% allocated to jig gear has never been fully utilized by that gear group (see table 3.10 on page 75 of the analysis) and for the past nine years has been a part of the freezer longline catch. The freezer longliners depend on this as part of their annual harvest of Pacific cod.

- The allocation between fixed gear in Amendment 64 resulted in the freezer longline allocation of 80%. The actual history, however, was 81.6% and this gear group agreed to "fund" the longline and pot boats under 60' with a direct allocation of 1.4%. This resulted in an increase of nearly five times their average harvest (see page 5 of the analysis). This allocation only begins to accrue when the general pot or longline catcher vessel fisheries are closed.

- Alternative 3 in the analysis allocates the fixed gear TAC based on catches from 1995-1999. This alternative would provide the freezer longline sector with 81.6% (an additional 1,558 mt using the 2003 fixed gear TAC). However, the freezer longline sector is electing to support Alternative 2, the status quo.

- Under License Limitation, the freezer longline fleet, as well as pot and longline vessels over 60' have a cod endorsement and have adopted recent landing provisions under Amendment 67 to remove latent licenses from the fishery.

- As of April, 2003, 125 pot and longline catcher vessels less than 60' hold a BSAI non-trawl LLP and are eligible to participate in the fishery (see page 100 of the analysis). However preliminary data indicate that only 5 pot catcher vessels and 14 longline catcher vessels less than 60' participated in the 2002 BSAI Pacific cod fishery. This is consistent with the average of 5 pot and 17 longline catcher vessels less than 60' during the seven-year period of 1995 - 2001.

- The allocation of 1.4% was provided to allow for growth in the small boat Pacific cod fishery. The less than 60' sector took its entire allocation for the first time in 2002. With a potential for 125 vessels in this fishery, and an average of less than 25 vessels per year for the past eight years, it is appropriate to consider a cod endorsement with recent landing requirements to remove latent licenses from the less than 60' pot and longline vessel class.

- Every single problem statement beginning with Amendment 24 in 1993 has referenced that the participants in the Bering Sea/Aleutian Islands Pacific cod fishery need stability until comprehensive rationalization can occur. This situation still exists and is outlined in the problem statement for Amendment 77:

The fixed gear fisheries for Pacific cod in the BSAI are fully utilized. The fishermen who hold licenses in the BSAI Pacific cod fisheries have made substantial investments and are significantly dependent on BSAI Pacific cod.

The longline and pot gear allocations currently in place for the BSAI Pacific cod fishery under amendment 64 expire December 31, 2003. Without action by the North Pacific Fishery Management Council, serious disruption to the BSAI Pacific cod fixed gear fisheries will occur. Prompt action is required to maintain stability in the BSAI fixed gear Pacific cod fishery until comprehensive rationalization is completed.

- The proposal to reallocate part of the jig rollover, which has historically been taken by the freezer longline fleet (nine years), is not consistent with the problem statement. The argument that the small boat fleet needs "room to grow" can also be made by the pot vessels over 60' and the freezer longline fleet. The fixed gear fisheries for BSAI Pacific cod are fully utilized. It is not appropriate to take cod history from the freezer longline fleet to fund more growth in another sector. Remember, the freezer longliners funded the less than 60' allocation of 1.4% to begin with.

- Any changes to the allocations should be done when all gear groups are on the table, not just fixed gear.

- The only reasonable action at this time is to adopt Alternative 2 (status quo) and the rollover provisions listed in options 1 and 2, with no sunset.

C-4
John Smith

WHO IS LIKELY TO BENEFIT? Vessel operators would benefit from clarified enforcement. Currently, if a vessel in state waters has sablefish on board several days after the closure of the state-managed fishery, questions could arise as to when and where the fish were caught. Deliveries within the proposed time frame would eliminate that concern since it would no longer be legal to have sablefish taken in state waters onboard the vessel 72 hours after the fishery closure.

WHO IS LIKELY TO SUFFER? No one.

OTHER SOLUTIONS CONSIDERED? None.

PROPOSED BY: Alaska Department of Fish and Game (HQ-03-F-158)

PROPOSAL 177 - 5 AAC 28.6XX. Bering Sea-Aleutian Islands Area (Registration Area O) Pacific Cod Management Plan. Create a new management plan for the pacific cod as follows:

- (a) This management plan governs the harvest of Pacific cod the Bering Sea-Aleutian Islands Area (Area O).
- (b) Each year the commissioner shall open and close, by emergency order, a parallel season in the Bering Sea-Aleutian Islands Area to coincide with the initial federal season in the federal Bering Sea-Aleutian Islands management area. The commissioner shall open and close, by emergency order, the parallel season during which the use of the same gear allowed in the federal Bering Sea-Aleutian Islands management area Pacific cod season is permitted, unless the use of that gear is prohibited under 5 AAC 28.050, 5 AAC 28.629, or 5 AAC 28.650.
- (c) The commissioner shall open, by emergency order, a state waters season in the Bering Sea-Aleutian Islands Area seven days following the closure of the directed federal season in the federal Bering Sea Aleutian Islands management area and shall close, by emergency order, the state waters season, as follows:
 - (1) the guideline harvest level specified in (e)(1) or if applicable, (e)(2) of this section has been reached and a federal season is ongoing in adjacent federal waters; or
 - (2) the commissioner determines it is necessary to
 - (A) adapt to unanticipated openings and closures of the federal season;
 - (B) maintain sustained yield management; or
 - (C) provide for orderly fisheries.
- (d) During a state waters season
 - (1) the guideline harvest level for Pacific cod in the Bering Sea-Aleutian Islands Area is 10 percent of the estimated total allowable harvest of Pacific cod for the federal Bering Sea-Aleutian Islands management area;
 - (2) if the guideline harvest level specified in (1) of this subsection is reached in any calendar year, the guideline harvest level will be increased beginning the next calendar year to 12.5 percent of the estimated total allowable harvest of Pacific cod for the federal Bering Sea-Aleutian Islands management area; if the 12.5 percent guideline harvest level is reached in any calendar year after it has been implemented, the guideline harvest level will be increased beginning the next calendar year to 15 percent of the estimated total allowable harvest of Pacific cod for the federal Bering Sea-Aleutian Islands management area;

- (3) Pacific cod may be taken only with groundfish pots, mechanical jigging machines, and hand troll gear as follows:
 - (A) no more than 120 groundfish pots may be operated from a vessel registered to fish for Pacific cod;
 - (B) no more than five mechanical jigging machines may be operated from a vessel registered to fish for Pacific cod;
 - (D) a vessel registered to take Pacific cod may not be longer than 110 feet in overall length;
 - (E) no more than 25 percent of the state waters quota can be harvested by vessels over or greater than 60 feet in length.

(e) The Bering Sea-Aleutian Islands Area is a nonexclusive registration area for Pacific cod during a state waters season.

PROBLEM: Establish a State of Alaska, department-managed state waters Pacific cod fishery in the Bering Sea-Eastern Aleutian Islands.

WHAT WILL HAPPEN IF NOTHING IS DONE? Fish that are within Alaska state waters will continue to be regulated under federal regulations. The federal regulations do not provide for an adequate small vessel fishery. With the impacts from depressed salmon fisheries and other negative factors to the small vessel fleet, now is the time to develop small vessel fisheries within our state waters.

WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED? This proposal would increase the amount of state waters fish processed in coastal communities.

WHO IS LIKELY TO BENEFIT? Small Alaskan vessels and the families they support. Also coastal communities.

WHO IS LIKELY TO SUFFER? A state fishery would be deducted from the federal quota.

OTHER SOLUTIONS CONSIDERED?

PROPOSED BY Matt Hegge (HQ-03-F-189)

PROPOSAL 178 - 5 AAC 28.556. South Alaska Peninsula Area registration; and 5 AAC 28.577. South Alaska Peninsula Area Pacific Cod Management Plan. Amend these regulations to provide the following:

Open access for all groundfish in state waters. Must retain and utilize all fish caught.

PROBLEM: Fishing vessel operator permit holders landings for groundfish are being assigned to the vessel under federal management. Expand cod management plan from just cod to all groundfish. Assign a percentage of federal quota to a state waters fishery for all groundfish.

WHAT WILL HAPPEN IF NOTHING IS DONE? Lost fish rights to permit holders who caught and landed fish in state waters.