

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*
Executive Director

ESTIMATED TIME 2 HOURS

DATE: March 24, 2008

SUBJECT: GOA Sideboards

ACTION REQUIRED

Initial review of GOA sideboards for BSAI crab vessels

BACKGROUND

At the December 2007, the Council reviewed a discussion paper on GOA sideboard limits and initiated an analysis of an amendment package which included three proposed actions: 1) adjust the GOA Pacific cod sideboard exemption qualifications for non-AFA crab vessels, 2) exempt qualified non-AFA crab vessels from GOA pollock sideboards, and 3) exempt non-AFA crab vessels from GOA Pacific cod sideboard limits from November 1 to December 31 of each year. The analysis was mailed out in mid-March; an executive summary of that analysis is attached **(Item C-3(1))**. At this meeting, the Council is scheduled for an initial review of that analysis.

EXECUTIVE SUMMARY
GOA Sideboards for BSAI Crab Vessels

Purpose and Need Statement

As noted above, the original purpose of the non-AFA crab sideboard limit was to prevent vessels with crab IFQ from disadvantaging participants in the GOA groundfish fisheries. To allow non-AFA crab vessels that were awarded small amounts of snow crab quota but had significant GOA Pacific cod history to continue fishing in the GOA Pacific cod fishery unrestricted, the Council exempted qualified vessels from GOA Pacific cod sideboard limits. However, based on public testimony, the exemption qualifications excluded non-AFA crab vessels with significant GOA Pacific cod history because the vessels had slightly more than the maximum 500,000 lbs of snow crab quota. Similar to GOA Pacific cod exemption issue, the public also testified that the lack of an exemption for vessels with small amounts of snow crab quota and significant GOA pollock history is overly restrictive. Finally, it is not uncommon to see large amounts of Pacific cod go unharvested in both WGOA and CGOA during the B season for both the inshore and offshore. To address these GOA non-AFA crab sideboard issues and to guide the analysis of alternatives for this proposed action, presented below is a draft problem statement:

Recognizing that rationalizing the BSAI crab fisheries could provide opportunities for fishermen to alter their crab fishing patterns and take greater advantage of other fisheries, the Council included GOA groundfish sideboard limits for non-AFA vessels that qualified for the Bering Sea snow crab IFQ fishery. To protect crab vessels that demonstrated dependence on the GOA Pacific cod fisheries, an exemption from GOA Pacific cod sideboard limits was included in the rationalization program. However, in the application of the exemption and sideboard limits, some historical participants in Gulf of Alaska groundfish fisheries may have been unduly prevented from participating in the GOA groundfish fisheries. The permanent nature of the sideboard does not allow for participants to opt out of the crab program (i.e. receive no "benefit") and remove the sideboard restriction. GOA Pacific cod sector splits may further complicate apportionment of crab sideboard amounts. Adjusting the GOA Pacific cod sideboard exemption qualifications for non-AFA crab vessels in addition to including a GOA pollock sideboard exemption could allow historical GOA groundfish participants that were unduly restricted by GOA sideboard limits to return to pre-rationalized fishing levels without disadvantaging other GOA groundfish fishery participants. In addition, given that considerable amounts of GOA Pacific cod B season TAC that has continually remained unharvested, an exemption from GOA Pacific cod sideboard limits could allow for a more fully utilized resource, which is consistent with Council policy and MSA National Standard 1.

Alternatives Considered

This section identifies the alternatives and options for consideration under the proposed action. Part I addresses the proposed change to the GOA Pacific cod sideboard exemption for non-AFA crab vessels. In this proposed action, there are two alternatives. Alternative 1 is status quo, under which there would be no change to the exempt status for the GOA Pacific cod fishery for non-AFA crab vessels. Alternative 2 would change the GOA Pacific cod exemption requirements for non-AFA crab vessels. Under this

alternative there are four options, some with suboptions. Option 1 would allow non-AFA crab vessels that are qualified to participate in the GOA Pacific cod sideboard fishery to be exempt from GOA Pacific cod sideboard limits if they forfeit BS snow crab shares. Options 2 through 4 would change the exemption requirements for non-AFA crab vessels that are qualified to participate in the GOA Pacific cod sideboard fishery. The four options apply different BS snow crab and GOA Pacific cod catch thresholds during the 1996 to 2000 period. Vessels meeting the threshold requirements under the different options would be exempt from GOA Pacific cod sideboard limits.

Part II proposes to add a sideboard exemption for GOA pollock dependent non-AFA crab vessels. Alternative 1 is status quo, under which there would be no change to the exempt status for the GOA pollock fishery for the non-AFA crab vessels. Alternative 2 would exempt those non-AFA crab vessels that met the catch history requirement from GOA pollock sideboard limits.

Part III proposes to exempt non-AFA crab vessels from B season Pacific cod sideboard limit after November 1. Alternative 1 is status quo, which would not change the B season GOA Pacific cod sideboard limits. Alternative 2 would exempt non-AFA crab vessels from GOA Pacific cod sideboard limits after November 1. Options include exempting all non-AFA crab vessels able to participate in the GOA groundfish fisheries or limit the exemption only to vessels qualified to participate in the GOA Pacific cod sideboard fishery.

Part I: Exempted Vessel Status of GOA Pacific Cod

Alternative 1: No changes to exempted status requirements

Alternative 2: Change the exempted status requirements

Option 2.1: To receive exempted status, the vessel/LLP would forfeit all BS opilio shares.¹

Suboption 2.1.1: To receive exempted status, the vessel/LLP would forfeit their BS opilio shares that are in excess of the 100,000 pound landing threshold during the qualifying years 1996-2000.

Option 2.2: Exempt non-AFA crab vessels from GOA Pacific cod sideboards if the vessel's Bering Sea opilio catch history is less than 0.22%² from 1996-2000 and the vessel landed more than 500 mt of GOA Pacific cod from 1996-2000.

Suboption 2.2.1: To receive exempted status, the vessel/LLP would forfeit their BS opilio shares that are in excess of the 100,000 pound landing threshold during the qualifying years 1996-2000.

Option 2.3: Exempt non-AFA crab vessels from the GOA Pacific cod sideboards if the vessel's Bering Sea opilio catch history is less than 500,000 pounds from 1996-2000 and the vessel landed more than 2,500 mt of GOA Pacific cod from 1996-2000.³

¹ This option and suboption 2.1.1 would maintain status quo catch criteria for qualification for the exemption, but require forfeiture of the requisite amount of Bering Sea *C. opilio* quota shares. Under the status quo, vessels are exempt that landed less than 100,00 pounds of Bering Sea *C. opilio* and more than 500 metric tons of Gulf of Alaska Pacific cod from January 1, 1996 to December 31, 2000.

² Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

³ The Council should clarify that if this provision is adopted, vessels meeting the status quo catch criteria, but not meeting the catch criteria of this option, would continue to qualify for the sideboard exemption.

Option 2.4: Exempt non-AFA crab vessels from the GOA Pacific cod sideboards if the vessel's Bering Sea opilio catch history is less than 500,000 pounds **from 1996-2000** and the vessel has landed **more than 680 mt** of GOA Pacific cod landings from 1996-2000.⁴

Suboption 2.4.1: In addition to above, must also have 20 GOA pollock trawl landings during 1996-2000.

All these exemptions only apply to those non-AFA crab vessels/LLPs that are eligible to participate in the GOA Pacific cod fishery (have appropriate LLP).

Part II: Exempted Vessel Status of GOA Pollock

Alternative 1: No changes to exempted status requirements

Alternative 2: Exempt non-AFA crab vessels from GOA pollock sideboards if the vessel's Bering Sea opilio catch history is less than 0.22%⁵ **from 1996-2000** and the vessel had: 1) five pollock deliveries **from 1996-2000**, 2) 10 pollock deliveries **from 1996-2000**, and 3) 20 pollock deliveries from 1996-2000.

All these exemptions only apply to those non-AFA crab vessels/LLPs that are eligible to participate in the GOA groundfish fisheries (have appropriate LLP).

Part III: Proposed Exemption from B Season Pacific Cod Sideboard Limit after November 1

Alternative 1: No changes to B season Pacific cod sideboard limit

Alternative 2: Options to include lifting sideboard restriction from 1) those that have a GOA Pacific cod sideboard and 2) those that have GOA groundfish sideboard. This exemption only applies to those non-AFA crab vessels/LLPs that are eligible to participate in the GOA Pacific cod fishery (have appropriate LLP).

⁴ The Council should clarify that if this provision is adopted, vessels meeting the status quo catch criteria, but not meeting the catch criteria of this option, would continue to qualify for the sideboard exemption.

⁵ Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

Expected Effects of the Alternatives

Implementation of the Action

A detailed description of the implementation of the options granting exemptions to additional licenses and vessels is necessary to fully understand the implications of those options. Under most of the options, exemptions are defined based on the catch history of a vessel (not a license) in the Bering Sea *C. opilio* fisheries and the groundfish fisheries in which the sideboard exemption would apply. Yet, license exemptions are also effected by this action. The nexus between the qualification of a vessel and its associated license for the exemption is necessary to ensure that the exemptions are fully defined.

In the absence of additional clarification from the Council, the provision can be implemented as follows:

To qualify for an exemption, a vessel must meet the catch criteria defined for the exemption. Once a vessel is determined to qualify for the exemption, question arises concerning whether the associated license should also qualify for the exemption. If the exempt vessel is the only vessel that contributed to the qualified catch of the associated license, then its license would be deemed to qualify for the exemption, as well. Using this approach would prevent a license that drew its catch history from multiple vessels from qualifying for the exemption based on the history of a single vessel.

Other approaches to implementing the provision would require examination of qualification on both license and vessel bases, which would substantially complicate implementation of the action and increase uncertainty of the effects of the action. If the Council wishes to adopt another method of implementing the provision for licenses, that method should be specified.

Part I. Exempted vessel status of GOA Pacific cod

Alternative 1 – Status Quo

Under Alternative 1, there would be no change to the current GOA Pacific cod sideboard exemption qualifications for non-AFA crab vessels. The number of non-AFA crab vessels that are exempt from GOA Pacific cod sideboards would remain at five and the number of exempt licenses would also remain at five. From the perspective of fishing effort, participation levels by the exempt vessels are likely to continue to vary annually with changes in the GOA Pacific cod fishery and market conditions. Under this alternative, the number of non-AFA crab vessels that are permitted to fish in the GOA Pacific cod fishery, but are limited by GOA Pacific cod sideboard restrictions would remain at 85, while the number of licenses qualified for the GOA Pacific cod fishery but limited by sideboard restrictions would be 40. These GOA Pacific cod qualified non-AFA crab vessels would continue to be limited to the GOA Pacific cod sideboard limit. The GOA sideboard fishery has close prematurely during the 2006 and 2007 fishing years. For those non-AFA crab vessels qualified to participate in the GOA Pacific cod sideboard fishery that have been constrained in their catch of GOA Pacific cod, will likely continue to be constrained under status quo.

Alternative 2 – Change exempt status requirements for GOA Pacific cod sideboard fishery

Option 2.1 To receive exempted status, the vessel/LLP would forfeit all BS C. opilio shares

Suboption 2.1.1 To receive exempted status, the vessel/LLP would forfeit their BS C .opilio shares that are in excess of the 100,000 pound landing threshold during the qualifying years 1996-2000.

Under Option 2.1, if a vessel is eligible for the exemption from GOA Pacific cod sideboard limits, all of the crab quota share of the vessel/LLP would be required to be forfeited to receive the exemption. Under Suboption 2.1.1, if a vessel is eligible for the exemption, all crab quota share of the vessel/LLP in excess of 100,000 pounds would be forfeited.

There are a number of issues with Option 2.1 and Suboption 2.1.1 that make implementation of these options problematic, some of which require further clarification by the Council.

First, and most problematic, initial allocations of crab quota shares were calculated at the individual level based on catch histories of vessels, as attributed to licenses. To determine amounts of quota that must be forfeited will require recalculation of the Bering Sea *C. opilio* initial allocation. These recalculations would be very time consuming and costly to administer, and could delay implementation of the action considerably. In addition, the inherent need to estimate initial allocations could contribute to appeals, further delaying the complete implementation of the provision. Additional difficulties relate to the interpretation of the provision, which must be clarified to understand the effects of the action and to allow for implementation.

One of these difficulties is that vessels, LLP licenses, and crab quota shares are all freely and independently transferrable. Although the crab quota is derived from the landings of a vessel and given to the holder of an LLP crab license, the quota share is its own permit, separate and distinct from the vessel or the LLP license. Crab quota share is held by a person and it is transferable from person to person without regard for who owns the vessel that made the landings during the qualifying years or who holds the LLP license. As a result, the person holding the crab quota when this proposed action is implemented may not be the person initially issued the crab quota. Since crab quota share was issued to the LLP holder, it is also possible that the person who owns the vessel may not necessarily have received the crab quota shares. As a consequence, implementation of this provision may require coordination of the forfeiture among multiple persons, some of which may perceive no benefit from the exemption.

If the Council elects to proceed with this provision, the following situations will need to be clearly addressed:

- if a vessel is currently exempt from the sideboard, but its owner holds no crab quota shares (or fewer quota shares than were received in the initial allocation), will the vessel exemption be withdrawn (or can the vessel owner take some action to maintain the sideboard exemption);
- similarly, if LLP license currently exempt from the sideboard, but its holder does not hold crab quota shares (or holds fewer quota shares than were received in the initial allocation), will the LLP exemption be withdrawn (or can the LLP holder take some action to maintain the exemption sideboard);
- if a vessel and the LLP license that the vessel contributed to the catch history of both qualify for the exemption, but are held by different persons, to retain the exemption, will one or both of these persons be required to forfeit the request amount of quota shares

To implement this provision will require the Council to fully specify the forfeiture provision with respect to vessels and licenses that otherwise meet the catch requirements for the exemption.

Under **Suboption 2.1.1**, a vessel and LLP would be required to forfeit any quota shares in excess of the amount of quota share arising from 100,000 pounds of qualifying catch to retain the exemption. **Implementation of this provision is not possible in its current form.** Initial allocations of QS to a license holder in the rationalization program were based on the average annual percentage of qualified catch history. Under this method, the contribution of catch history to the initial allocation of quota share varies year to year. In years of low TACs, 100,000 pounds of qualified catch would yield substantially more QS than 100,000 pounds of catch in high TAC years. **If the Council wishes to proceed with an option to forfeit a portion of the initial allocation of QS, it will need to identify the portion of QS that is not required to be forfeited in a different manner.**

Given the complexities that will be confronted in implementing either of these provisions (Option 2.1 and Suboption 2.1.1), the cost of implementing this provision could exceed the value of the quota shares forfeited.

Option 2.2: Exemption based on snow crab history less than 0.22%⁶ from 1996-2000 and 500 mt of GOA Pacific cod from 1996-2000

Option 2.2 would qualify non-AFA crab vessels with less than 0.22 percent of the snow crab history⁷ and 500 mt of GOA Pacific cod from 1996 to 2000 for an exemption from GOA Pacific cod sideboard limits. Applying these exemption thresholds, approximately six vessels and six licenses would be exempt from GOA Pacific cod sideboard limits in addition to the 5 vessels and 5 licenses that are currently exempt⁸. Looking at the catch history of the six new exempt vessels under this option, their total combined GOA Pacific cod catch during the 1996 to 2000 period was 6,484 mt or approximately 15 percent of the total Pacific cod catch for all of the non-AFA crab vessels combined (42,166 mt). In contrast, their combined snow crab catch relative to the total snow crab catch during the same period is 0.68 percent. The differences in the historical catch for GOA Pacific cod and BS snow crab indicate that the six exempt vessels likely focused on GOA Pacific cod to a much greater extent than BS snow crab during the 1996 to 2000 period.

Based on the historical catch of the new qualified vessels under this proposed action during the 2001 to 2005 period, it is likely these vessels would likely increase fishing effort in the GOA Pacific cod fishery to levels seen prior to the implementation of sideboard limits. Table 1 provides historical catch of GOA Pacific cod from 1995 to 2007 for new exempt vessels and the current exempt vessels. During the 1995 to 1999 period, catch of GOA Pacific cod for the new exempt vessels ranged from 206 mt in 1997 to 1,647 mt in 1999. In more recent years (2000-2005), aggregated catch history ranged between 2,395 in 2000 and 775 mt in 2003. In contrast, during the sideboard years, the aggregated Pacific cod catch was 807 mt in 2006 and 627 mt in 2007. Relative to the total catch of GOA Pacific cod, the new exempt vessels caught on average

⁶ Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

⁷ Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

⁸ Note, that ongoing crab adjudication could continue to change the denominator used to determine a vessel's percent of total qualified snow crab harvest for this option. As a result, the exact number of vessels and license exempt from GOA Pacific cod sideboard limits could change prior to implementation of this action.

1.6 percent. Combined with the current exempt vessels, on average these vessels caught approximately 5.1 percent of the total GOA Pacific cod.

Table 1 Historical GOA Pacific cod catch (mt) and vessel count for the six non-AFA crab vessels meeting the exemption requirements under Option 2.2 and current exempt vessels

Year	New Exempt Vessels		Current Exempt Vessels	
	Pacific Cod Catch	Vessel Count	Pacific Cod Catch	Vessel Count
1995	*	*	2,141	4
1996	*	*	2,762	5
1997	206	2	1,710	4
1998	1,413	6	2,508	4
1999	1,647	4	2,488	5
2000	2,395	6	1,388	5
2001	827	4	1,016	5
2002	1,448	4	1,077	4
2003	775	4	1,317	4
2004	808	3	1,080	4
2005	1,188	3	2,210	4
2006	807	3	1,807	4
2007	627	3	1,567	4

Source: non_afa_snow_crab_cvs.xls and non_afa_snow_crab_cp5.xls from ADF&G fish tickets for catcher vessels and blend data/catch accounting for catcher processors. Data does not include State water Pacific cod catch and sablefish and halibut IFQ bycatch of Pacific cod IFQ fisheries.

*Concealed for confidentiality

Option 2.2 includes Suboption 2.2.1, which would require vessels exempt under this option to forfeit their BS snow crab shares that are in excess of the 100,000 pound landing threshold during the qualifying years 1996-2000. Currently, six vessels (and 6 licenses) qualify for the exemption from the GOA Pacific cod sideboard limits. The amount of QS that would need to be forfeited by these vessels cannot be estimated. These vessels and licenses, however, have approximately 0.68 percent of the Bering Sea *C. opilio* qualified catch during the 1996 to 2000 qualifying period.⁹ **The difficulty noted in Option 2.1 and Suboption 2.1.1 above makes implementation of this provision not possible in its current form.** If the Council wishes to proceed with an option to forfeit a portion of the initial allocation of QS, it will need to identify the portion of QS that is not required to be forfeited in a different manner. **However, given the complexities that will be confronted in implementing this suboption, which are similar to those noted in Option 2.1 and Suboption 2.1.1, the cost of implementing this provision could exceed the value of the quota shares forfeited.**

Option 2.3: Exemption based on snow crab history less than 500,000 pounds from 1996- 2000 and more than 2,500 mt of GOA Pacific cod from 1996-2000

Option 2.3 would qualify non-AFA crab vessels with less than 500,000 pounds of BS snow crab and more than 2,500 mt of GOA Pacific cod from 1996 to 2000 to be exempt from GOA Pacific cod sideboard limits. Applying these exemption thresholds to the non-AFA crab database, only one non-AFA crab vessel appears to qualify for the exemption. Applying these same thresholds to

⁹ It should be noted that, initial allocations of QS in the program were based on the average annual percentage of qualified catch history attributed to a license. Consequently, these catch history estimates should not be viewed as a direct estimate of the initial allocation of QS attributable to a vessel or its associated license.

the group of non-AFA crab vessels that are currently exempt from GOA Pacific cod sideboard limit would only qualify two of the original five vessels. Given it appears that the intent of the this action is to exempt those vessels that were not included in the original exemption and to leave in place the original exemption for the 5 qualified non-AFA crab vessels, the analysis for this option only focuses on the additional exempt vessels. **To clarify its intent, the Council should clearly state that it does not intend to disqualify any currently exempt vessels or licenses based on this action.**

Looking at the catch history of the additional exempt vessel from this option, the total GOA Pacific cod catch for this qualified vessel during the 1996 to 2000 period was 2,910 mt, which is approximately 7 percent of the total GOA Pacific cod catch for all of the non-AFA crab vessels combined (42,166 mt). In contrast, the qualified vessel caught approximately 447,304 pounds or 0.08% of snow crab relative to the total snow crab catch by all non-AFA crab vessels during the same period. The differences in catch history for both GOA Pacific cod and BS snow crab indicate that the qualified vessel likely focused on GOA Pacific cod to a much greater extent than BS snow crab during the 1996 to 2000 time period and is likely more economically dependent on GOA Pacific cod fishery than the BS snow crab fishery.

Based on the historical catch of the qualified vessel under this option, it is likely that fishing effort for the vessel will be similar to levels seen prior to implementation of the Pacific cod sideboard limits. Table 2 provides historical catch of GOA Pacific cod from 1995 to 2007 for the new exempt vessel and the current exempt vessels. Catch of GOA Pacific cod for the new exempt vessel ranged from 113 mt in 1996 to 1,131 mt in 1999 during the 1995 to 1999 period. In more recent years, catch levels of the new exempt vessel ranged between 116 mt in 2001 to 508 mt in 2005. In contrast, the catch of GOA Pacific cod in the sideboard fishery was 249 mt in 2006 and 165 mt in 2007. Relative to the total catch of GOA Pacific cod, the new exempt vessel caught on average 0.71 percent. Combined with the current exempt vessels, on average these vessels caught approximately 4.2 percent of the total GOA Pacific cod catch between 1995 and 2007.

Table 2 Historical GOA Pacific cod catch (mt) and vessel count for the new non-AFA crab vessel meeting the exemption requirements under Option 2.3 and current exempt vessels

Year	New Exempt Vessels		Current Exempt Vessels	
	Pacific Cod Catch	Vessel Count	Pacific Cod Catch	Vessel Count
1995	245	1	2,141	4
1996	113	1	2,762	5
1997	205	1	1,710	4
1998	896	1	2,508	4
1999	1,131	1	2,488	5
2000	270	1	1,388	5
2001	116	1	1,016	5
2002	283	1	1,077	4
2003	322	1	1,317	4
2004	200	1	1,080	4
2005	508	1	2,210	4
2006	249	1	1,807	4
2007	165	1	1,567	4

Source: non_afa_snow_crab_cvs.xls from ADF&G Fish Tickets. Data does not include State water Pacific cod catch and sablefish and halibut IFQ bycatch of Pacific cod IFQ fisheries.

Option 2.4: Exemption based on snow crab history less than 500,000 pounds from 1996-2000 and landed more than 680 mt of GOA Pacific cod from 1996-2000

Option 2.4 would qualify non-AFA crab vessels with less than 500,000 pounds of BS snow crab and more than 680 mt of GOA Pacific cod from 1996 to 2000 for an exemption from GOA Pacific cod sideboard limits. Applying these exemption thresholds to the non-AFA crab database, the two vessels, would qualify to be exempt from GOA Pacific cod sideboard limits. Applying these same thresholds to the group of non-AFA crab vessels that are currently exempt would qualify four of the five vessels. Given it appears that the intent of this action is to exempt those vessels that were not included in the original exemption and to leave in place the original exemption for the 5 qualified non-AFA crab vessels, the analysis for this option only focuses on the additional exempt vessels. **To clarify its intent, the Council should clearly state that it does not intend to disqualify any currently exempt vessels or licenses based on this action.**

Looking at the catch history of the two new exempt vessels under this option, the total GOA Pacific cod catch during the 1996 to 2000 period was 3,671 mt, which is equivalent to 8.7 percent of the total Pacific cod catch for all non-AFA crab vessels combined. In contrast, the catch history of BS snow crab for the two new qualified exempt vessels during the 1996 to 2000 period was 555,589 pounds, which is equivalent to 0.10% of the total snow crab catch for all non-AFA crab vessels. The differences in catch history for both GOA Pacific cod and BS snow crab indicates that the two qualified vessels likely focused on GOA Pacific cod to a much greater extent than BS snow crab during the 1996 to 2000 time period and thus more economically dependent on the GOA Pacific cod fishery.

Based on the historical catch of the two new qualified vessels, removing Pacific cod sideboard limits for these vessels would likely result an increase in catch levels seen prior to the implementation of Pacific cod sideboards. Table 3 provides historical catch of GOA Pacific cod from 1995 to 2007 for the new exempt vessels and the current exempt vessels. Fishing effort for the two new qualified vessels during the 1995 to 1999 period has ranged from a low of 113 mt in 1996 to a high of 1,293 mt in 1999. In more recent years (2000 to 2005), Pacific cod catch has

ranged from 200 mt in 2001 and 876 mt in 2005. In contrast, catch of GOA Pacific cod was 412 mt in 2006 and 454 mt in 2007. Relative to the total catch of GOA Pacific cod, the two new exempt vessels caught on average 1.02 percent during the 1995 to 2007 period. Combined with the current exempt vessels, on average these vessels caught approximately 4.52 percent of the total GOA Pacific cod catch between 1995 and 2007.

Table 3 Historical GOA Pacific cod catch (mt) and vessel count for the two new non-AFA crab vessels meeting the exemption requirements under Option 2.4 and current exempt vessels

Year	New Exempt Vessels		Current Exempt Vessels	
	Pacific Cod Catch	Vessel Count	Pacific Cod Catch	Vessel Count
1995	245	1	2,141	4
1996	113	1	2,762	5
1997	205	1	1,710	4
1998	1,015	2	2,508	4
1999	1,293	2	2,488	5
2000	398	2	1,388	5
2001	200	2	1,016	5
2002	355	2	1,077	4
2003	600	2	1,317	4
2004	628	2	1,080	4
2005	876	2	2,210	4
2006	412	2	1,807	4
2007	454	2	1,567	4

Source: non_afa_snow_crab_cvs.xls from ADF&G Fish Tickets. Data does not include State water Pacific cod catch and sablefish and halibut IFQ bycatch of Pacific cod IFQ fisheries.

Suboption 2.4.1 would include the additional qualification of having 20 GOA pollock trawl landings during the 1996 to 2000 period in conjunction with those required in Option 2.4. Applying the additional pollock threshold, no non-AFA crab vessels appear to qualify for an exemption from the GOA Pacific cod sideboard limits under this suboption.

Part II. Exempted vessel status for GOA pollock

Alternative 1 – Status Quo

Under Alternative 1, there would be no change to the GOA pollock sideboard fishery for non-AFA crab vessels. No non-AFA crab vessels would be exempt from GOA pollock sideboard limits. The GOA pollock sideboard fishery will continue to be closed to directed fishing on January 1 for fixed gear and January 20 for trawl gear. Given that the GOA pollock sideboard fishery for non-AFA crab vessels will continued to be closed to directed fishing on January 1 and January 20 for the foreseeable future, those non-AFA crab vessels limited by the pollock sideboard will continue to be constrained under status quo.

Alternative 2 – Exempt non-AFA crab vessels from GOA pollock sideboards if the vessel's Bering Sea *C. opilio* catch history is less than 0.22%¹⁰ and the vessel had: 1) five pollock deliveries from 1996-2000, 2) 10 pollock deliveries from 1996-2000, and 3) 20 pollock deliveries from 1996-2000

¹⁰ Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

Alternative 2 would exempt non-AFA crab vessels from GOA pollock sideboards if the vessel had less than 0.22 percent of total Bering Sea snow crab catch history¹¹ and the vessel had a specific number of GOA pollock deliveries from 1996 to 2000. The alternative includes three GOA pollock deliveries options: 5, 10, or 20. Applying these qualification thresholds to the non-AFA crab snow crab and groundfish database, 4 vessels meet the snow crab qualification and made at least 5 pollock deliveries during the 1996 to 2000 period. These same four vessels also qualify if 10 deliveries of GOA pollock were required for a sideboard exemption. Only one vessel qualifies for the GOA pollock sideboard exemption if 20 pollock deliveries are required. Looking at the catch of the one vessel qualified, the vessel made 47 landings of GOA pollock for a total GOA pollock catch during the 1996 to 2000 period of 3,828 mt. During this same period, the snow crab catch of the qualified vessel relative to the total snow crab catch by all non-AFA crab vessels during the same period was 0.12 percent. Note, annual catch history and number of landings for the 4 qualified vessels that qualified under the first two options cannot be reported due to few vessels in the annual observations.

Based on the historical catch of the one qualified vessel, it is likely that fishing effort for the vessel will be similar to levels seen prior to implementation of the GOA pollock sideboard limits if the vessel is exempt from the GOA pollock sideboard limits. Table 4 provides historical catch of GOA pollock from 1995 to 2007. Catch of pollock ranged from 0 mt in 1995 and 1996 to 1,328 mt in 1999 during the 1995 to 1999 period. In more recent years, catch levels ranged between 920 mt in 2004 to 2,544 mt in 2001. Relative to the total catch of GOA pollock, the qualified exempt vessel caught on average 1.9 percent of the GOA pollock catch during the 1995 to 2007 period.

Table 4 GOA pollock landings and catch for qualified vessel and vessel count and catch (mt) of all GOA pollock vessels from 1995 to 2007

Year	Qualified Vessel		All Vessels	
	Landings	Catch	Vessel Count	Catch
1995	0	0	199	64,658
1996	0	0	183	47,356
1997	6	526	236	78,449
1998	10	646	218	123,333
1999	16	1,328	215	91,501
2000	15	1,371	207	69,868
2001	25	2,544	215	69,448
2002	22	1,921	172	49,687
2003	13	1,291	169	49,027
2004	9	920	147	62,244
2005	27	2,539	146	77,147
2006	29	2,257	185	67,419
2007	20	1,710	224	50,444

Source: non_afa_snow_crab_cvs.xls from ADF&G Fish Tickets.

¹The qualified fishing vessel was under appeal during most of the 2007 year. During this time non-AFA crab vessel sideboard limits did not apply.

Part III. Proposed Exemption from B season Pacific cod sideboard limit after November 1

Alternative 1 – Status Quo

¹¹ Note, that percent is of total Bering Sea *C. opilio* catch history, including both qualified and unqualified pounds.

Under Alternative 1, there would be no change to the B season Pacific cod sideboard limit after November 1 for non-AFA crab vessels. The number of non-AFA crab vessels that are exempt from GOA Pacific cod sideboards could vary from 11 vessels (6 new exempt vessels and 5 current exempt vessels) if the Council also selected Option 2.2 to 6 vessels (1 new exempt vessel and 5 current exempt vessels) if the Council selected Option 2.3. The number of non-AFA crab vessels that are qualified to participate in the GOA Pacific cod sideboard fishery would remain at 85, while the number of licenses would remain at 40. Under status qua, participation levels by GOA Pacific cod qualified non-AFA crab vessels would likely remain at the current level. The GOA sideboard fishery has closed prematurely during the 2006 and 2007 fishing years. As a result, those non-AFA crab vessels that have been constrained in their catch of GOA Pacific cod in the sideboard fishery during the 2006 and 2007 years, will likely continue to be constrained in the future under status quo despite B season GOA Pacific cod quota still being available. As noted in Table 5, for 2005 and 2006, a large amount of the B season inshore Pacific cod quota was left unharvested for both Western and Central Gulf. Given that the trawl sectors are prohibited from fishing for GOA Pacific cod after November 1 due to Steller sea lion regulations, it is likely that some amount of B season Pacific cod will remain unharvested in the future.

Table 5 Gulf of Alaska Seasonal Catch Report for 2005 and 2006

			2005			2006		
			Total Catch	Quota	Remaining Quota	Total Catch	Quota	Remaining Quota
Western Gulf	Inshore	A	10,298	8,471	-1,827	12,299	10,878	-1,423
		B	1,619	5,647	4,028	1,320	7,251	5,931
	Offshore	A	123	941	818	666	1,208	542
		B	238	628	390	363	808	443
Central Gulf	Inshore	A	12,688	13,547	859	15,529	15,339	-190
		B	8,104	9,031	927	4,723	10,228	5,503
	Offshore	A	91	1,505	1,414	25	1,704	1,679
		B	77	1,003	926	1,125	1,138	11

Alternative 2 – Options to include lifting sideboard restriction from 1) those that have a GOA Pacific cod sideboard and 2) those that have GOA groundfish sideboard. This exemption only applies to those non-AFA crab vessels/LLPs that are eligible to participate in the GOA Pacific cod fishery (have appropriate LLP).

Alternative 2 would exempt non-AFA crab vessels from GOA Pacific cod sideboards after November 1. Included in Alternative 2 are two options for exempting non-AFA crab vessels from GOA Pacific cod sideboards: 1) exempt those vessels/LLPs qualified to participate in the GOA Pacific cod sideboard fishery or 2) exempt all non-AFA crab vessels/LLPs that qualified for Bering Sea snow crab IFQ fishery. Currently, there are 85 non-AFA crab vessels and 40 LLPs that qualify to participate in the GOA Pacific cod sideboard fishery and therefore, under Option 1, would be exempt from GOA Pacific cod sideboard limits after November 1. In contrast, under Option 2, 227 non-AFA crab vessels and 57 LLPs qualified for Bering Sea snow crab IFQ and therefore would be exempt from GOA Pacific cod sideboard limit after November 1. Under each of the options, each vessel would need a GOA LLP to participate in the GOA Pacific cod fishery.

Although it is difficult to determine how many of the non-AFA crab vessels will target GOA Pacific cod if the sideboard limits are removed after November 1, over the past twelve years there has been little effort in the GOA Pacific cod fishery after November 1 by non-AFA crab vessels. Table 6 provides a vessel count of GOA Pacific cod after November 1 from 1995 to 2007 for Pacific cod prohibited vessels, Pacific cod sideboard vessels non-AFA crab vessels, and non-crab vessels. Of the two groups of non-AFA crab vessels, Pacific cod qualified vessels have had the greatest vessel count and catch over 1995 to 2007 period. The largest number of GOA Pacific cod

qualified vessels that caught GOA Pacific cod after November 1 was six in 2002. In contrast, the total number of non-crab vessels has ranged from 1 in 1999 to 99 vessels in 2007. In recent years, the number of non-crab vessels has increased significantly.

Table 6 Vessel count in the GOA Pacific cod fishery after November 1 for Pacific cod prohibited vessels, Pacific cod sideboard vessels, and non-crab vessels from 1995 to 2007

Year	Pacific Cod Prohibited Vessel Count	Pacific Cod Sideboard Vessel Count	Non-crab Vessel Count
1995		5	15
1996			3
1997	1		18
1998		5	11
1999	1		1
2000		1	9
2001	1	1	7
2002	1	6	25
2004	1	4	15
2005		5	41
2006	1	1	85
2007		2	99

Source: non_afa_snow_crab_cvs.xls and non_afa_snow_crab_cp5.xls from ADF&G fish tickets for catcher vessels and blend data/catch accounting for catcher processors. Data does not include State water Pacific cod catch and sablefish and halibut IFQ bycatch of Pacific cod IFQ fisheries.

Looking at the Pacific cod catch history in Table 7 during the November/December months shows that in recent years, non-crab vessel catch has increased, while at the same time Pacific cod sideboard vessel catch has remain relatively the same during the 1995 to 2007 period. For the non-crab vessels, GOA Pacific cod catch during the November/December period has ranged from 3 mt in 1996 to 2,970 mt in 2006, while the catch by the Pacific cod sideboard vessels has ranged from 46 mt in 1995 to 373 mt in 2005. Since only one Pacific cod prohibited vessel participated in the Pacific cod fishery during the November/December period, the catch data for that vessel is confidential. In recent years, one factor that could contribute to low effort in the GOA Pacific cod sideboard fishery is premature closure of the B season. As noted in Table 7, the GOA inshore Pacific cod B season sideboard fishery for non-AFA crab vessels was closed prior to the end of the fishing season during the 2006 and 2007 season. Exempting non-AFA crab vessels from the GOA Pacific cod sideboard after November 1 could increase effort in the fishery. However, the limited effort by non-AFA crab vessels in the November/December GOA Pacific cod fishery prior to implementation of sideboard limits is likely an indication that fishing effort will be similar to levels seen prior to implementation of the GOA Pacific cod sideboards limits under either of the options.

Table 7 GOA Pacific cod catch (mt) for Pacific cod prohibited vessels, Pacific cod sideboard vessels, and non-crab vessels during November and December from 1995 to 2007

Year	Pacific Cod Prohibited Vessel Catch	Pacific Cod Sideboard Vessel Catch	Non-Crab Vessel Catch
1995		46	176
1996			3
1997	*		252
1998		267	252
1999	*		0
2000		*	110
2001	*	*	47
2002	*	296	1,553
2004	*	396	406
2005		372	925
2006	*	*	2,970
2007		*	2,700

Source: non_afa_snow_crab_cvs.xls and non_afa_snow_crab_cp5.xls from ADF&G fish tickets for catcher vessels and blend data/catch accounting for catcher processors. Data does not include State water Pacific cod catch and sablefish and halibut IFQ bycatch of Pacific cod IFQ fisheries.

*Concealed for confidentiality

Effects on Net Benefits to the Nation

A minor overall net benefit to the Nation is likely to accrue from this action. Changing the exemption qualifications for the non-AFA crab vessels in the GOA Pacific cod fishery and pollock could result in reduced amounts of unharvested GOA Pacific cod and pollock ITAC, ensuring the TAC for these species is more fully utilized to the extent practicable.