

North Pacific Fishery Management Council

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Certified by John Bruce
Date 6/14/95

ADVISORY PANEL MINUTES APRIL 17-21, 1995 ANCHORAGE, ALASKA

*Approved
Change on Pg 6
Delete to Revised
6/19/95 correction
made JK*

Advisory Panel members in attendance:

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

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

Absent was Arne Fuglvog.

C-2 Inshore/Offshore

The AP recommends that the April 7, 1995, EA/RIR for the proposed reauthorization of Amendment 18/23 to the Gulf of Alaska and Bering Sea/Aleutian Islands Fishery Management Plan (Inshore/Offshore Processing Allocations & Pollock CDQ Program) be sent out for public review, with the following additions:

1. Regarding Table 9.3 (p. 226) add gross revenue for the CDQ catch similar to what was done in Table 4.2.8.
2. Develop catch per week (in the BSAI) data to determine whether or not catch rates increase in the inshore sector when the offshore sector closes.
3. Provide information on the distribution of catch within the harvest sector at the TH1, TH2 and TH3 levels.

Motion passes 21/0/1 abstention.

C-3 License Limitation

Groundfish License Limitation Program

Main motion carries 17/3

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

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

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

We recommend the following elements in a groundfish License Limitation plan:

License Classes

1,000,000 a single class

Nature of Licenses

300,000 Licenses for FMP sub-areas (i.e., EG, CG, WG, BS, AI) (as modified in box 4 by area) AI, BS, WG, CG+WY, EY+SO - area licenses would be non-severable. A motion to allow severability failed 19/0.

License Recipients

10,000 Current owners

License Designation

1,000 No restrictions. However the moratorium rules would apply limiting transfers and replacements to a one time 20% length increase up to 125 feet. (note also the additional restriction under Qualifying Period below)

5,000 Add catcher vessels & catcher processors and vessel length (motion carries 12/6)

Qualifying Period

400B January 1, 1992 - December 31, 1994 for area endorsements.

400C January 1, 1988 - December 31, 1994 for area endorsements (as an addition motion carried unanimously, but as a substitute motion, failed 4/15)

800 January 1, 1988 - June 27, 1992. Except for vessels less than 60' under the option 800 criteria. For such vessels, an additional qualifying period would allow a vessel to qualify for groundfish pot or jig gear in one area based on landings between June 92 and December 94.

Landings

10 One landing (motion carries 13/2)

50 20,000 lbs OR 5 landings (the purpose of this threshold is to eliminate qualification based on speculative landings). Landings are defined as retained catch.

Landings Requirements for Endorsement

NA for species endorsements

1 One landing in qualifying period

2 Two landings in qualifying period. Motion to add options 1 & 2 carried 16/3

4 Four landings during the secondary Qualifying Period for area endorsements

***Minimum Qualifying Poundage for Landing Requirements**

5,000 lbs for vessels equal to or less than 60'

20,000 lbs for vessels greater than 60'

Motion carried with no opposition.

Who May Purchase Licenses

Delete option 2 and move forward with options 1 which reads:

1. Licenses could be transferred only to "persons" defined as those eligible to document a fishery vessel under chapter 121, Title 46 U.S.C. (greater than 50% U.S. ownership). Motion passes with no opposition.

Vessel/License Linkages

Delete option 1 and move forward with option 2 which reads:

2. Licenses may be transferred without a vessel, i.e., licenses may be applied to vessels other than the one to which the license initially was issued.

Motion passes with no opposition.

Options Regarding the Separability of Species and/or Area Designations

Delete options 2 and 3. Option 1: strike the word "Species" so that it reads as follows:

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

Motion passes with no opposition.

Vessel Replacement and Upgrades

Delete options 1 and 2; move forward with option 3 which reads:

3. Vessel may be replaced or upgraded within the bounds of the 20% Rule defined in the moratorium proposed rule.

Motion passes with no opposition.

License Ownership Caps

Delete options 3, 4, 5, 6, and 7.

In option 2, delete the word "area"; move forward with options 1 and 2, which read:

1. No limit on the number of licenses or endorsements which may be owned by a "person."

2. No more than 5 licenses per person with grandfather provisions.

Motion passes with no opposition.

Vessel License Use Caps

Delete all options (1-6), none to carry forward. Motion passes with no opposition.

Vessel Designation Limits

Delete option 2 and move forward with option 1 which states:

1. A vessel which qualifies for multiple designations (i.e., both as a CV and as a CP or as both inshore and offshore) under the use restriction component will be able to participate under any designation for which it qualifies.

Motion passes with no opposition.

Buy-back/Retirement Program

Delete options 2 and 3 at this time.

The AP does not view license limitation as the final step in the Comprehensive Rationalization process. Therefore, we believe a buy-back program is inappropriate at this time. Motion passes with no opposition.

Two-Tiered Skipper License Program

A motion to delete option 1 failed 5/12.

The AP recommends that this program should be deleted from the license limitation package and that analysis of a license limitation program for skippers, based on the amended program outlined by SEA be set on its own time line. The AP would prefer that this time line parallel license limitation. Motion passed 10/8.

Community Development Quotas

A motion to delete option 1 failed 8/11.

Delete GOA from options 2 and 3; delete options 4 and 5; move forward with options 1, 2 and 3 which read:

1. No CDQ allocations
2. 3% of any or all groundfish TACs for CDQs patterned after current program w/o sunset provision.
3. 7.5% of any or all groundfish TACs for CDQs patterned after current program w/o sunset provision.

Motion passes 13/5.

Community Development Licenses

The AP moved to Table CDLs (motion passed 18/1)

Additional Provisions for new entrants

- Vessels 35 feet and under would be exempt.
- Exempt vessels using jig gear as follows:
 - a maximum of 5 jigging machines per vessel,
 - a maximum of 1 line per jigging machine,
 - a maximum of 15 hooks per line (motion carries 14/3)
- Exempt vessels equal to or less than 40' (motion *failed* 9/9).
- No exemptions (motion carried 18/1)
- The AP has no recommended language, but wishes to express its intent that vessels targeting such species as salmon or crab that are currently allowed to land incidentally taken groundfish without a groundfish permit, be allowed to continue to do so.

Other Provisions

All provisions to move forward with the following changes:

Under option 3 add: The AP recommends NMFS Enforcement to consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation. Motion passes 17/2.

Add option 7 which reads: The AP recognizes that some fisheries/areas may not be best served by implementation of a license limitation system as is currently being analyzed. With further deliberations, the AP reserves the opportunity to specify fisheries/areas which should have alternative management systems analyzed before final action impacts those fisheries. Motion carries 11/7.

Sunset Provisions

The AP debated sunset provisions at length. Many believed that the sunset provision would hold the Council family's collective "feet to the fire" and speed up progression on CRP. In the end, however, the AP voted against sunset provisions for the following reasons:

- (1) stopping to roll-over such regulations is time consuming and may slow progression on CRP, and
- (2) some fisheries may end up with nothing beyond license limitation.

Motion passes with no opposition.

Crab License Limitation Program

License Classes

100000 A single class of license

Nature of Licenses

10000 Single license for all species and areas

30000 Licenses for each species/area combination

License Recipients

1000 Current owners

License Designations

300 Vessel length

400 Catcher vessels & catcher/processors and vessel length

Qualifying Periods

30 6/28/89 - 6/27/92 --- (6/29/80 - 6/25/83 for D.H. Red & 6/29/85 - 6/25/88 for Prib. Blue. These two groups must also have made a landing in any federally managed crab fishery between 6/28/89-6/27/92. For Norton Sound Red and Blue King Crab fisheries, and for Prib. Red King Crab, must have made a landing in 1993 or 1994

40 1/1/92 - 12/31/94 --- (6/29/80 - 6/25/83 for D.H. Red & 6/29/85 - 6/25/1988 for Prib. Blue. These two groups must also have made a landing in any federally managed crab fishery between 1/1/92-12/31/94. For Norton Sound Red and Blue King Crab fisheries, and for Prib. Red King Crab, must have made a landing in 1993 or 1994 to qualify for species/area endorsements.

50 1/1/88 - 6/27/92 to qualify for umbrella license.

Motion passes 19/1.

Minimum Landings

2 1 landing for red & blue king, 3 landings for brown king, *C. opilio* & *C. bairdi*

3 3 landings of king or Tanner crab from federally managed fisheries during the qualifying period

Norton Sound Red King Crab Fishery

The North Pacific Council has made special consideration of the Norton Sound federal (summer) red king crab fishery for the last several years. Examples of this are the designation of the fishery as "super exclusive" and the extensive local participation in the newly developing regional crab industry. This treatment by the Council and the AP requires that other factors be considered as we adopt a license limitation system for Norton Sound.

It is important to note that the elements of this limited entry approach are the product of extensive discussion within the region, between the groups that compete for the resource in this super exclusive fishing area and with the State of Alaska. It is noted that only with the substantial support of the participants can we be assured of a fair, equitable and enforceable fishery in the area.

Therefore, the AP recommends that a license limitation system be established for the Norton Sound red king crab fishery containing the following elements:

1. The qualifying fishery is the federal summer red king crab fishery prosecuted in the Norton Sound super exclusive crab fishery area.
2. The qualifying period for which permits will be issued is the summer fishery conducted during the seasons of 1993 and 1994.
3. The eligible permit recipient is either:
 - a. the individual who held State of Alaska red king crab cards for the qualifying fishery and who made at least one landing;
or
 - b. the boat, in the instance where a boat was owned by a locally owned and operated corporation and the skipper was a temporary contract employee;
or
 - c. the individual who purchased a State of Alaska card and made investment and effort but had no landings in the qualifying fishery, except that the permit issued will be an interim permit which must be fished each year.

Motion passes 19/0.

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

Who May Purchase Licenses

Revise options 1 and 2 (motion passes with no opposition)

Option 1 to move forward, which reads:

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

Vessel/License Linkages

Delete option 1 and send forward option 2 which reads:

2. Licenses may be transferred without a vessel, i.e., licenses may be applied to vessels other than that to which the license was initially was issued.

Options Regarding the Separability of Species and/or Area Designations

Delete option 2 (motion passes 15/3)

Options 1 and 3 to move forward, which read as follows:

1. Species and/or Area designations are not separable, and shall remain grouped as in the initial allocation.
3. Species or Area designations shall be regarded as separable endorsements which require the owner to also own a more general license before use or purchase.

Vessel Replacement and Upgrades

Delete options 1 and 2 (motion passes 16/0)

Option 3 to move forward which reads:

3. Vessel may be replaced or upgraded within the bounds of the 20% Rule as defined under the moratorium proposed rule.

License Ownership Caps

Delete options 4, 5, 6 and 7; delete the word "area" from options 2 and 3 (motion passes 16/3). Options 1, 2 and 3 to move forward and will now read:

1. No limit on the number of licenses or endorsements which may be owned by a "person."
2. No more than 5 licenses per person with grandfather provisions.
3. No more than 10 licenses per person with grandfather provisions.

Buy-back/Retirement Program

Delete options 2 and 3 at this time.

The AP does not view license limitation as the final step in the Comprehensive Rationalization process. Therefore, we believe a buy-back program is inappropriate at this time. Motion passes with no opposition.

Two-Tiered Skipper License Program

The AP recommends that this program should be deleted from the license limitation package and that analysis of a license limitation program for skippers, based on the amended program outlined by SEA be set on its own time line. The AP would prefer that this time line parallel license limitation. Motion passed 10/8.

Community Development Quotas

Delete options 4 and 5. Options 1, 2 and 3 to move forward and read as follows:

1. No CDQ allocations.
 2. Set aside 3% of crab fisheries with GHLS for CDQs patterned after current program w/o sunset provision.
 3. Set aside 7.5% of crab fisheries w/GHLS for CDQs patterned after current program w/o sunset provision.
- Motion passes 11/3.

Community Development Licenses

Delete options 4 and 5, move forward with options 1, 2 and 3 which read as follows:

1. No Community Development Licenses.
2. Grant an additional 3% non-transferable licenses to CDQs communities.
3. Grant an additional 7.5% non-transferable licenses to CDQs communities.

Other Provisions

Under option 3 add: The AP recommends NMFS Enforcement to consult with the Coalition for Stability in Marine Financing to address their concerns over license revocation.

Individual Transferable Pot Quota System

The AP voted unanimously against an ITPQ system.

Additional Provisions

- Exempt vessels under 35 feet inside state waters (no race class distinction). Norton Sound exempt vessels under 35 feet and super exclusive.
- Traditional management tools; pot limits; concurrent openings, etc.
- Publish list of vessels that qualify before Council vote.

Sunset Provisions

The AP debated sunset provisions at length. Many believed that the sunset provision would hold the Council family's collective "feet to the fire" and speed up progression on CRP. In the end, however, the AP voted against sunset provisions for the following reasons:

- (1) stopping to roll-over such regulations is time consuming and may slow progression on CRP, and
- (2) some fisheries may end up with nothing beyond license limitation.

MINORITY REPORT C-3 LICENSE LIMITATION

The undersigned oppose this motion on the basis that it does not address the basic problem statement provided prior to the start of this exercise!

Signed: John Bruce
Dave Fraser
Mick Stevens

C-6 Observer Program

The AP was under less than ideal time constraints for this important agenda item. Nonetheless, we were able to come up with the following recommendations:

1. The AP recommends that the Council initiate rulemaking to incorporate the Adak and Dutch Harbor king crab catcher vessels in the Research Plan for 1995 in order to prevent double payment by these vessels. We understand that the Board of Fisheries has required 100% observer coverage for these vessels. The AP believes that 30% observer coverage (or some level below 100%) may be more appropriate for the Dutch Harbor and Adak brown king crab fishery. We would request that the appropriate level be determined before the 1996 season, so that the Observer Program is not unduly allocating its resources. Motion passes 12/0.
2. The AP recommends that the Council initiate action to implement the recommendations of the Insurance Technical Committee. Motion carries 11/0.
3. The AP recommends that the Council task the Observer Oversight Committee with developing a methodology for prioritizing observer deployment within the constraints of the program, and with examining and reporting on the steps that should be taken when the demands on the program exceed the program's resources. The AP would also like to see the Observer Oversight Committee examine the issue of developing supplemental and voluntary observer coverage as it may apply to bycatch control programs, including the possibility of amendments to the MFCMA. Motion passes 12/0.
4. The AP recommends that the Council request a third party independent audit of the methodology for statistical data collection in the Observer Program. Motion passes 12/0.
5. The AP recommends that the Council request the NMFS RFP for observer contractors be reviewed by an outside reviewer. Perhaps Council staff, a state agency or NOAA General Council, to assure that the RFP will meet the following goals:
 - a. Allow annual changes in observer coverage levels in any fishery.
 - b. Require that the contractor spread coverage out over time and area in a fishery, not just provide coverage when requested by the vessel.

- c. Allow observers to be transferred among vessels without regard to which contractor is responsible for the vessel. (For example, if a vessel needs coverage and the vessel's company does not have an observer available, can the vessel use an available observer from another contractor?)
- d. Provide for cost effectiveness.

It is the AP's intent that this review be completed prior to May 1, the date the bids are due, and should changes be required, an amendment be issued to the RFP.

Finally, the AP strongly recommends that the Council take every means necessary to encourage the administration to lift the hiring freeze that is now beginning to have severe impacts on the National Marine Fisheries Service. The AP is particularly concerned about the impacts on the observer program.

D-1 Scallop Management

The AP recommends that the Council move forward with the interim FMP. Motion passes with no opposition.

The AP recommends that the Council encourage Alaska's congressional delegation to amend the Magnuson Act to insure that no further gaps in regulatory presence will result in unregulated fishing in the EEZ. Motion passes 13/5.

The AP recommends that the Council release the draft FMP to the public with final action as soon as possible so the resumption of fishing may be considered. The AP further recommends that the opilio and bairdi crab bycatch caps be set at the levels identified in the action memo — C. opilio, 0.003176% and C. bairdi, 0.13542% — of the total survey estimate of abundance.

The bycatch cap for red king crab be set at 3,000 crab to be available:

Option 1: from the beginning of the season, or

Option 2: half of which would be available at the beginning of the season, if the cap is reached, the scallop season will close for 2 weeks and then re-open for harvest of the remaining scallop quota and the release of the remaining crab cap.

The FMP should include federal regulations that govern Category 2 management measures. Motion carries with no opposition.

MINORITY REPORT D-1 Scallop Management

Our no votes on the motion to encourage support for MFCMA amendment which gives the State of Alaska management authority for an unregulated fishery in federal waters, is due to the broad nature of this authority. If the motion had been specific to the scallop fishery in the EEZ off Alaska, we would have voted with the majority.

Signed: Mick Stevens
Michael Jones
Lyle Yeck

David Fraser
Dave Benson
Bruce Cotten

D-2(a) Chinook Salmon Bycatch

The AP recommends that the Council adopt Alternative 1, status quo. This motion carried 10/4.

The AP wants to stress that we believe this alternative recognizes the ongoing work of the Salmon Foundation and the industry as well as the unique problems surrounding salmon bycatch. We do not believe that the status quo reflects a "do nothing" approach to the issue.

Further, the AP feels the interrelationship of all closures, particularly time/area, should be evaluated prior to adding more closures. We are concerned that these may displace the fleet into areas of higher bycatch. The potential costs of further time/area closures are not fully explored relative to the benefits given the lack of stock identification of the bycatch.

MINORITY REPORT D-2(a) CHINOOK SALMON BYCATCH

The undersigned opposed this motion on the basis that having current chinook bycatch management measures at status quo does not insure that low bycatch levels will continue.

We believe that in keeping with the Council's salmon bycatch control policy, more serious measures need to be taken with regard to implementation of PSC limits apportioned to target fisheries and/or time and area closures. We also believe the Salmon Foundation was established to gather scientific data and identify river of origin and is not an effective vehicle for implementing conservation measures standing on its own.

Signed: Hazel Nelson
Ragnar Alstrom
Scott Highleyman

D-2(b) Crab Bycatch Management and Rebuilding

The AP recommends that the draft EA/RIR for Red King Crab Bycatch in the Bering Sea Trawl Fisheries: Alternatives for Closure Areas" be held until the following deficiencies can be corrected:

1. the bycatch simulation model is completed (documented and software made available to the public) and included in the document,
2. that bycatch rates and numbers and effort be contoured and included, and
3. the domino impacts on other fisheries be documented and incorporated including the direct impacts of the closure area on the yellowfin sole fishery — in narrative if 1995 catch data is available.

Motion passes 10/0/1 abstention

The AP recommends that the Council not renew the emergency rule. The AP feels that the conditions warranting the emergency rule closure of the red king crab savings area no longer exists given that the rocksole, yellowfin sole, Pacific cod, and other flatfish trawl fisheries are closed in Zone 1. As a result, no reason exists to extend the emergency rule for an additional 90-day period. Motion carries 9/0/2 abstentions.

The AP concurs with the Regional Director's suggestion that individual vessel accountability must be pursued. To that end, the AP asks that an IBA discussion paper for the bottom trawl fishery be developed. Motion passes 8/2.