


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver   
Acting Executive Director

DATE: January 30, 2001

SUBJECT: BSAI FMP Amendment 68—Pacific Cod Pot Gear Split

ESTIMATED TIME  
4 HOURS  
(all D-1 items)

**ACTION REQUIRED**

Review analysis and release it for public review.

**BACKGROUND**

The current Pacific cod total allowable catch (TAC) in the BSAI is apportioned 51% to fixed gear, 47% to trawl gear, and 2% to jig gear (BSAI FMP Amendment 46). In October 1999, the Council adopted Amendment 64 to the BSAI FMP, which further split the fixed gear Pacific cod allocation among the fixed gear sectors as follows: 80% to freezer longliners; 0.3% to longline catcher vessels; 1.4% to pot or longline catcher vessels less than 60 feet LOA; and 18.3% to pot vessels. This action was intended to promote stability in the BSAI Pacific cod fixed gear fishery until comprehensive rationalization is completed. Amendment 64 was approved by the Secretary of Commerce on July 12, 2000, and was effective starting September 1, 2000. NMFS closed directed fishing for BSAI Pacific cod by pot vessels  $\geq 60'$  at that time, to prevent that sector from exceeding the 18.3% allocation of the fixed gear Pacific cod TAC in 2000. Thus, 2001 is the first full year of fishing under the fixed gear allocations.

Upon approval of Amendment 64, the Council acknowledged that a further split of the Pacific cod pot gear TAC between pot catcher/processors and catcher vessels may be necessary to preserve the recent harvest distribution attributed to those sectors, as was done for freezer longliners and longline catcher vessels. However, because the public had not been noticed that this action may take place under Amendment 64, the Council delayed action specific to the pot sector and initiated this follow-up amendment in October 1999.

Amendment 68 would split the 18.3% Pacific cod pot gear allocation among pot catcher/processors and catcher vessels according to historical catch. The options for analysis consider catch from 1995-1999 and are similar to those previously considered under Amendment 64; the only exception is that 1999 catch data is now available and included. The analysis calculates the options both including and excluding catch that has been rolled over from other gear sectors. Since the Council has not had the opportunity to modify the alternatives under consideration since Amendment 64, any additional alternatives the Council would like to include should be added at this meeting.

Recall also that the Council adopted BSAI Amendment 67 in April 2000, which would require a Pacific cod endorsement to fish Pacific cod with fixed gear in the BSAI (in addition to an LLP license). While this amendment has not yet completed regional review, the implication of this action is that the pot cod quota will be taken by substantially fewer pot catcher/processors and catcher vessels upon implementation. In light of this major change to the structure of the fishery, the options under consideration for splitting the Pacific cod pot TAC are also calculated using only the catch histories of those vessels that are both LLP qualified and appear to qualify for a Pacific cod endorsement under the Council's preferred alternative.

The analysis was mailed to you on January 17 and is scheduled for initial review at this February Council meeting. Final review is scheduled for April. The options for splitting the Pacific cod pot gear TAC are provided in the executive summary, attached as item D-1(a)(1).

## 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 Islands (BSAI) Pacific cod among jig gear, trawl gear, and fixed gear. 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 apportionment between longline 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 freezer longline, longline catcher vessel and pot sectors in the BSAI (Amendment 64). This action was proposed to promote stability in the BSAI fixed gear cod fishery until a comprehensive rationalization of the North Pacific groundfish fisheries is completed. The proposed amendment to divide the BSAI fixed gear Pacific cod allocation was brought to the Council for initial review in June 1999. The Council made a final decision in October, following a review by the Scientific and Statistical Committee in September. The amendment was approved by the U. S. Secretary of Commerce in July 2000, and implemented by final rule on August 24, 2000 (65 FR 51553). Amendment 64 became effective on September 1, 2000.

At the time the Council approved Amendment 64, the Council acknowledged that a further split among the pot sector may be necessary to ensure the historical harvest distribution among pot catcher/processors and pot catcher vessels in the BSAI Pacific cod fishery. Concern was expressed that the pot sector needed the stability of a direct gear allocation, much like was done for freezer longliners and longline catcher vessels under Amendment 64. 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 FMP Amendment 68).

This analysis for Amendment 68, which proposes direct allocations of BSAI Pacific cod to pot catcher/processors and pot catcher vessels, utilizes the same options as considered by the Council for the fixed gear BSAI Pacific cod split in Amendment 64. In addition to the no action alternative, the analysis for Amendment 64 examined several options to apportion the Pacific cod fixed gear TAC. The Council selected an allocation of 80 percent to freezer longline vessels, 0.3 percent to longline catcher vessels, 1.4 percent to pot and longline catcher vessels < 60' length overall (LOA), and 18.3 percent to pot vessels. These percentages fairly closely represent harvests in this fishery over the period 1995-1998. Amendment 68 would further split the 18.3 percent allocated to pot vessels between pot catcher/processors and pot catcher vessels, based on recent catch histories.

Two primary alternatives were examined in this analysis, based on the options provided in Amendment 64. The only change to the original alternatives is the addition of Options 5 and 6, which include 1999 catch histories. At the time the Council took action on Amendment 64, catch data for 1999 was not available and thus the Council's action was based only on historical data through 1998. Catch history for 1999 has since been made available and is included in the suite of options for Council consideration as the most recent participation data. The alternatives examined in this analysis are as follows:

**Alternative 1:** No action. BSAI Pacific cod TAC for the pot sector (18.3% of the fixed gear P. cod TAC) would not be further allocated among the pot catcher/processor and pot catcher vessel sectors.

**Alternative 2:** Apportion the BSAI Pacific cod pot gear TAC (18.3% of the fixed gear P. cod TAC) among pot catcher/processors and pot catcher vessels. The split may be apportioned according to recent catch histories to be determined as a percentage of cumulative catches of the pot gear BSAI P. cod TAC by pot sector for:

- Option 1:** 1996, 1997
- Option 2:** 1997, 1998
- Option 3:** 1996, 1997, 1998
- Option 4:** 1995, 1996, 1997, 1998
- Option 5:** 1995, 1996, 1997, 1998, 1999
- Option 6:** 1996, 1997, 1998, 1999

In general, the options considered by the Council would allocate between 24.3 and 25.3 percent of the pot vessel Pacific cod TAC to pot catcher/processors, and between 74.7 and 75.7 percent to pot catcher vessels. These percentages closely represent harvests in this fishery over the past five years, excluding roll-over catch from other gear sectors. The analysis calculates the options both including and excluding roll-over harvest, so that the Council may evaluate the impacts of both methods. Including roll-over catch in the calculations varies the results only slightly: the options then allocate between 23.9 and 25.3 percent of the pot vessel Pacific cod TAC to pot catcher/processors, and between 74.7 and 76.1 percent to pot catcher vessels. Note that the calculations in the analysis are based on the fixed gear allocations approved in Amendment 64 (18.3 percent to pot vessels).

Because a sector of the BSAI Pacific cod fishery may not be able to harvest their entire allocation in a given year due to halibut bycatch constraints or, in the case of the jig fishery, insufficient effort in the fishery, the Council also provided direction under Amendment 64 on how roll-overs to the fixed gear sector should be treated. Roll-overs from the jig or trawl sectors are apportioned among the freezer longline and pot sectors according to the actual harvest of roll-overs from 1996-1998: 95 percent of the cod roll-overs are allocated to the freezer longline fleet and the remaining 5 percent go to the pot fleet. Should the Council choose to split the 5 percent roll-over allocation among the pot sectors using the same method, approximately 24.4 percent of the roll-over amount allocated to the pot fleet would be apportioned to pot catcher/processors, and 75.6 percent to catcher vessels. If 1999 data is included in the average, 23.6 percent of the pot roll-over would be allocated to catcher/processors and 76.4 percent to catcher vessels. Should the Council choose not to take any action to apportion roll-overs among the pot sectors, both pot gear groups would compete for the 5 percent roll-over allocation as defined under Amendment 64. (Amendment 64 also rolls over any unharvested portion of the catcher vessel longline and the <60' pot and longline vessel allocation that is projected to remain unused to the freezer longline fleet in September.)

The 1999 fishery is considered the baseline scenario under the no action alternative, however, it is intended only as a point of reference. The no action alternative relates to the catch and revenue distributions that would occur if no further allocation of the pot gear TAC was implemented, and is thus not accurately represented by a static point in time. Each pot sector will exhibit varying levels of effort which will fluctuate annually depending on a number of other factors, including the prices and effort in other (primarily crab) fisheries. In addition, the fixed gear allocations approved in Amendment 64 were not in place during the years under consideration. Thus, the 1999 fishery is not representative of the future condition of the fishery if no action is taken under Amendment 68—the no action alternative is more accurately defined as the state of the fishery as restricted by the current allocation of 18.3 percent of the fixed gear Pacific cod TAC to the pot fleet as a whole, with no further apportionment among pot catcher/processors and pot catcher vessels. Given the difficulty associated with making predictions regarding effort in other fisheries and the numerous regulatory changes that have recently occurred in the fishery, the status quo was generally characterized, and not given a point estimate, in this document.

The 1999 baseline scenario shows that a higher than average percentage of the pot quota was taken by catcher vessels in 1999. Excluding roll-overs from the calculation, 79 percent of the pot quota was harvested by pot catcher vessels and 21 percent by catcher/processors in 1999. Including roll-over catch does not

change the baseline harvest percentages. The 2000 cod fishery was not used as the baseline scenario primarily because 2000 harvest data is still preliminary. In addition, the 2000 fishery does not reflect the fixed gear allocations established under Amendment 64, and thus is not a better representation of current conditions in the cod fishery than is 1999. The fixed gear allocations adopted in Amendment 64 were effective September 1, 2000, and the directed Pacific cod fishery for pot vessels >60' closed at that time, to prevent that sector from further exceeding their new 18.3% allocation. The 2000 fishery may also be less representative of the historical catch distribution than 1999 because of the implications of a delayed BSAI opilio fishery. Because the opilio season started April 1, as opposed to its usual January 15 opening, the pot cod fishery realized increased effort during the first few months of the season due to the increased availability of pot fishermen. While lower revenues from declining crab fisheries may continue to spur increased pot effort in the cod fisheries in at least the next several years, the opilio fishery is back to its regularly scheduled opening of January 15 for 2001.

Recall that BSAI Amendment 67, passed by the Council in April 2000, adds a requirement for a Pacific cod endorsement for vessels fishing BSAI Pacific cod in Federal waters. This amendment, if approved by the Secretary, would build on the existing LLP program and likely be implemented in 2002. Thus, upon implementation, all vessels participating in the BSAI Pacific cod fishery would have to meet the qualification criteria for a Pacific cod endorsement, in addition to the area endorsement on their general license. The intent of Amendment 67 is to limit the fishery, beyond the limitations currently in place under the LLP program, to vessels that have historically participated in, and are substantially dependent on, the BSAI Pacific cod fishery. Thus, the Pacific cod fixed gear TAC is allocated among the freezer longline, longline catcher vessel, and pot vessel fleets according to Amendment 64, and the number of boats in each sector may be limited in the future according to the proposed participation and landings requirements detailed in the Council's preferred alternative for Amendment 67.

As proposed in the Council's preferred alternative for Amendment 67, pot catcher/processors would be required to have made at least 300,000 lbs of landings in the directed commercial BSAI P. cod fishery (excluding discards) in each of any two years 1995-98. Pot catcher vessels ≥60' have less restrictive qualification criteria: over 100,000 lbs of landings in each of any two years 1995-99. The Council also specified that catcher vessels <60' would not need a Pacific cod endorsement for the BSAI at this time. Thus, if Amendment 67 is approved by the Secretary, it will substantially reduce the pool of pot vessels that are eligible to harvest the 18.3 percent of the BSAI Pacific cod fixed gear TAC. Amendment 68 is not intended to have any additional biological or allocative impacts outside of the pot sector, beyond what Amendments 64 and 67 have already proposed. The intent is to extend the same approach to rationalization and stabilization within the pot cod sector as was done for the longline fleet.

The qualification requirements adopted in Amendment 67 would greatly effect the number of pot vessels eligible to fish BSAI Pacific cod; therefore, the relative cod harvest history of only the "eligible" vessels in the catcher vessel and catcher/processor sectors may greatly differ from the harvest history of all pot vessels that participated in those years. Additional information is provided in the analysis regarding the catch distribution among sectors of only those pot catcher/processors and catcher vessels that appear will qualify for a Pacific cod endorsement. While these numbers are still preliminary, and Amendment 67 has not yet been approved by the Secretary, this information was provided to show the potential difference between the historical catch distribution of all vessels in both sectors versus the distribution among only those vessels that would be fishing the allocations should Amendment 67 be approved. The catch histories from vessels that appear to be both LLP qualified and eligible under the proposed criteria for a Pacific cod endorsement indicate that sub-sector of catcher/processors has historically taken a range of 12.4 - 16.3 percent under the options for consideration, and that sub-sector of catcher vessels has taken 83.7 - 87.6 percent. As expected, there is a notable difference when the distribution among sectors is calculated using only the sub-sector of vessels that may qualify for a P. cod endorsement as opposed to all vessels that participated in recent years. Using only the sub-sector of eligible vessels increases the pot catcher vessel portion of the catch from a range of 74.7 - 76.1 percent to 83.7 - 87.6 percent.

This analysis uses estimates of 1998 ex-vessel and first wholesale prices and the 2001 TAC (excluding roll-over harvest) to derive projections of gross revenues for the pot catcher vessel and catcher/processor sectors under each of the options. Ex-vessel revenues for pot catcher vessels range from \$5.10 to \$5.17 million under the proposed alternatives when roll-over catch is excluded from the harvest percentage calculations, and from \$5.10 to \$5.20 million when roll-over catch is included. Compared to the ex-vessel revenue (\$5.40 million) generated using the 1999 baseline harvest percentages, ex-vessel revenues decrease for the catcher vessel sector under all of the proposed options.

Similarly, estimates of first wholesale revenue were calculated for both the catcher vessel and catcher/processor sectors. Excluding roll-overs, pot catcher/processor revenues from cod would range from \$4.57 to \$4.76 million, and pot catcher vessel revenues from \$11.13 to \$11.28 million, at the first wholesale level. The inclusion of roll-over harvest slightly increases the range of first wholesale revenues generated by the pot catcher vessel sector to \$11.13 - \$11.34 million, and slightly decreases the range of revenues generated by catcher/processors to \$4.50 - \$4.76 million. Compared to the baseline 1999 harvest, first wholesale revenues for the pot sector as a whole increase under the proposed options whether roll-overs are included or excluded, due to the higher first wholesale price attributed to catcher/processor catch. When roll-overs are excluded, first wholesale revenues under the proposed options exceed the baseline by a range of \$0.13 - \$0.17 million, and when roll-overs are included, they exceed the baseline by \$0.11 - \$0.17 million.

Ex-vessel and first wholesale revenue projections were also made for each pot sector using only the vessels that appear will qualify for a Pacific cod endorsement under Amendment 67. Because the harvest distribution changes in favor of the catcher vessel sector when calculating the options using only catch histories of pot vessels that may qualify for a cod endorsement, the ex-vessel revenues generated by the catcher vessel sector increase slightly under this scenario. Including roll-overs, ex-vessel revenues from cod would be in the \$5.72 - \$5.98 million range. Similarly, first wholesale revenues projected for this sector increase to a range of \$12.46 - \$13.05 under the proposed options. This increase is necessarily at the expense of the catcher/processor sector, whose projected first wholesale revenues decrease to a range of \$2.33 - \$3.08 million. Because the catcher/processor sector typically commands a higher first wholesale price than the catcher vessel sector (\$243/mt higher in 1998), total pot sector revenues decrease under this scenario by about 2-3 percent.

The alternatives and options are expected to have no significant biological impacts. The intent of the proposed amendment is to secure the approximate catch distribution among the pot gear sectors of the BSAI Pacific cod fishery by providing each sector with a direct allocation. By stabilizing the harvests of the pot gear sectors, such as was approved by the Council for the longline fleet, the action would also be expected to further stabilize the fixed gear Pacific cod fishery's environmental impacts. The options do not increase or decrease the harvest of Pacific cod by the pot sector as a whole. Any slight shift in effort between the catcher vessel and catcher/processor sectors as a result of the options would likely have little corresponding impact on incidental catch of "other species," as well as marine mammals such as Steller sea lions. Both pot sectors have traditionally taken the majority of their annual harvest in Steller sea lion critical habitat, defined as the 20 nm buffer area around all major rookeries and haulouts as designated under the Endangered Species Act (50 CFR 226.202).

The Council voted to sunset Amendment 64 on December 31, 2003, and may choose to apply the same sunset date to Amendment 68. Continuing the allocations of Pacific cod among the fixed gear sectors (or selecting new allocation percentages) in the BSAI after that date will require Council and Secretarial approval of a new amendment.

None of the alternatives is expected to result in a "significant regulatory action" as defined in E.O. 12866. None of the alternatives is 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.

F/V BLUE FIN  
19829 168<sup>TH</sup> ST. SE.  
Monroe, Wash. 98272  
Ph. (360) 863-8453 Fax (360) 863-1353

DATE: 1-17-01

**ATT. Mr. Pautzke North Pacific Management Counsel**

My name is Kurt Vedoy; I own and operate the F/V BLUE FIN with my brother Oluf Vedoy. As I have stated before in previous letters I have a long history with a good catch record of Codfish that is caught by Pots. I am qualified as a Catcher/Processor.

My issue with the Counsels that I need the POT CATCHER/PROCESSORS and POT CATCHER boats SPLIT as two different groups because of the different interest and also because of a good catch history that I have worked hard to build

The Counsel sided with the Longlines because of their long time catch history to be protected from the big additional participation by Crab Boats. I AM ASKING THE COUNSEL TO PLEASE VOTE ON A SPLIT BETWEEN C/P and C/vessels as this action will protect my long-term investment and good catch records just as well as the Longlines.

We had a perfect example of how bad a situation this turned out to be since we were not protected by a split, this year 2000. We ended up with hardly any fishing times which is devastating to our business which we already had established years ago along with Cold plant in Wash. All fish was shipped through Dutch Harbor and paid taxes accordingly.

I NEED THE COUNSEL SUPPORT ON THIS issue IN ORDER TO SAVE AN ALREADY ESTABLISHED BUSINES FROM GOING BAD. IT WOULD BE A BIG SHAME ON COUNELS MANAGEMNET IF THAT HAPPENED WHEN THEY INDEED CAN SAVE THIS BY VOTING YES ON SPLIT OF POT C/P and C/VESSELS.

I have been fishing Cod with pots since 1992 with the F/V BLUE FIN. Never missed any season. I am totally apposed to pot catcher boats that might only have 100,000 lbs. catch history compared to my own of 1.4 million lbs. - 1.9 million lbs. During qualifying years, to have access to my catch history. This is totally unacceptable and my past catch history needs to be considered. Please again vote for split on C/P Pot Boats and C boats as this is the only right thing to do and has already been done in other fisheries.

Thank you for your support,

Kurt Vedoy  
F/V BLUE FIN



**RECEIVED**

JAN 17 2001

N.P.F.M.C

**Keveleen K LLC**4241 21<sup>st</sup> W  
Suite 100  
Seattle, WA 98155

January 26, 2001

Chairman David Benton  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, AK 99501-2252**RECEIVED**

JAN 26 2001

N.P.F.M.C

Dear Sir :

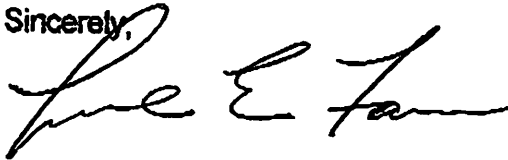
Re: BSAI Amendment 68

I am unable to attend the meeting because of the lengthy strike of the opilio season, but would like to comment on Amendment 68. I don't see the need for a further split of the pot cod sector. With the Bi-Op and the new regulations closing fishing area's, the pot catcher fleet might not be able to fish in the traditional area's that we have in the past. We fished these area's because of the proximity to markets, low by catch rates and catch rates. If we are pushed out of these area's the catcher fleet might have to become C/P's to make the fishery economically feasible. You can't fish and have a long distance to travel to your market and make any money fishing pot cod. The fuel expense and the time spend running to and from your market would take any profit you might have made.

The C/P pot boat fleet is down to three boats from ten with some of the major contributor's of the C/P catch history now using hooks or not fishing. If boats are leaving the pot sector or leaving the fishery, the fish from their history that was used to create the percentage for the pot portion of the TAC, should be made available to the whole cod pot fleet. To give the C/P pot cod fleet the fish from the C/P boats that are not fishing would be unfair to the catcher boats because of the number of C/P verse the number of catcher boats.

The best solution in my opinion would be to rationalize the cod fisheries and give everyone their history. I know that is not on the table now, but hopefully it will be in the future. We need to table Amendment 68 and see where the whole sea lion issue leaves us.

Sincerely,

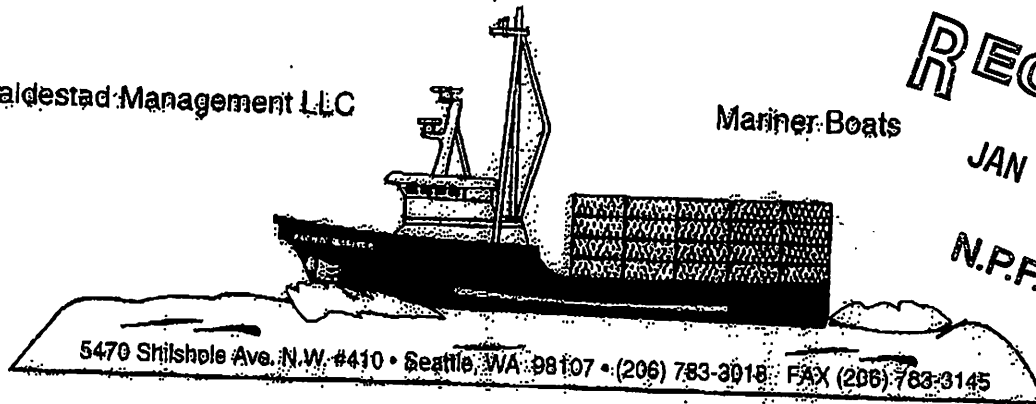
Larice E. Farr  
Owner/Operator

Kaldestad Management LLC

Mariner Boats

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JAN 30 2001

N.P.F.M.C



January 30, 2001

North Pacific Fishery Management Council  
605 West 4th, Suits 306  
Anchorage, AK. 99501-2252

Re: D-1/BSAI Amendment 68/Pacific cod pot gear split

Dear Council Members,

I am writing concerning BSAI Amendment 68 which would split the pot cod TAC between catcher vessels and catcher processor vessels. As owner of pot cod vessels, I am concerned about the ramifications of this action. Even though this is only for initial review at this meeting, I believe the Council should table this Amendment at this time for the following reasons:

- 1) With the current uncertainty with respect to Steller sea issues, there is great uncertainty about where, when and how the pot cod fishery will occur in the future. There needs to be some directions as to how the pot cod fishery will be handled under Steller measures before a split is considered.
- 2) The current economic climate (including much higher prices paid for fuel, bait and observers and projected lower ex-vessel prices for cod) make the pot cod fishery even more marginal for the fleet than it has been in the past, irrespective of any changes in fishing areas and patterns due to Steller sea lion protections. This makes it difficult to determine which segment may be able to utilize the quota in the future.
- 3) Until Amendment 67 is in place to define the pot fleet as it will exist in the future, it is important not to fragment the quotas any further in order to allow the dedicated pot cod vessel to exist economically. After Amendment 67 is enacted, the remaining pot cod fleet can then make a better decision if a CV/CP split is still in the best interest of the pot cod fishery as a whole.

Sincerely,

*Kevin L. Kaldestad*  
Kevin L. Kaldestad



Charlie Parsons  
PO Box 2339  
Homer, AK 99603  
907-235-2606 phone  
907-235-0168 fax  
Nitwatch@xyz.net

# F/V NightWatch

January 30, 2001

David Benton  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

Dear Mr. Chairman:

I have been fishing in the Western Gulf for close to fifteen years, I started in 1986 ,before there were to many people fishing Cod. We would start fishing in January and go until November not reaching the quota in several of the carly years. I am hearing rumors that some people are trying to change the 60%-40 percntage split season from June to September. My point is, it is far easier to catch Cod in June with less bycatch then Sceptember. Please do not change the timing of this season!

Sincerely,

Charlie Parsons  
Owner operator F/V NightWatch

RECEIVED

JAN 30 2001

N.P.F.M.C



Fish is food for life