

North Pacific Fishery Management Council

Richard B. Lauber, Chairman
Clarence G. Pautzke, Executive Director



605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Telephone: (907) 271-2809

Fax: (907) 271-2817

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NEWSLETTER

5/1/97

Please, note our NEW web site address! NPFMC — <http://www.fakr.noaa.gov/npfmc/npfmc.htm>

April Council Meeting in Anchorage - 127th Plenary Session

The Council's April meeting was highlighted by a number of issues related to management of halibut fisheries, including review of IFQ program amendments, IFQ/CDQ fee program development, halibut charterboat management, and halibut subsistence regulations. The Council also held initial discussions regarding inshore/offshore pollock allocations.

The June Council meeting will be held in Kodiak the week of June 16 at the Westmark Hotel. Due to the limited number of rooms at the Westmark, the Kodiak Convention and Visitor's Bureau (800-789-4782) has offered to assist people in finding accommodations. They also have provided the Council office with a list of hotels, motels, and bed and breakfasts. Please contact us to request a copy.

Advisory Panel Election of Officers

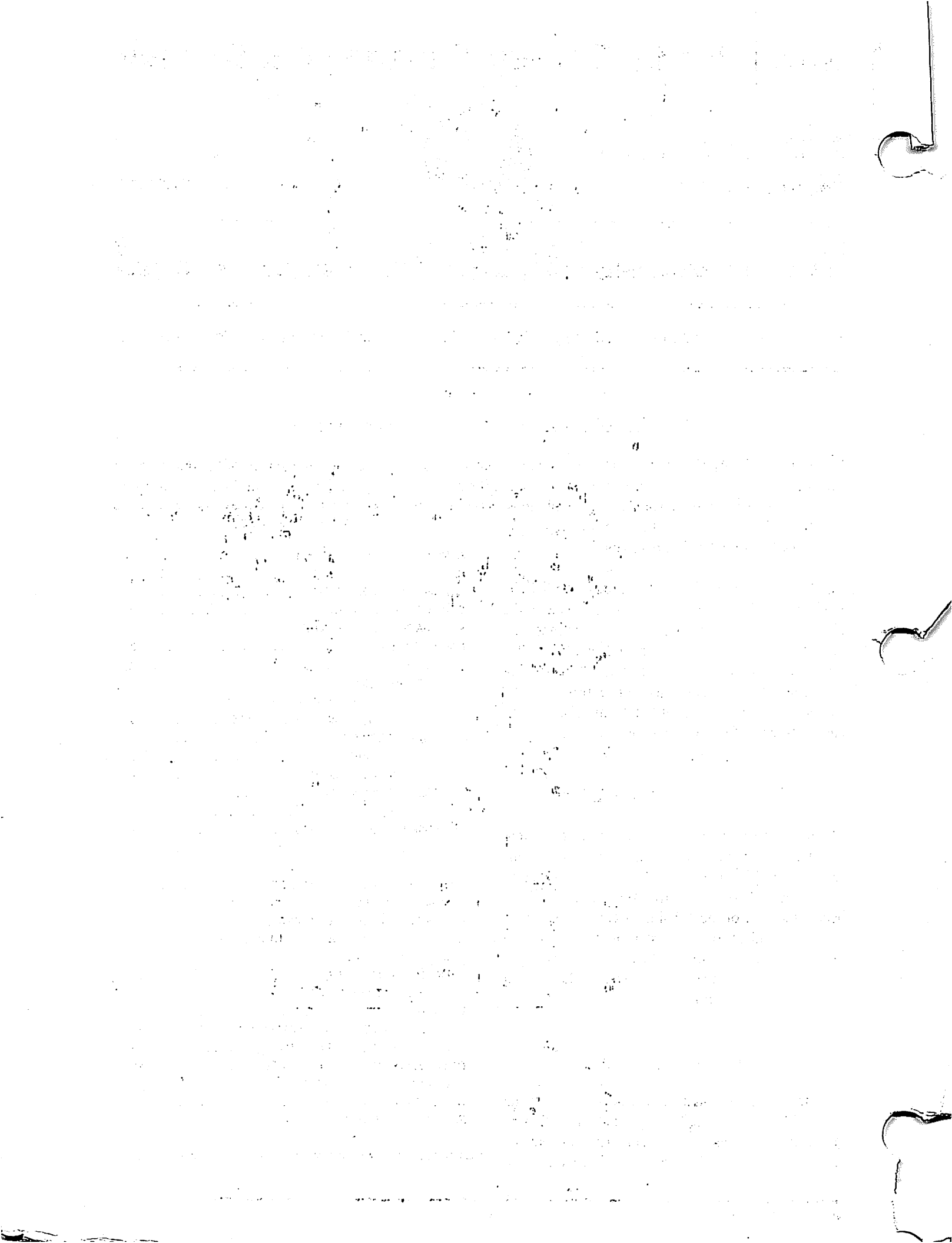
John Bruce and Stephanie Madsen were unanimously re-elected Chair and Vice Chair, respectively. John Bruce is the Personnel Director for Jubilee Fisheries in Seattle, Washington and has been a member of the AP since 1991. Stephanie, a 17-year resident of Unalaska, is the Executive Director of Aleutian Seafood Processor's Association in Dutch Harbor, Alaska and has been a member of the AP since 1993.

Forage Fish Protection

The Council adopted Amendments 36/39 to the BSAI and GOA groundfish fishery management plans to prevent development of commercial fisheries for forage fish. Forage fish are

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an important ecosystem component, and are prey for marine mammals, seabirds, and commercially important fish species. Recent changes in predator abundance have raised concerns that forage fish may require additional protection.

Under this amendment, a “forage fish species” category would be established for both the BSAI and GOA groundfish FMPs. Forage fish include capelin and a host of other forage species such as euphausiids (krill). Herring are already protected by regulations, so they were not included in the forage fish category. The amendment will establish a 2% maximum retainable bycatch amount in other directed fisheries and prohibit the selling, bartering, trading, or receiving any other remuneration for forage fish species. However, within the 2% limit, forage fish may be reduced to fish meal and sold. Staff contact is David Witherell.

Scallop Fishery Management

The Council approved the 1997 stock assessment and fishery evaluation (SAFE) for the scallop fishery. The SAFE details the current biological and economic status of fisheries, total allowable catch levels (TACs), and background information on fishery management and harvest strategies. Copies of the SAFE are available to the public by contacting the Council office.

The Council also approved the State and plan team’s recommended scallop TACs and crab bycatch limits for the July 1, 1997 through June 30, 1998 scallop fishing year. The total annual TAC for scallops off Alaska was established at 1,775,400 pounds of shucked scallop meat, as shown in Table 1 below. For most areas, the scallop TACs remain unchanged from the previous fishing year. Crab bycatch limits for the scallop fishery vary from year-to-year because they are based on a percentage of the crab abundance in each area as determined by the recent crab surveys. The 1997-1998 crab bycatch limits approved by the Council are shown in Table 2 below.

Table 1. Scallop TAC amounts for the period July 1, 1997, through June 30, 1998, in pounds and kilograms of shucked scallop meat by scallop registration area and district.

Scallop Registration Area	TAC	
	lb	kg
Area A (Southeastern)	zero	zero
Area D (Yakutat)		
District 16	35,000	15,876
All other districts	250,000	113,398
Area E (Prince William Sound)	17,400	7,893
Area H (Cook Inlet)		
Kamishak District	28,000	12,701
Area K (Kodiak)	400,000	181,437
Area M (Alaska Peninsula)	200,000	90,718
Area O (Dutch Harbor)	170,000	77,111
Area Q (Bering Sea)	600,000	272,155
Area R (Adak)	75,000	34,019
TOTAL	1,775,400	805,308

Table 2. Crab bycatch limits for the period July 1, 1997, through June 30, 1998, in numbers of crabs by scallop registration area and district.

Registration Area	Crab Bycatch Limits		
	Red king	C. bairdi	C. opilio
Area A (Southeastern)	-	-	-
Area D (Yakutat)	-	-	-
Area E (Prince William Sound)	-	630	-
Area H (Cook Inlet)			
Kamishak District	60	29,000	-
Outer/Eastern Districts	98	2,170	-
Area K (Kodiak)			
Shelikof District	35	51,000	-
Northeast District	50	91,600	-
Area M (Alaska Peninsula)	79	45,300	-
Area O (Dutch Harbor)	10	10,700	-
Area Q (Bering Sea)	500	238,000	172,000
Area R (Adak)	50	10,000	-
Total	882	478,400	172,000

In March, the Alaska Board of Fisheries approved a change in the opening dates for the Yakutat/District 16 and Prince William Sound scallop fisheries from January 10 to July 1 with a biological closure of February 15. This change will allow scallop fisheries in all areas to open simultaneously on July 1, with the exception of Cook Inlet that will open on August 15. NMFS will be preparing a housekeeping regulatory amendment to make scallop season openings in federal waters the same as state waters. Staff contact is David Witherell.

Atka Mackerel Jig Fishery

The Council reviewed an analysis of a proposal from the Unalaska Native Fishermen's Association for a 2% allocation of Atka mackerel to jig gear. Such an allocation would provide more opportunity to the local small vessel jig gear fleet. Under the existing management program, directed fishing for Atka mackerel closes to all vessels, including those that fish with jig gear. The Council recommended that the analysis be released for public review. A ½% per year step-up provision up to 2% of the TAC may be included if the Council chooses to base the jig allocation percentage on the Atka mackerel TAC for the entire BSAI rather than just the Eastern Aleutians and Bering Sea management areas. Copies of the analysis will be available from the Council office by May 16. Final action is scheduled for June. Staff contact is David Witherell.

Halibut Issues

Subsistence

The Council approved the release to the public of a revised EA/RIR to create and define a halibut subsistence category in federal regulations. During its initial review of the draft analysis, the Council added an alternative that would define a personal use category for halibut. The public review draft of the EA/RIR, which contains the following list of revised alternatives, will be available by May 15.

ALTERNATIVE 1. Status quo.

ALTERNATIVE 2. Allow the harvest of halibut for subsistence.

OPTION 1. Define subsistence.

Halibut subsistence regulations are needed to allow the continued practice of long-term customary and traditional practices of fishing halibut for food for families in a non-commercial manner for non-economic consumption. Subsistence is defined as 'long-term, customary and traditional use of halibut.'

OPTION 2. Define eligibility for halibut subsistence:

Suboption A. Members of Alaska Native Federally-recognized Tribes with customary and traditional use of halibut and other permanent residents of such Native villages.

Suboption B. Alaska rural residents as defined in ANILCA and identified in the table entitled 'Alaska Rural Places and Native Groups with Subsistence Halibut Uses,' and will also include other communities for which customary and traditional findings are developed in the future.

Suboption C. Tribal members and other permanent residents of Native villages who have legitimate subsistence needs.

OPTION 3. Define legal gear.

Suboption A. Rod-and-reel gear

Suboption B. Hook-and-line gear (including set and hand-held gear) with a range of:

1. 2 hooks
2. 10 hooks
3. 30 hooks
4. 60 hooks.

- Suboption C. Allow Tribal governments to contract with NMFS to register designated fishermen to fish for the community using:
1. 1 - 3 skates of gear, up to 60 hooks each
 2. Any gear type

OPTION 4. Define minimum size.

Suboption A. No minimum size be imposed for subsistence harvests of halibut.

Suboption B. Revise the commercial halibut minimum size regulations to allow the retention of halibut under 32 inches caught with authorized commercial halibut gear in Area 4E for subsistence use.

OPTION 5. Allow the customary and traditional trade of subsistence halibut.

Suboption A. Prohibit the customary and traditional trade of subsistence-caught halibut.

Suboption B. Allow the customary and traditional trade of subsistence-caught halibut limited to:

- (i) an annual amount of:
 1. \$200
 2. \$400
 3. \$600

- (ii) and exchanges with:
 1. other Alaska Tribes
 2. any Alaskan rural resident
 3. any Alaskan resident
 4. anyone.

OPTION 6. Define a daily bag limit of between 2-20 halibut.

OPTION 7. Develop cooperative agreements with Tribal, State, and Federal governments to collect, monitor, and enforce subsistence harvests and develop local area halibut subsistence use plans in coastal communities.

ALTERNATIVE 3. Provide for personal consumptive use of halibut.

OPTION 1. Define legal gear.

Suboption A. 1-3 hooks per line

Suboption B. 1-3 skates, up to 60 hooks each

Suboption C. Any gear type.

OPTION 2. Define legal gear by area.

Suboption A. Statewide

Suboption B. IPHC halibut regulatory area

Suboption C. Through local use plans.

OPTION 3. Define minimum size.

Suboption A. No minimum size be imposed for personal use harvests of halibut.

Suboption B. Revise the commercial halibut minimum size regulations to allow the retention of halibut under 32 inches caught with authorized commercial halibut gear in Area 4E for personal use.

OPTION 4. Define trade and barter of personal use halibut.

Suboption A. Prohibit the customary and traditional trade of personal use halibut.

Suboption B. Allow the customary and traditional trade of personal use halibut.

None of the alternatives now being considered by the Council would allow commercial sale of subsistence or personal use halibut. A final decision on this package is scheduled for the June meeting in Kodiak. Staff contact is Jane DiCosimo.

Seabird Avoidance

The Council approved sending out for public review an EA/RIR that describes methods designed to reduce the incidental mortality of seabirds in the halibut hook-and-line fisheries in the Gulf of Alaska and Bering Sea/Aleutian Islands. Gear modifications, seabird avoidance devices, or changes in fishing methods designed to reduce the incidental mortality of seabirds would be required in regulation. The measures would apply to vessels fishing for Pacific halibut with hook-and-line gear in U.S. Convention waters off Alaska. Proposed regulations would likely mirror those for the groundfish fisheries that became effective April 29, 1997. The public review draft will be available by May 8. Staff contact is Jane DiCosimo.



1. All applicable hook-and-line fishing operations would be conducted in the following manner:
 - a. Use hooks that when baited, sink as soon as they are put in the water. This could be accomplished by the use of weighted groundlines and/or thawed bait.
 - b. Any discharge of offal from a vessel must occur in a manner that distracts seabirds, to the extent practicable, from baited hooks while gear is being set or hauled. The discharge site onboard a vessel must either be aft of the hauling station or on the opposite side of the vessel from the hauling station.
 - c. Make every reasonable effort to ensure that birds brought aboard alive are released alive and that wherever possible, hooks are removed without jeopardizing the life of the bird.
2. All applicable hook-and-line fishing operations would be required to employ one or more of the following seabird avoidance measures:
 - a. Set gear between hours of nautical twilight (as specified in regulation) using only the minimum vessel's lights necessary for safety;
 - b. Tow a streamer line or lines during deployment of gear to prevent birds from taking hooks;
 - c. Tow a buoy, board, stick or other device during deployment of gear at a distance appropriate to prevent birds from taking hooks. Multiple devices may be employed; or

- d. Deploy hooks underwater through a lining tube at a depth sufficient to prevent birds from settling on hooks during deployment of gear.

The required measures to reduce the incidental mortality of seabirds would not be applicable to vessels using hook-and-line gear on:

Option 1: vessels less than 26 ft length overall (LOA) in the Pacific halibut fishery.

Option 2: vessels less than 26 ft LOA in the Pacific halibut fishery and the GOA and BSAI groundfish fisheries. Rulemaking to allow for a small vessel exemption in the groundfish fisheries would be initiated separately.

Option 3: No exemption for small vessels.

Area 4 Catch Sharing Plan

During its January 1997 annual meeting, the IPHC approved a method for setting Area 4 subarea quotas based on an estimation of biomass for each subarea using catch-per-unit-effort and habitat area estimates for Areas 4A, 4B, and combined Areas 4C-4E. The IPHC deferred implementing these apportionments until 1998 to allow the Council time to amend its catch sharing plan (CSP), which apportions these subarea quotas based on historical allocations.

Alternative 2 would withdraw Areas 4A and 4B from the CSP while continuing to apportion the combined Area 4C-E catch limit with the CSP subarea apportionments of: 4C—46.4%; 4D—46.4%; and 4E—7.2%. An additional 80,000 lb above a total Area 4 catch limit of 5.92 million lb allocated to Area 4E is unaffected by this action. Alternative 3 would allow Area 4D and 4E CDQ QS to be harvested in either area. The public review draft of the analysis is available from the Council office. Final action is scheduled for June. Staff contact is Jane DiCosimo.

Alternative 1: Status quo.

Alternative 2: Remove Areas 4A and 4B from the Area 4 catch sharing plan.

Alternative 3: Allow Area 4D and 4E CDQ QS to be harvested in either Area 4D or 4E.

Donation to Food Banks

The Council approved submitting plan amendments 50/50 to the BSAI and GOA FMPs to the Secretary to authorize a distributor to coordinate the donation of halibut taken as bycatch and landed at specified shoreside processing sites in the Alaska trawl fisheries to economically disadvantaged individuals through a tax-exempt, authorized distributor selected by NMFS. This amendment would require a NMFS-authorized distributor to issue Halibut Retention Permits to vessel operators and processors to authorize the donation of halibut caught as bycatch in the groundfish trawl fisheries to economically disadvantaged individuals. The NMFS-authorized distributor(s) would be determined by the Regional Administrator under a halibut donation program. Staff contact is Jane DiCosimo.

Halibut/Sablefish IFQs

IFQ Amendments

The Council approved the release for public review of the EA/RIR to allow QS transfers to immediate family members, under the 3-year emergency provision. This proposal would change 'surviving spouse' to 'heir.' Proposed regulations would extend transfer privileges of QS and IFQ to surviving members of a deceased QS

holder's immediate family. This alternative would provide for cases in which a deceased QS holder has no surviving spouse, but has other surviving members of his or her immediate family who might be in need of temporary financial support from the deceased QS holder's fishing interests. As with the provisions for transfer to a surviving spouse, this alternative would allow a surviving heir, first, to transfer any current year's IFQ for the duration of the allocation year and, second, to transfer annual allocations of IFQ resulting from the total QS transferred by right of survivorship for three calendar years from the date of the deceased QS holder's death. "Immediate family" is defined as a spouse and children of a holder of QS or IFQ.

Another EA/RIR was approved for public review, which would define ownership of a vessel for purposes of using a hired skipper. A loophole currently exists in the IFQ regulations that allows leasing in perpetuity by initial QS recipients due to inexact language related to ownership of vessels on which QS is fished. The status quo ownership requirements for hiring a skipper to fish a QS holder's IFQ remain unspecified, allowing for minimal interest in vessels (e.g., 1%). Alternative 2 would revise regulations to require a specific minimum percentage of interest in vessels for QS holders wishing to hire skippers, either at (a) 5%; (b) 20%; (c) 49%, or (d) 51%. Alternative 3 would grandfather existing ownership levels held as of: (a) Secretarial approval of the amendment; or (b) April 16, 1997. Alternative 4 would base the ownership requirements on the percentage that the poundage transferred to another vessel is of the vessel's overall poundage cap. Both documents will be available to the public on May 15, 1997. Staff contact is Jane DiCosimo.

Central Title Registry

The Council approved sending a letter to Congress in support of a request by lending institutions and the industry for a six-month extension on implementation of a title and lien registry for the IFQ program. This would allow for greater industry involvement in developing the regulations that would govern the registry's operations. Staff contact is Jane DiCosimo.

IFQ Weighmasters

The Council approved sending a letter to IPHC requesting its staff to develop a discussion paper requiring weighmasters, paid by the processors, for IFQ deliveries. The discussion paper would address enforcement needs for the program, as well as potential costs to the industry. Staff contact is Jane DiCosimo.

IFQ Enforcement

The Council received a report on current enforcement presence in the IFQ fisheries. Because of budget limitations, there is a serious manpower shortage to cover all the landings. NMFS was requested to provide its views in June on how to improve enforcement capabilities as they relate to the IFQ program. The Council will send a letter to NOAA expressing its concerns over inadequate enforcement and urge that these shortfalls be addressed. Staff contact is Jane DiCosimo.

Sablefish Rolling Closures

The Council approved development of an EA/RIR to implement rolling closures around the annual sablefish survey beginning in 1998. Options for closed areas, reordering the area sequence of the existing sablefish survey, maintaining a nearshore open area for halibut and other fisheries, and limiting closures to specific gear types were approved for inclusion in the analysis. Staff also was requested to consider the use of logbook data as an eventual substitute for stock surveys. Initial review is scheduled at the June Council meeting. Staff contact is Jane DiCosimo.

Halibut Charterboat Management

The Council reviewed a revised analysis of the proposed alternatives for managing the guided halibut sport fishery, and directed staff to condense the study to a shorter, more readable document for public review. The new document should be completed and available from the Council offices by late May. **The Council has postponed final action on this issue until the September 1997 meeting, which will be held in Seattle, Washington. This item will not be on the June meeting agenda in Kodiak.** While all of the original management alternatives are still included for Council consideration, some additional alternatives were included at the April meeting. The Council added April 15, 1997 as a potential cut-off date for purposes of a moratorium, as well as the date of final Council action (likely September 1997). While other, earlier dates are still contained within the analysis, the Council's intent is to notice the affected industry that more recent dates, such as the April 15, 1997 date, are more likely to be adopted for purposes of qualification. Examples of specific criteria (permits, licenses, insurance, etc.) to prove qualification will also be provided in the revised document.

The Council also discussed a specific management proposal submitted by Council member Clem Tillion, which includes a combination of reporting requirements, quota allocations, and limited entry, with the addition of minimum participation levels for qualification. This proposal will also be included and discussed in the revised analysis. The Council also clarified that their intent, with regard to this issue, is to include lodges and outfitters (in addition to charterboats), at least in terms of catch accounting in the event of a quota allocation. Staff contact for this issue is Marcus Hartley or Darrell Brannan.

While this issue has been removed from the June agenda, a related issue is scheduled for review and discussion in June — the Sitka Sound Task Force proposal, and an associated template for local area management plans. Other areas interested in localized management plans will be encouraged to submit them once a template is developed. Staff contact for this issue is Jane DiCosimo.

Vessel Bycatch Allowances (VBAs)

The Council's VBA committee met in early April and provided a detailed report to the Council at this meeting. Several issues including initial allocation options and monitoring and enforcement issues still need further resolution. The Council requested that staff, NOAA GC, and the committee continue to work on resolution of these issues and report back to the Council in September 1997. Staff contact is Chris Oliver.

Inshore/Offshore and Pollock CDQ Programs

With the current inshore/offshore pollock allocations (and pollock CDQ program) scheduled to expire at the end of 1998, the Council engaged in initial discussions at this meeting regarding potential reauthorization of those amendments. Regarding the inshore/offshore allocations, the Council received public comment, identified current issues for consideration, discussed potential problem statements, and accepted proposed alternative allocation percentages for posting in this newsletter. In terms of the Gulf of Alaska allocations, the prevailing sentiment is to consider reauthorization of the existing percentage allocations - 100% of pollock and 90% of Pacific cod allocated to vessels delivering onshore. For the BSAI, the initial alternatives proposed include: (1) No Action - the allocations expire; (2) the Status Quo allocation percentages - 35% of pollock onshore/65% of pollock offshore; and, (3) a variety of allocation percentages which differ from the status quo. The Council will develop a Problem Statement and finalize the alternatives for formal analysis at the June meeting in Kodiak. While the new Magnuson-Stevens Act contains mandates for CDQ programs, reauthorization of the BSAI pollock CDQ program, and the associated percentage, has to be accomplished through a plan amendment process and would be part of the overall inshore/offshore amendment, otherwise it would expire at the end of 1998.

To facilitate public consideration and comment on the inshore-offshore issue, several informational items have been consolidated in a special supplement at the end of this newsletter:

- Current BSAI Fishery Inshore-Offshore Provisions
- Alternatives Proposed at the April 1997 Council Meeting
- Proposed Alternatives Reformatted to Facilitate Analysis
- Past, Current, and Proposed Problem Statements
- Information Requested by Council

Written public comments on the above should be provided to the Council office by June 9 to be placed in the Council meeting notebooks. There will be time set aside at the Council meeting for further comment. Staff contact is Marcus Hartley.

Gulf of Alaska Improved Retention and Utilization (IR/IU)

The Council reviewed and approved for public review, the analysis for the Gulf of Alaska (GOA) improved retention and utilization program. Final action is scheduled for the June meeting with the intent for concurrent implementation, in 1998 with the BSAI program previously approved by the Council. The GOA program essentially mirrors the BSAI program with pollock and Pacific cod slated for immediate implementation, followed in five years by retention and utilization requirements for the shallow-water flatfish species. The analysis for public review and comment should be available from the Council office by May 14. The Council also requested a discussion paper from NMFS on changes that will be needed in directed fishing standards once IR/IU is implemented. Staff contact is Chris Oliver.

Magnuson-Stevens Act Issues

The Council specifically discussed the IFQ/CDQ fee program, and the associated North Pacific Loan Program, which are mandated by the recently reauthorized Magnuson-Stevens Act. A report from NMFS indicates that the fee program, which will charge up to 3% of exvessel value of IFQ/CDQ species, could be in place sometime in 1998 and may be able to collect fees on 1998 landings of those species. The Loan Program, which uses 25% of the IFQ fees collected to underwrite small vessel and entry level purchases of IFQ, could be operational in 1998 depending upon Congressional appropriation of funds via the 1998 federal budget. A further report will be provided to the Council at the June meeting. Staff contact is Chris Oliver.

Other Magnuson-Stevens Act directives and deadlines were also discussed by the Council at this meeting in order to assess our progress relative to the provisions of the Act. Additional discussion of these issues is scheduled for the June meeting. As an example, the Council will need to assess its compliance with several bycatch related provisions of the Act and whether existing programs adequately comply with those provisions. Staff contact is Clarence Pautzke.

Groundfish and Crab License Limitation/CDQ Programs

The Council received an update from NMFS regarding preparation of the proposed rulemaking for the License Limitation (LLP) and CDQ programs approved by the Council in 1995. It is anticipated that a proposed rule will be published prior to the end of May and available for Council review at the June meeting. NMFS

advised that the crab CDQ program is scheduled for implementation in early 1998, while the multi-species groundfish CDQ program will not be implemented before mid-1998. Implementation of the License Limitation Program (LLP) could begin in 1998, if approved, but fishing under that program would not begin until 1999. The Council's moratorium is in place through 1998, which should mitigate any adverse impacts of the delayed LLP implementation.

Related to the LLP is a skipper reporting system requested by the Council to track participation in the fisheries by vessel skippers. A preliminary report was given to the Council at this meeting, which outlined options for defining the 'skipper' and options for collecting the necessary information, but no action was taken. The Council is interested in receiving feedback on the proposed options from the affected industry participants, and will discuss this issue again at the June meeting. Copies of the discussion paper are available from the Council offices. Staff contact is Chris Oliver.

The Council also heard a report from an industry group which is organizing a potential vessel buyback program for the BSAI crab fisheries. The Capacity Reduction and Buyback (CRAB) group has been incorporated under Alaska statute, and has initiated an industry survey to ascertain the level of interest and potential participation in a buyback program. Staff contact is Chris Oliver.

Observer Program

The observer program was not an issue on the Council's April agenda, however, it is scheduled as a major agenda item for the June meeting. We hope to have information available in June regarding potential contracting structures, funding issues, observer coverage levels, observer wage and insurance considerations, and a host of other issues related to restructuring the existing program. A meeting of the Council's Observer Advisory Committee (OAC) will occur prior to the June meeting, likely during the first week of June. Staff contact is Chris Oliver.

Ecosystems Committee

The Committee met informally on the evening of April 16 to discuss essential fish habitat and other issues. The proposed rule on guidelines for determining essential fish habitat is scheduled to be published in the Federal Register by the end of April for a 30-day comment period. The ecosystems committee will provide comments on the proposed rule. The committee also discussed having a meeting one evening during the June Council meeting in Kodiak to review recent habitat research. Committee chairman and Council member Dave Fluharty has been appointed to the national Ecosystem Principles Advisory Panel. Staff contact is David Witherell.

Experimental Fishing Permit

The Council recommended that NMFS approve an experimental fishing permit submitted by Groundfish Forum, Inc. The experiment would be conducted in the Bering Sea in early August 1997 to test trawl designs that would reduce bycatch of pollock and cod in the flatfish fisheries. It responds directly to the Council's proposed improved retention and utilization program for pollock and cod scheduled to start in 1998. A copy of the experimental permit request is available from the Council office. Staff contact is Linda Roberts.

VIP Standards

The Council approved Vessel Incentive Program (VIP) rate standards for the second half of the 1997 fishing year. VIP standards are established for halibut and crab Prohibited Species Catch (PSC) for all trawl fisheries in both the BSAI and GOA. The grouping for VIP fishing categories and approved standards are the following:

	<u>Fishery</u>	<u>PSC Species</u>	<u>Current Standards</u>
BSAI	mid-water pollock	halibut	1.0 kg halibut / mt of groundfish
BSAI	bottom pollock	halibut	5.0 kg halibut/ mt of groundfish
BSAI	yellowfin sole	halibut	5.0 kg halibut / mt of groundfish
		red king crab	2.5 crab / mt of groundfish
BSAI	other trawl	halibut	30.0 kg halibut / mt of groundfish
		red king crab	2.5 crab / mt of groundfish
GOA	mid-water pollock	halibut	1.0 kg halibut / mt of groundfish
GOA	other trawl	halibut	40.0 kg halibut / mt of groundfish

NMFS was requested to bring recommendations to the September meeting on an appropriate VIP rate for *C. bairdi* Tanner crab taken as bycatch in the BSAI cod fishery. Staff contact is David Witherell.

Emergency Action Taken to Help Kodiak Processor after Fire

A fire swept through the Tyson Seafoods processing plant in Kodiak on April 3rd. This left many processing workers in Kodiak without employment, and the fleet of vessels that supplies Tyson, without a market. At the April Council meeting, the Council was requested by Tyson to make an exception to the inshore-offshore rules to allow one of its other inshore processing vessels to transfer to the Kodiak area to provide processing capability that otherwise would have been lost. The Council urged NMFS to make an emergency regulatory change which would allow that transfer by early June.

Upcoming Committee Meetings

Essential Fish Habitat: A public meeting to discuss the proposed rule will be held on Wednesday, May 21, 1997 from 7:00 - 10:00 p.m. at the Centennial Hall Building in the Hickel Room, 101 Egan Drive, Juneau, Alaska. For more information, you may contact the Protected Resources Management Division in Juneau at (907) 586-7235, or in Maryland, Lee Crockett or Ramona Schreiber at Habitat Conservation (301) 713-2325.

VBA Committee: Sometime after the June Council meeting.

Observer Advisory Committee: Likely the first week of June in Seattle.

IFQ Implementation Committee: is scheduled to meet during the June Council meeting in Kodiak on Monday, June 16 from 6:30 - 9:30 p.m. at Fishermen's Hall.

Ecosystems Committee: May meet during the June Council meeting in Kodiak to review Essential Fish Habitat (EFH) progress and habitat research.

Documents Available To The Public

1. **Scallop Stock Assessment and Fishery Evaluation (SAFE)** is currently available from the Council office (page 2).
2. **2% Atka Mackerel Jig Allocation** analysis will be available from the Council office by May 16, 1997 (page 3).
3. **Halibut Subsistence EA/RIR** will be available from the Council office by May 15, 1997 (page 3).
4. **Seabird Hook-and-line Avoidance EA/RIR** will be available from the Council office by May 8, 1997 (page 5).
5. **Halibut Area 4 Catch Sharing Plan** analysis is currently available from the Council office (page 6).
6. **Amendment 50/50** (donation of halibut to food banks) is currently available from the Council office (page 6).
7. **IFQ Amendment Changing "Surviving Spouse" to "Heir"** EA/RIR will be available from the Council office by May 15, 1997 (page 6).
8. **IFQ Amendment for "Hired Skipper"** EA/RIR will be available from the Council office by May 15, 1997 (Page 7).
9. **Halibut Charterboat Management EA/RIR**. The "condensed" version of the analysis for public review will be available from the Council office by late May (page 8).
10. **Gulf of Alaska Improved Retention & Utilization EA/RIR** will be available for public review from the Council by May 14, 1997 (page 9).
11. **License Limitation Program - Skipper Reporting System Discussion Paper** is currently available from the Council office (page 9).

**North Pacific Fishery Management Council
Tentative Meeting Schedule - 1997-99***

	February Week of/ Location	April Week of/ Location	June Week of/ Location	September Week of/ Location	December Week of/ Location
1997			16/Kodiak	22/Seattle	8/Anchorage
1998	2/Anchorage	20/Anchorage	8/Dutch Harbor	21/Seattle	7/Anchorage
1999	1/Anchorage	19/Anchorage	7/Kodiak	20/Seattle	6/Anchorage

Meeting dates are subject to change depending on availability of meeting space. Any changes will be published in the Council's newsletter.

Please, note our NEW web site address! NPFCM — <http://www.fakr.noaa.gov/npfmc/npfmc.htm>

<p>June '97 16/Kodiak</p>	<p>September '97 22/Seattle</p>	<p>December '97 8/Anchorage</p>
<ul style="list-style-type: none"> • IFQ Amendments: <i>Final Action</i> • IFQ/CDQ Fee/Registry Programs: Progress Report • North Pacific Loan Program: <i>Initial Review</i> • IFQ Enforcement: Discussion • IFQ Weighmasters: IPHC Report • Halibut Seabird Avoidance: <i>Final Action</i> • Halibut Area 4 catch sharing plan: <i>Final Action</i> • Halibut Subsistence: <i>Final Action</i> • Sablefish Rolling Closures: <i>Initial Review</i> • LLP/CDQ: Review proposed rule • Skipper Reporting System: Discussion and direction • Observer Program: Review alternative program structures • 2% Atka mackerel jig allocation: <i>Final Action</i> • Inshore/Offshore 3: Finalize Alternatives and Problem Statement • GOA IR/IU: <i>Final Action</i> • Directed Fishing Standards: Discussion • Reporting Requirements: <i>Initial Review</i> • Review Gear Storage/Conflict Issues • WGOA Trip Limits: Discuss & Direct • Pelagic Shelf Rockfish Amendment: <i>Final Action</i> • Pelagic Trawl Only Pollock Fisheries: Discussion • Sitka Sound Halibut Management: <i>Initial Review</i> • EGOA Boundary Changes: Discussion • Review Bycatch Reduction Measures & Consistency w/Magnuson-Stevens Act 	<ul style="list-style-type: none"> • Election of Council officers • IFQ/CDQ Fee/Registry Program: Review NMFS program • North Pacific Loan Program: <i>Final Action</i> • Halibut Charter Mgmt: <i>Final Action</i> • VBAs: Review progress • Sablefish Rolling Closures: <i>Final Action</i> • Observer Program: <i>Initial Review</i> • Limited Processing for Catcher vessels: Discussion • Directed Fishing Standards: Council review/discussion • Reporting Requirements: <i>Final Action</i> • Streamline Groundfish TAC Specification & GOA/ BSAI Groundfish & Crab FMP Updates: <i>Initial Review</i> • Groundfish Specs for GOA/BSAI: <i>Initial Review</i> • <i>C. bairdi</i> VIP in BSAI cod: <i>Initial Review</i> • Review Groundfish Proposals • Sitka Sound Halibut Management: <i>Final Action</i> • Scallop Limited Entry & State designation: <i>Initial Review</i> • Buyback Programs: Report 	<ul style="list-style-type: none"> • IFQ Proposals: Task Staff • IFQ: RAM Season Wrap-up Report • IFQ: Implementation Team Report • Research Priorities: <i>Initial Review</i> • Observer Program: <i>Final Action</i> • Streamline Groundfish TAC Specification & GOA/ BSAI Groundfish & Crab FMP Updates: <i>Final Action</i> • Groundfish Specs for GOA/BSAI: <i>Final Action</i> • Pollock "B" Season Adjusts: Discuss • <i>C. bairdi</i> VIP in BSAI cod: <i>Final Action</i> • Review BOF Initiatives • Scallop Limited Entry & State designation: <i>Final Action</i> • AP/SSC Memberships

* Note: This tentative timeline will be updated periodically, particularly after each Council meeting, as the Council works through its decision process.

SPECIAL SUPPLEMENT

BSAI POLLOCK INSHORE-OFFSHORE

and

CDQ PROGRAM

- **Current BSAI Fishery Inshore-Offshore Provisions**
- **Alternatives Proposed at the April 1997 Council Meeting**
- **Proposed Alternatives Reformatted to Facilitate Analysis**
- **Past, Current, and Proposed Problem Statements**
- **Information Requested by Council**

May 1, 1997



Current BSAI Inshore-Offshore Provisions

The current provisions for Inshore-Offshore pollock in the BSAI are shown below, and will serve as a reference point for additional proposals and comments.

Amendment 38 to the Bering Sea and Aleutian Islands Groundfish FMP

1. **Inshore/offshore allocations of pollock:** The allowed harvest of Bering Sea and Aleutians pollock is allocated between the inshore and offshore components of industry in specific shares in order to lessen or resolve resource use conflicts and preemption of one segment of the groundfish industry by another, to promote stability between and within industry sectors and affected communities, and to enhance conservation and management of groundfish and other fish resources.

2. **Definitions:**

Inshore is defined to consist of three components of the industry:

- 1) All shoreside processors as defined in federal regulations.
- 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
- 3) All motherships or floating processors which have declared themselves to be "Inshore."

Offshore is defined to consist of two components of the industry:

- 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
- 2) All motherships and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

The Secretary is authorized to suspend the definitions of inshore and offshore as prescribed by federal regulations implementing this FMP to allow for full implementation of the Western Alaska Community Development Quota Program for pollock.

3. **Declarations and operating restrictions:** Annually before operations commence, each mothership, floating processing vessel and catcher/processor vessel must declare on its Federal Permit application whether it will operate in the inshore or offshore component of industry. This declaration must be the same for both the BSAI and the GOA if applications for both are made. All shoreside processors will be in the inshore component. Once declared, a vessel cannot switch to the other component, and will be subject to restrictions on processing amounts or locations for pollock for the rest of the fishing year. Harvesting vessels can choose to deliver their catch to either or both components.

Catcher Processors which have declared themselves to be inshore have the following restrictions:

- 1) The vessel must be less than 125' LOA.
- 2) The vessel may not catch or process more than 126 mt (round weight) of pollock or GOA Pacific cod in combination in a given week of operations.

Motherships and floating processors which have declared themselves to be inshore have the following restriction:

- 1) Processing from a directed pollock fishery or a directed GOA Pacific cod fishery must occur in a single location within the waters of the State of Alaska.

4. **Allocations:** The allowed harvest of BSAI pollock shall be allocated as follows: Thirty five percent (35%) of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1996 and continuing through 1998. By the same action, the offshore fleet will be allocated 65% of the pollock resource beginning in 1996 and continuing through 1998 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.

5. **Reapportionment of unused allocations:** If during the fishing year it becomes apparent that a component will not process its entire allocation, the anticipated excess shall be released to the other component for that year. This shall have no impact upon the allocation formula.
6. **Western Alaska Community Development Quota:** For a Western Alaska Community Development Quota, 50% of the BSAI pollock reserve (7.5% of TAC) as prescribed in the FMP will be held annually. This held reserve shall be released to communities on the Bering Sea Coast which submit a plan, approved by the Governor of Alaska, for the wise and appropriate use of the released reserve.

The Western Alaska Community Development Quota program will be structured such that the Governor of Alaska is authorized to recommend to the Secretary that a Bering Sea Rim community be designated as an eligible fishing community to receive a portion of the reserve. To be eligible a community must meet specified criteria and have developed a fisheries development plan approved by the Governor of Alaska. The Governor shall develop such recommendations in consultation with the Council. The Governor shall forward any such recommendations to the Secretary, following consultation with the Council. Upon receipt of such recommendations, the Secretary may designate a community as an eligible fishing community and, under the plan, may release appropriate portions of the reserve.

7. **Bering Sea Catcher Vessel Operational Area:** For directed pollock harvesting and processing activities, a catcher vessel operational area (CVOA) shall be defined as inside 167°30' through 163° West longitude, and 56° North latitude south to the Aleutian Islands. The CVOA shall be in effect commencing on the date that the second allowance of pollock is available for directed fishing until the inshore allocation is taken, or the end of the fishing year. Only catcher vessels and Catcher/Processors fishing under the Western Alaska Community Development Quota Program, defined in section 14.4.11.5, may participate in a directed pollock fishery in this area during this period.
8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Development Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 1998; or (2) earlier if replaced with another management regime approved by the Secretary.

Alternatives Proposed at the April 1997 Council Meeting

The following alternatives were proposed in public comment at the April meeting. It is assumed that existing plan amendment language not specifically addressed by the proposals would remain unchanged.

Alternative 1 - No Action - allocations (including CDQs) expire at end of 1998.

Alternative 2 - Continue current allocations of 35% inshore/65% offshore after a 7.5% allocation to CDQs.

Alternative 3 - Allocation adjustments and redefined inshore component

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- "Motherships" would be defined as floating processor vessels that have never caught their own fish while operating within the U.S. EEZ under U.S. flag.
- Motherships would be included within the onshore sector.
- 70% of pollock TAC allocated to catcher vessels delivering to the onshore sector.
- 30% of pollock TAC allocated to factory trawlers.

Alternative 4 - A three-tier allocation adjustment based on the current definitions of inshore and offshore components, as follows:

- Exclusive CVOA in effect for both pollock 'A' and 'B' seasons.
- 7.5% CDQ allocation, off the top.
- 40%-55% of remaining pollock TAC to catcher vessels delivering to the inshore component.
- 13%-15% to catcher vessels delivering to offshore motherships.
- 30%-47% to factory trawlers and catcher vessels delivering to factory trawlers.

Alternative 5 - Analyze a range of percentage allocations of the BSAI pollock TAC (after CDQ deductions) between catcher vessels (CV) and catcher processor vessels (CP). The percentages would be as follows:

<u>Option 1</u>	CV=52%	CP=48% (roughly approximates status quo)
<u>Option 2</u>	CV=55%	CP=45%
<u>Option 3</u>	CV=60%	CP=40%
<u>Option 4</u>	CV=65%	CP=35%

The proposers of Alternative 5 recognize that within the above concept there is a necessity for a minimum shoreside delivery guarantee. Additionally, other check and balances would have to be developed.

Proposed Alternatives Reformatted to Facilitate Analysis

The Council requested that staff “flesh out” the proposed alternatives and provide additional options which would reflect “reciprocal” or “symmetrical” changes from those proposed at the April meeting. The proposed suite of reformatted alternatives below attempts to capture the alternatives proposed, alternatives reflecting “reciprocal” shifts, and additional alternatives reflecting the “status quo.” Their order of the alternatives reflects the complexity of the changes in the FMP language implied by the alternatives; thus “Reauthorization” is listed as Alternative 1, “No Action” is listed as Alternative 2, and so on.

Deriving “Reciprocal” Allocations

In April, after receiving proposals for Inshore-Offshore III, the Council instructed staff to consider those proposals, plus their “reciprocal.” As used throughout this supplement, reciprocal is not simply the reverse of the percentage allocations between the inshore or offshore components. Rather, it is derived and applied in the following context.

All of the proposals received in April would reduce the offshore sector’s allocation of pollock. For example, Alternative 3, Option 1, reformatted below from the proposal submitted by the North Pacific Seafood Coalition, would move motherships to the inshore sector and then allocate 30% of the pollock TAC (after CDQ removal) to the offshore catcher-processor fleet. Compared to the offshore’s 1996 harvest of 55% of the pollock, this would be a $((55-30)/55)$ or 45.4% reduction in catch. To determine a reciprocal percentage for analysis, this same percentage reduction is applied to the redefined inshore component. Therefore, if the inshore component actually harvested 45% in 1996 as shown for Alternative 3, Option 2, then a 45.5% reduction in the inshore component’s percentage allocation results in the “reciprocal” allocation of 24.53%, rounded to 25% as shown for Alternative 3, Option 3. The offshore percentage allocation is simply the inshore percentage subtracted from 100%.

As a second example, consider Alternative 4 which would allocate a specific percentage to motherships. Option 1 shows one of the resulting permutations: 40% to inshore, 13% to motherships, and 47% to offshore. Because the offshore fleet harvested 55% in 1996 (again, with mothership harvests removed), Option 1 would result in a $((55-47)/55)$ or 14.6% reduction in that sector’s allocation compared to 1996 performance. Because a specific percentage allocation is made to the mothership sector, deriving the reciprocal is more complicated than shown in the first example above. In this case, the 14.6% “hit” or reduction is first applied to the combined inshore (35%) and mothership (10%) allocations shown in Alternative 4, Option 7. The 14.6% change reduces the combined 45% to 38%, which is then split 29% to the inshore and 9% to mothership sectors, using the same proportion as their allocation percentages shown in Option 1. The inshore and mothership percentages are then subtracted from 100% to calculate the offshore percentage. In this manner, Option 8 becomes the reciprocal of Option 1.

Alternative 1: Reauthorize existing FMP language for three more years. The current FMP language would be reauthorized under a new amendment. The only change would occur in Section 8 as shown below.

8. **Duration:** Inshore-offshore allocations of pollock, the CVOA, and the Western Alaska Community Quota program shall cease to be a part of this FMP either (1) at midnight on December 31, 2001; or (2) earlier if replaced with another management regime approved by the Secretary.

Staff Comment: This alternative is a continuation of the "Status Quo" Three-year Management Regime. Optionally, the Council could choose to lengthen the duration of the program, or make it permanent until replaced. If these options are to be considered, they should be included as specific options for analysis. It should be noted that the Magnuson-Stevens Act does not allow the Council to submit any new IFQ plans until October 1, 2000. If the Council determined that such a follow-on program is appropriate, it probably could not be implemented until January 1, 2002.

Alternative 2: No Action. The current FMP language would be deleted. There would be no specific allocations of pollock to inshore or offshore processors, and the Western Alaska CDQ program for pollock would be eliminated.

Staff Comment: This alternative is required by law to be included. It would however contradict the Magnuson-Stevens Act in that the Act specifically indicates provisions for a pollock CDQ program. If this alternative were chosen, an additional amendment would be necessary to maintain the pollock CDQ program to comply with the Magnuson-Stevens Act.

Alternative 3: Reauthorize existing FMP language for three more years, but change the allocation percentages and assign "True Offshore Motherships" to the Inshore Sector. This alternative would change the duration language of Section 8, add language to Section 2 (Definitions), and change the language in Section 4 (Allocations) to reflect the new percentage allocations. Proposed and implied changes in the allocation percentages follow the new language of Section 2 shown in the box below.

2. **Definitions**
True Motherships are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone under U.S. Flag.
Other Motherships are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."
Inshore is defined to consist of three components of the industry:
1) All shoreside processors as defined in federal regulations.
2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore."
3) All true motherships, other motherships, or floating processors which have declared themselves to be "Inshore."
Offshore is defined to consist of two components of the industry:
1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore."
2) All true motherships, other motherships, and floating processing vessels not included in the inshore processing category, or which have declared themselves to be "Offshore."

Staff Comment: The allocation percentages shown below as Option 1 reflect the allocation as proposed in public comment. The second option reflects the 1996 harvest levels, if the new definitions (as shown above) were in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally,

the Council requested that staff calculate and include an additional option reflecting the "reciprocal" of the proposed alternative. This is shown as Option 3, and reflects the change from 1996 harvest levels implied by Option 1.

Allocation Percentage Options For Alternative 3

Option	Inshore %	Offshore %	Source of the Option
1	70%	30%	Proposed by North Pacific Seafood Coalition
2	45%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
3	25%	75%	"Reciprocal Change" Option as directed by the Council. The inshore % is calculated by dividing the offshore % in option 1 by the offshore % in option 2 above, and multiplying the inshore % in Option 2 by the resulting ratio ($30\% \div 55\% \times 45\% = 25\%$). The offshore % is calculated as follows: ($100\% - 25\% = 75\%$).

Alternative 4: Reauthorize existing FMP language for three more years, but change the allocation percentages and define a new sector called "True Motherships" which would receive a separate allocation of the pollock TAC. This alternative would change language in Section 2 (Definitions) and Section 4 (Allocations) to reflect the new percentage allocations and the new "True Mothership" sector for allocations. Other sections of the FMP would change to reflect the additional sector. Section 8 would change to reflect the new sunset date. Proposed and implied changes in the allocation percentages follow the new language of Section 2 and Section 4 are shown in the box below. Proposed allocation percentages follow the changes in the FMP language.

<p>2. Definitions</p> <p><u>True Motherships</u> are defined as motherships or floating processors vessels that have never caught their own fish while operating within the U.S. Exclusive Economic Zone Under U.S. Flag.</p> <p><u>Other Motherships</u> are defined as any vessel acting as a mothership, including catcher/processors taking deliveries from other harvesting vessels, which do not meet the criterion established for "true motherships."</p> <p><u>Inshore</u> is defined to consist of three components of the industry:</p> <ol style="list-style-type: none"> 1) All shoreside processors as defined in federal regulations. 2) All catcher/processors which meet length requirements defined in federal regulations and which have declared themselves to be "Inshore." 3) Other motherships, or floating processors which have declared themselves to be "Inshore." <p><u>Offshore</u> is defined to consist of two components the of industry:</p> <ol style="list-style-type: none"> 1) All catcher/processors not included in the inshore processing category, or which have declared themselves to be "Offshore." 2) Other motherships, and floating processing vessels which have declared themselves to be "Offshore." <p>4. Allocations: The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock in each subarea for each season will be allocated to the inshore component, beginning in 1999 and continuing through 2001. By the same action, the offshore fleet will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. Finally, the true mothership fleet will be allocated ZZ% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.</p>

Staff Comment: The allocation percentages shown as Options 1 and 2 in the box below reflect the allocation as proposed in public comment. Options 3-6 reflect the ranges of allocations implied by the proposal. A seventh option reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 "true motherships" processed approximately 10% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Option 8-13, and reflect the change from 1996 harvest levels implied by Options 1-7.

Allocation Percentage Options for Alternative 4

Option	% to Inshore	% to True Motherships	% to Offshore	Source Of The Option	
1	40%	13%	47%	Proposed by North Pacific Seafood Coalition.	
2	55%	15%	30%	Proposed by North Pacific Seafood Coalition.	
3	40%	15%	45%	Implied by ranges included in the proposal.	
4	55%	13%	32%	Implied by ranges included in the proposal.	
5	38%	15%	47%	Implied by ranges included in the proposal.	
6	57%	13%	30%	Implied by ranges included in the proposal.	
7	35%	10%	55%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.	
8	29%	9%	62%	R. of 1 "Reciprocal Change" Options (R.) are included as directed by the Council. These are calculated by dividing the offshore % in Options 1-6 respectively, by the offshore % in Option 7, and multiplying the sum of the inshore % and mothership % in Option 7 by the resulting ratio. The split between inshore and true motherships is calculated by taking the proportion of each in the specific allocation. As an example the splits in Option 8 are calculated as follows: Inshore = $(47\% \div 55\%) \times (35\% + 10\%) \times ((40\% \div (40\% + 13\%)) = 29\%$ True MS = $(47\% \div 55\%) \times (35\% + 10\%) \times ((13\% \div (40\% + 13\%)) = 9\%$ Offshore = $100\% - 29\% - 9\% = 62\%$	
9	19%	5%	75%		R. of 2
10	27%	10%	63%		R. of 3
11	21%	5%	74%		R. of 4
12	28%	11%	62%		R. of 5
13	20%	5%	75%		R. of 6

Alternative 5: Reauthorize existing FMP language for three more years, but change the language to eliminate references to Inshore and Offshore allocations. New language would be included providing for allocations to Catcher Vessels and Catcher Processors with a guaranteed portion of the Catcher Vessel allocation to be delivered to a newly defined Inshore sector. This alternative would allocate specific percentages to be harvested by catcher vessels and catcher processors. Either sector could make deliveries to any processor, except that there would be a minimum delivery guarantee to inshore processors from the catcher vessel allocation. Wholesale changes to the FMP would be made under this alternative, but these are reflected primarily in the revised Sections 2 and 4 as shown below. Allocation options are shown following the changes in the FMP Language. The actual proposal did not include specific percentages for the shoreside guarantee, and therefore,

the options show a percentage of the catcher vessel harvest which would reflect the amount of the 1996 pollock TAC processed by the inshore sector, i.e, 35% of the non-CDQ pollock in the BSAI.

<p>2. Definitions</p> <p><u>Catcher Vessels</u> are defined as all vessels permitted to harvest groundfish which are not permitted to act as processing vessels for groundfish.</p> <p><u>Catcher Processors</u> are defined as all vessels permitted harvest groundfish which are also permitted to act as processing vessels for groundfish.</p> <p><u>Inshore</u> is defined to consist of two components of the industry:</p> <ol style="list-style-type: none"> 1) All shoreside processors as defined in federal regulations. 2) Other motherships, or floating processors which have declared themselves to be "Inshore." <p>4. Allocations: The allowed harvest of BSAI pollock shall be allocated as follows: XX% of the pollock resource in each subarea for each season will be allocated to catcher processors, beginning in 1999 and continuing through 2001. By the same action, the catcher vessels will be allocated YY% of the pollock resource beginning in 1999 and continuing through 2001 in each subarea and in each season. From the amount of the pollock resource allocated to catcher vessels, a minimum of ZZ% will be delivered to the inshore component. The percentage allocations are made by subarea and period as provided in federal regulations implementing this FMP. All pollock caught as bycatch in other fisheries will be attributed to the appropriate harvesting sector.</p>

Staff Comment: The allocation percentages shown as Options 1-3 in the box below reflect the allocation as proposed in public comment. The Council Staff calculated the shoreside guarantee such that 35% of the pollock TAC would be delivered by catcher vessels to the inshore sector. Council staff also included a fourth option which reflects the 1996 harvest levels, were the new definitions (as shown above) in place. In 1996 catcher vessels harvested approximately 51% of the non-CDQ pollock. Finally, the Council requested that staff calculate and include additional options reflecting the "reciprocals" of the proposed alternatives. These are shown as Options 5-7, and reflect the change from 1996 harvest levels implied by Options 1-3.

Allocation Percentage Options for Alternative 5

Option	% to Catcher Processors	% to Catcher Vessels	% of C.V. Guaranteed for Inshore (35% of TAC)	Source of the Option
1	45%	55%	63%	Proposed by United Catcher Vessels.
2	40%	60%	58%	Proposed by United Catcher Vessels
3	35%	65%	53%	Proposed by United Catcher Vessels
4	49%	51%	68%	Derived by Staff to reflect the 1996 harvest were the proposed changes to the FMP language in place.
5	52%	48%	73%	R. of 1
6	55%	45%	77%	R. of 2
7	57%	43%	81%	R. of 3

Past, Current, and Proposed Problem Statements

The Council requested that the following problem statements be included in the newsletter to help focus their June discussions of an appropriate problem statement for Inshore/Offshore III.

Inshore-Offshore I Problem Statement

The finite availability of fishery resources, combined with current and projected levels of harvesting and processing capacity and the differing capabilities of the inshore and offshore components of the industry, has generated concern for the future ecological, social and economic health of the resource and the industry. These concerns include, but are not limited to, localized depletion of stocks or other behavioral impacts to stocks, shortened seasons, increased waste, harvests which exceed the TAC, and possible preemption of one industry component by another with the attendant social and economic disruption.

Domestic harvesting and processing capacity currently exceeds available fish for all species in the Gulf of Alaska and most species in the Bering Sea. The seafood industry is composed of different geographic, social, and economic components which have differing needs and capabilities including, but not limited to, the inshore and offshore components of the industry.

The Council defines the problems as a resource allocation problem where one industry sector faces the risk of preemption by another. The analysis will evaluate each of the alternatives as to their ability to solve the problem within the context of harvesting/processing capacity exceeding available resources.

The Council will address these problems through the adoption of appropriate management measures to advance the conservation needs of the fishery resources in the North Pacific and to further the economic and social goals of the Act.

Inshore-Offshore II Problem Statement

The problem to be addressed is the need to maintain stability while the Comprehensive Rationalization Program (CRP) process goes forward. The Council believes that timely development and consideration of a continuing inshore-offshore and pollock CDQ allocation may preserve stability in the groundfish industry, while clearing the way for continuing development of a CRP management system. The industry is in a different state than existed in 1990 as a consequence of many factors outside the scope of the Council process, as well as the inshore-offshore allocation. The Council intends that staff analyze the effects of rapidly reauthorizing an interim inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation. These alternatives are appropriate as they address the problem of maintaining stability. Therefore, the focus of analysis to be done over the next few months should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus, increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.

DRAFT PROBLEM STATEMENT

(offered by Council Member Pereyra at April 1997 Council meeting)

The problem to be addressed is the need to maintain stability, e.g., no changes in the sector splits, while the Comprehensive Rationalization Program goes forward. The Council believes that a continuing inshore-offshore and CDQ pollock allocation, as was done in 1995 when the inshore-offshore regulations were essentially "rolled over" through 1998, will minimize instability in the groundfish industry, while allowing for continuing development of a CRP management system, including the National Academy of Science's study of individual quotas as mandated by Congress. The groundfish industry is in a different state than existed in 1995 as a consequence of many factors outside the scope of the Council process, such as the ongoing negotiations with Russia over the Bering Sea maritime boundary, as well as the inshore-offshore allocation. Furthermore, the sectors of the Bering Sea pollock fishery are now fairly evenly balanced as evidenced by the time periods required for each sector to take its quota; and beginning in 1998 the discarding of pollock and cod will be prohibited in the groundfish fisheries.

The Council intends that staff analyze the effects of reauthorizing the inshore-offshore allocation relative to maintaining stability in the industry during the CRP development process, as well as the consequences of not continuing the present allocation structure. These alternatives are appropriate as they address the problem of maintaining stability with regard to the sector splits. Therefore, the focus of the analysis to be done over the next year should assist the Council to:

- (1) Identify which alternative is least likely to cause further disruption and instability, and thus increase the opportunity for the Council to accomplish its longer-term goal of CRP management.
- (2) Identify the future trade-offs involved for all impacted sectors presented by the two alternatives.

Council action will be required no later than June of 1998 to keep the program going until the CRP process can be completed. Action by the Council in June would allow for Secretarial review and approval by the start of the 1999 fishing year. No new regulations or infrastructures would be necessary for (continued) implementation of the program under this schedule.

ALTERNATIVES

Alternative 1: No Action - the current inshore-offshore allocation and the pollock CDQ program would expire at the end of 1998.

Alternative 2: Continuation of the current program, as is, including the CDQ allocation, until replaced by a long-term CRP solution, but with review after five years if the CRP is not completed by that time.

In developing these alternatives, the Council feels that changes to the present allocation program, such as changes in the percentage allocations, would have similar consequences as were identified for the last "roll over" (Amendment 18/23), i.e., (1) require significant new and complex economic analyses, (2) create additional debate over basic management policy by the Council, (3) be inconsistent with their overall intent to deal with the issue on a more long-term, comprehensive basis through CRP, and (4) create unnecessary delays in implementing the continuation. Because of these concerns, and because the Council still intends minimal disruptions to the fishery and processing industry, only two basic alternatives are being considered.

Information Requested by Council

A revised Problem Statement, and alternatives for formal analysis, will be decided by the Council at their June meeting in Kodiak for both the GOA and the BSAI. The Council is encouraging comments on the alternatives and problem statements for their June discussions. The Council notes that when considering and commenting on the proposed alternatives, the public should be aware of discussion points raised by the Council in April, which included the following:

- changes in biomass levels of pollock
- consolidation of effort in some industry sectors
- ownership structures of the industry sectors involved
- changes in delivery patterns for pollock
- current and future stability of the industry
- long-range management considerations for pollock (CRP)

The Council also requested information from staff to facilitate their June discussions. Information which may be provided in June (as available) includes: data and analytical requirements necessary for various proposed alternatives; numbers of vessels, plants, and motherships operating in the pollock fisheries; 'migration' patterns of vessels previously operating in the pollock fisheries, and; recent harvest delivery patterns associated with BSAI pollock fisheries. The industry also is encouraged to document problems and concerns that have arisen as a result of past or current inshore/offshore allocations.

Written public comments on the above should be provided to the Council office by June 9 to be placed in the Council meeting notebooks. There will be time set aside at the Council meeting for further comment. A draft analysis of the alternatives resulting from the June 1997 meeting will be presented to the Council in February 1998 at the earliest. The Council needs to make their final decision by June 1998. Staff contact is Marcus Hartley.