

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence Pautzke
Executive Director



DATE: September 19, 2001

SUBJECT: American Fisheries Act

ESTIMATED TIME 6 HOURS

ACTION REQUIRED

- (a) Review EIS/draft Proposed Rulemaking for 2002 and comment as appropriate.
- (b) Review discussion paper on AFA status and possible extension.
- (c) Review status of other AFA-related amendments already initiated.
- (d) Review and provide final comments on AFA Report to Congress.

BACKGROUND

(a) EIS and Proposed Rulemaking

NMFS, with help from Council staff, has been working on finishing the EIS and proposed rulemaking that will implement for 2002 the various emergency rule changes made to the AFA this year. They will expire on December 31st, and the proposed rule is intended to take effect in January 2002, and remain so through 2004, the current expiration date of the AFA. The EIS and proposed rule incorporate the original AFA analyses and measures reviewed and approved by the Council. It also has a few additions that NMFS staff will summarize for the Council. This meeting provides an opportunity for input into the provisions of the proposed rule, however, NMFS will need to give us clear guidance on whether any major changes proposed now will throw the schedule off for implementation in early 2002. Major changes or additions may need to be developed through a follow-on amendment process, as part of either amendments already initiated, or through a possible AFA extension amendment. These are discussed further under sections (b) and (c).

(b) AFA status and possible extension

In previous Council meetings the issue of extending the AFA beyond its current 2004 expiration date has been discussed, recognizing its benefits to the pollock fisheries as well as accommodating Steller sea lion conservation measures. NOAA GC, NMFS, and Council staff will lead a discussion of issues surrounding a potential extension, including consideration of stipulated provisions, provisions which are under discretion of the Council, relevant timelines, and how such an extension would integrate with existing AFA-related amendments already initiated by the Council.

(c) AFA amendments already initiated

In previous meetings, under the AFA agenda item, the Council initiated several actions which are directly or indirectly related to implementation of the Act. These amendments, and their status, are included under the staff tasking agenda item. In summary, and in order of the Council's prioritization from June, they are:

- (1) Expansion of the groundfish processing sideboard amendment package, to include adjustments to IR/TU, LLP recency requirements for non-AFA trawl catcher processors, reduction in the overall BSAI trawl halibut mortality cap, and possible implementation of the HMAP program. The Council has expressed its intent to act upon this package by June of 2002, so we are making plans to have this package completed by April 2002 for initial review. This would be done primarily under contract to Northern Economics, Inc., which did the majority of the work on the original processing sideboard analysis. Item C-4(c)(1) is a copy of the Groundfish Forum proposal from last June.
- (2) Analysis of proposed additional sideboard protection measures for non-AFA Pacific cod fishermen (proposal from Russell Pritchett). Measures include limiting directed trawl fishing for cod to those meeting minimum landing requirements and allocating a minimum amount (5,000,000 lbs.) of cod to non-AFA vessels meeting the minimum landing requirements. Item C-4(c)(2) is a copy of the proposal as submitted last January.
- (3) A proposal, recommended by the AP and approved by the Council in February 2001, for an analysis of recency requirements for all non-AFA BSAI trawl-endorsed LLP permits. This proposal will need further specification of alternatives, elements, and options, and overlaps to some degree with proposals under (1) and (2) above.
- (4) A proposal to change the single geographic location (SGL) restrictions which was submitted in June by Icicle Seafoods.

The Council needs to discuss the timing and relationship of these amendments, particularly with regard to the overlapping issues, and with regard to a potential rollover of the basic AFA provisions. Staff believes that the issues under (1) above represent a separate amendment package (with the possible exception of the LLP recency requirements for non-AFA catcher processors) and we intend to complete that analysis by next April. The last three items could be wrapped together into an omnibus AFA amendment package, for which we could issue a Request for Proposals (RFP) following this meeting, and taking into account a possible amendment for extension of the AFA. Given the amendments already initiated, we need to decide whether to handle those separately, or to combine them as alternatives within a potential AFA extension. Contracting funds are available, through our separate AFA funding, to help complete these packages over the next year.

(d) AFA Report to Congress

In June we had a detailed presentation from Darrell Brannan and Dr. Mike Downs, the primary authors of the draft report to Congress on AFA implementation. We took your comments, as well as those received over the summer from the public, and integrated them into the draft that was mailed to you last week. You expressed your intent in June for one more look at this report before we submit it to Congress and the Secretary of Commerce. Darrell and Mike are here to give you a brief summary of the revisions, and receive any final comments you may have.

Groundfish Forum

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RECEIVED
MAY 18 2001
N.P.F.M.C

May 17, 2001

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

Re: Industry report on bycatch measures - Proposal of alternatives to add to IR/IU modification package under AFA agenda item.

Dear Chairman Benton:

As you know, Groundfish Forum requested that the Council modify improved retention regulations for rock sole and yellowfin sole as a means of protecting non-AFA processors from AFA-qualified groundfish processors. In response, the Council requested that an analysis of this proposed action be initiated on a timeframe allowing for final action and implementation by January 1, 2003, the date that retention requirements for flatfish go into effect. We understand that, in addition to the modification of the IR/IU requirements, the alternatives will be considered in the context of the bycatch reduction mandates in the Sustainable Fisheries Act, and the analysis may include additional bycatch reduction measures as proposed by industry.

Over the past several months, the members of Groundfish Forum have developed a comprehensive package of measures to be included in the analysis. We are confident that if implemented, the elements in this package will not only meet the mandate of the AFA to protect non-AFA processors, but will result in significant reductions in halibut bycatch to accommodate the bycatch reduction intent of IR/IU requirements, while also laying the groundwork for rationalization of its fisheries at some point in the future. While the proposal is ambitious, its approach will enable the Council to address a majority of the H&G fleet's issues on a comprehensive basis.

Our proposal package consists of four basic elements -

1. Modification of IR/IU to require 50% retention of rock sole and 85% retention of yellowfin sole - Groundfish Forum has spoken previously to the importance of revising IR/IU to insure the ability of the H&G fleet to compete with AFA-qualified fish meal-producing processors. We feel that this alternative would be adequate as a stand alone measure instead of processor sideboards and that the playing field would be sufficiently returned to the balance that existed prior to the creation of AFA.

2. LLP recency requirement for non-AFA trawl catcher processors in all BSAI/GOA fisheries of one landing in 1999 and 2000 - An LLP recency requirement to eliminate

latent H&G licenses would allow the overcapitalized non-AFA trawl catcher-processor sector to initiate an industry-funded buyout or other measures to rationalize the H&G fisheries. To the extent that the race for fish can be slowed, the fleet will be better able to address the challenges of minimizing bycatch and discards. A rationalized fishery would also provide the best opportunity for vessel-level accountability and bycatch reduction and more effective means of accommodating Part 3 of our proposal (see below).

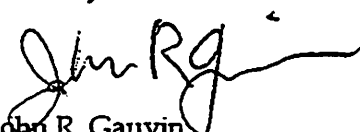
3. Reduction in the total BSAI trawl halibut bycatch mortality by 10 percent (approx. 375 metric tons) - Groundfish Forum acknowledges that a modification of flatfish retention requirements will likely result in more flatfish discards than if the regulation remained unchanged. Using the catch and discard data for the past several years, we estimate that 375 metric tons of halibut mortality (the amount by which we've proposed reducing the cap) is roughly equivalent to the amount that would be used to harvest the fish that the fleet would be allowed to discard under our IR/IU modification proposal. While this amount of halibut represents a significant percentage of the existing cap, we are confident in our ability to mitigate the impacts of the reduction, particularly if we are afforded the opportunity to decelerate the race for fish by reducing the size of the fleet and the implementation of the halibut mortality avoidance program (HMAP).

4. Implementation of the halibut mortality avoidance program (HMAP) - The HMAP program has formally been before the Council since 1997. The sheer mass of obligations stemming from the AFA mandates and the Steller sea lion protection measures has forced many important Council issues, including HMAP, to remain in a "holding pattern" for the past few years. Implementation of HMAP may take longer still. It might involve coordination with the observer program or may prove to be feasible only in the context of rationalized fisheries. While Groundfish Forum believes that HMAP is an important part of this set of proposals, we also acknowledge that it may not be in place by the time other elements of this package are implemented. In any case, the HMAP analysis must be started as soon as possible so that the challenges to implementation can be identified and the industry and staff can address them.

Thank you in advance for considering our concerns. As stated above, our proposal is admittedly broad and involves diverse elements. We believe, however, that the comprehensive nature of our proposal is far preferable to dealing with these issues on a piecemeal basis over a much longer period of time.

Groundfish Forum intends to provide additional information about our proposal during public testimony at the June Council meeting. We will be pleased to answer any questions the Council may have at that time.

Sincerely,



John R. Gauvin
Director

PRITCHETT 1/01

REQUEST OF STEVE AARVIK (F/V WINDJAMMER), OMAR ALLINSON (F/V MISS LEONA), AND CHARLES BURRECE (F/V LONE STAR).

We request that the Council recommend small boat protections as authorized under the "Stevens Rider". Under Section 209(c)(6), the Council is authorized to make the following types of recommendations for the protection of small boats in 2001:

1. Open critical habitat where needed,
2. Adjust seasonal catch levels, and
3. Other measures as needed.

Senator Stevens' comments make clear Congress' intent that the Council recommend measures for the safety of small boats engaged in the fisheries. Senator Stevens also noted in his Section-by-Section Analysis (at page 4 of Item (c) of the Council materials):

"These modifications may include the opening of additional designated Steller sea lion critical habitat for fishing by small boats, the postponement of seasonal catch levels inside critical habitat for small boats, or other measures to ensure that small boat fishermen and on-shore processors in Alaska are not adversely affected during 2001 as compared to the fisheries before the July 19, 2000 injunction."

The term "small boat" is not defined in Section 209. There has been testimony before to the Council that in the Bering Sea, a small boat is one less than 90 feet in length overall, or alternatively 99 feet or less.

We request that the Council recommend the following small-boat safety measures as to the Bering Sea trawl fisheries, commencing in the year 2001 as contemplated by Congress in Section 209(c)(6):

1. That in 2001 non-AFA and AFA cod-exempt vessels of less than ~~100~~ feet in length overall be exempted from the seasonal catch restrictions as set forth in the RPA's (i.e. the 60/40 division of TAC by seasons), provided that such vessels must have had directed cod deliveries in the Bering Sea in 1999.
2. That commencing June 10, 2001, the same vessels be exempt from Critical Habitat closures and harvest limits, in addition to being exempt from seasonal catch restrictions.

We believe that these recommendations are consistent with Congress' intent and with the National Standards (especially regarding safety) under the Magnuson-Stevens Act. Similar protections should also be established for small boats engaged in the other fisheries affected by the RPA's.

Steve Fish and Kari Johnson
P.O. Box 6448 Sitka, Alaska 99835

Mr. David Benton
Chairman
North Pacific Fisheries Management Council
Anchorage, Alaska

Re: Areas 2C/3A charter halibut IFQ

Dear Mr. Benton,

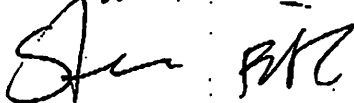
I am writing to ask you to continue to support the charter halibut IFQ program adopted by the council in April 2001. I am a halibut longliner. I am a provider of access to the halibut resource for the greater public who relies on the longline fleet for the halibut on their table.

The Council has had the benefit of extensive analysis, copious public comment and much deliberation on the subject of halibut charter fisheries management. To reconsider previous Council action without substantial new information is redundant, wasteful of Council resources and an insult to all the people who invested so much time in producing a solution to the dilemma of continued, unregulated charter industry growth.

It is irresponsible of the Governor of Alaska to attempt to rescind this action without any other management alternatives offered. Take note of the state of the charter GHL still stuck in Juneau years after being approved by the Council. What is offered to replace management measures which the Governor has been talked into getting rid of? And will the sport-fish lobby support any responsible limit to halibut charter industry growth?

I urge you to continue supporting the halibut charter IFQ program. Thank You for your thoughtful consideration of this rather persistent problem.

Sincerely,



Steve Fish

Cc: Governor Tony Knowles

Groundfish Forum

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September 25, 2001

RECEIVED

SEP 25 2001

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

N.P.F.M.C

Re: Agenda Item C-4, American Fisheries Act: Processor sideboards and alternatives to processor sideboards to protect the non-AFA sector from effects of the AFA

Dear Chairman Benton,

Over the last year Groundfish Forum has been seeking modifications to the upcoming Improved Retention/Improved Utilization (IR/IU) regulations for flatfish. As outlined in our previous correspondence to the Council, we feel that the combination of the reduced supply of marketable flatfish as a result of the impacts of flatfish IR/IU and the large amount of fish processing capacity made available for use in flatfish by the advent of AFA co-ops could potentially result in new competition for the non-AFA sector. While it is uncertain whether the mandate to protect non-AFA processors from effects of the Act extends to combinations of effects from non-AFA and AFA fisheries issues, we do know that we are facing a very difficult situation with flatfish IR/IU in its current form and that, as we explain below, the AFA potentially increases the negative impacts on us. We propose a solution to modify flatfish IR/IU such that the H&G sector and other traditional flatfish participants are able to continue to reduce discards of flatfish while avoiding economic ruin. We also believe our proposal has benefits for the entire fishery.

One departure from our earlier proposal is that we have decided to streamline our proposal by removing some of the ancillary elements, as is explained below. Given the burden on council members and staff resulting from the ongoing demands of sea lion issues, EFH, and crab rationalization, this should help ensure that modifications to IR/IU can be in place for January, 2003.

How flatfish IR/IU will affect flatfish and cod fisheries and how AFA co-ops may increase this problem for the non-AFA sector

Although our earlier correspondence has outlined the reasons why we feel protections are needed, we will briefly restate the main points for new council members and anyone who is still unclear about our perspective on this issue.

The H&G fleet depends on the flatfish and cod fisheries for a large portion of its revenues. Our vessels produce mainly "headed and gutted" products which are frozen and stored in vessel's frozen product storage hold until offloading occurs. These vessels are precluded from producing fish meal by Coast Guard regulations, in addition to size constraints of the vessels which preclude installation of a fish meal plant. Therefore, H&G vessels have no other processing capability other than relatively high-recovery-rate frozen products. Any undersized, hence unmarketable fish that are caught will be processed in the same manner. We cannot make unmarketable flatfish into a low-recovery product that is not stored in the frozen product hold space, such as fishmeal. Furthermore, our vessels are not designed to safely and feasibly store unmarketable fish for transport to a plant that has fishmeal production capacity.

The end result is that the H&G fleet and some other traditional participants in flatfish and cod fisheries, under the upcoming full retention regime, would produce a significant percentage of flatfish that are too small for the market. Based on our experience, this will be true even assuming the most optimistic performance of new fishing techniques to reduce catch of unmarketable flatfish. Thus these vessels will consume a significant portion of their limited freezer hold capacity each trip with unmarketable product -- an economic disaster in a fishery with tight economic margins.

In addition to affecting the economics of many traditional flatfish and cod vessels, the end result of flatfish IR/IU will likely be a reduction in the production from H&G boats and other traditional flatfish participants of flatfish of a size desired by consumers. In a simplistic world, one might hope this would trigger increased prices due to the induced shortage in the market. This ultimately depends on the responsiveness of price to the quantity supplied, and we do not have any reliable information at this point to comment on that relationship. If it does occur, however, the benefits might accrue more to fishing operations more suited to fishing flatfish under full retention of flatfish. Many processors in the AFA sector, both at-sea and shoreside, have fish meal production capacity and thus are probably not as constrained by full retention of flatfish as those that do not have the ability to divert unmarketable fish to fish meal production. We feel that the portion of the AFA sector with access to fishmeal production could eventually begin to out-compete us in the market under this scenario, thus increasing its share in the flatfish fishery, an already overcapitalized sector.

We cannot say with certainty that the above scenario will occur but it concerns traditional flatfish fishery participants. We are not opposed to competition in our markets but are concerned that the combination of AFA de-capitalization and IR/IU, in its current form, will affect us profoundly.

Groundfish Forum's May 2001 proposal and modifications proposed herein

In coming up with our original proposal, we have tried to find a way to strike a balance in the need for some kind of protection from downstream effects of the AFA, while avoiding the high management costs and potential unintended consequences of processor sideboards. Several potentially negative aspects of processor sideboards were identified in the earlier analysis of the issue. We believe that a modification of the IR/IU retention

rules as per our proposal will achieve that necessary balance as well as benefits to the entire fishery. Specifically, our proposed modification to IR/IU will focus the goal of discard reduction on what is actually achievable for all participants in the groundfish fisheries. This would serve to improve the current version of IR/IU because it would refrain from forcing fishermen to attempt avoid catching every unmarketable fish with no regard to the costs of that avoidance in terms of loss of efficiency. Likewise, it avoids the use valuable resources to make products that are not desirable to consumers.

Previously, our proposal to modify flatfish IR/IU included ancillary elements such as provisions to eliminate latent LLP licenses of non-active H&G vessels, implementation of halibut mortality avoidance program (HMAP), and a reduction of halibut by-catch mortality. While this list represents a set of important changes we feel could proactively address many of the issues facing the H&G sector, we recognize that there will be many competing demands for the Council's time over the next year so we need to prioritize our request. To expedite the analysis given Council staff workload and our concerns over the time-line for modifications to be approved prior to flatfish IR/IU implementation, we therefore would like the Council to start an analysis of the IR/IU modifications as a stand-alone provision. Whereas we are still interested in the other provisions, we believe that separate analysis is warranted.

Generally the IR/IU rule was adopted as an effort to reduce bycatch and waste, and to further the goals and objectives of the FMP. Over the last several years, discard rates have been decreasing in the flatfish fishery. There may be various reasons for this decrease including developments in selective fishing gear and variations in fishing techniques, both of which Groundfish Forum has been working on through Experimental Fishing Permits and dissemination of knowledge between industry participants. Implementation of IR/IU in its present form will still decimate the non-pollock fisheries as the technology to avoid catching non marketable flatfish still does not exist and economic margins in non-pollock trawl fisheries are thin.

We therefore propose modification to IR/IU for flatfish that continues to promote a reduction in catch of small flatfish without crushing the economics of the flatfish fishery. We feel that an adjustment to the IR/IU regulations for flatfish may be the best way to allow the non-AFA sector to continue to exist on a reasonably fair and level playing field.

We request that the Council, at its October 2001 meeting, task for analysis our proposed modifications to IR/IU. Groundfish Forum intends to provide additional information about its proposal during public testimony at the October Council meeting. We will be pleased to answer any questions the council may have at that time. Thank you for considering our concerns.

Sincerely,



John Gauvin
Director

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME
Commissioners' Office

TONY KNOWLES, GOVERNOR

P.O. BOX 25526
JUNEAU, AK 99802-5526
PHONE: (907) 465-6140
FAX: (907) 465-2604

September 21, 2001

Dear Vessel Owner:

The Alaska Department of Fish and Game (ADF&G) staff and the staff of the North Pacific Fishery Management Council have recently received an interim report from Northern Economics documenting their progress in completing an ADF&G funded analysis of ownership of American Fishery Act (AFA) qualified catcher vessels. While the assessment of official data from ADF&G, National Marine Fishery Service, and the United States Coast Guard has been basically completed, important information detailing ownership shares from catcher vessel owners has not been as forthcoming as ADF&G had hoped.

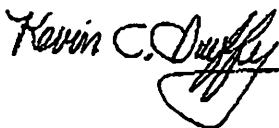
In June and again in July you received letters from Northern Economics, our contractors on this project, requesting information on the ownership of AFA catcher vessels. Unfortunately, many AFA catcher vessel owners have still not responded to the survey. Recently, ADF&G and the staff of the North Pacific Fishery Management Council received a list of the 30 AFA catcher vessels whose owners have responded to the survey a list of those who have not. The list of respondents (excluding the individual data) will be made available to Council members at their October 2001 Council meeting.

Attached is a draft list of survey respondents as of September 19, 2001. The vessels are listed alphabetically by AFA cooperative. ADF&G strongly encourages those vessel owners who have not responded to do so as soon as possible. As noted in previous letters, a report on the implementation of the American Fisheries Act is due to the U.S. Congress this fall. Your input is essential in order to provide a thorough report to Congress. As you may recall the State brought this issue up at the Council meeting in June, 2001. We intend to raise the survey response issue again at the Council meeting in October. Also, please be assured that individuals who are listed in the survey response as owners or shareholders will not be named in any published report, nor will any individual vessel data will be presented in these reports. Individual names be made available only to NPFMC staff for future reference and will not be reported to agency decision makers.

If you are the owner of an AFA catcher vessel shown in Table 2, we ask that you complete one questionnaire for each AFA catcher vessel you own by clicking on the following link on Northern Economics' Internet site:
http://www.northerneconomics.com/AFA_Ownership/afa_ownership.html.

If you would like a hard copy of the questionnaire, or have any further questions, please call Northern Economics at (907) 274-5600. Thank you for your help and participation in this effort.

Sincerely,



Deputy Commissioner

Owners In Address	owner street address	CITY State Zip
ALASKA BOAT COMPANY	BOX 5030	SEATTLE, WA 98105
ALSEA FISHERIES	5349 228TH AVE SE	ISSAQUAH, WA 98029
B & N FISHERIES COMPANY	2405 NW MARKET ST #200	SEATTLE, WA 98107
BLUE SEA FISHERIES	BOX 1256	NEWPORT, OR 97365
CAPE LOOKOUT INC	410 HARRISON AVE	ASTORIA, OR 97103
EINAR LANGESATER & PARTNER	19731 21ST AVE NW	SEATTLE, WA 98177
FORUM STAR INC	BOX 6808	PORTSMOUTH, NH 03802
FURY GROUP INC	6401 26TH AVE NW	SEATTLE, WA 98107
FV DEFENDER	2442 NW MARKET ST #414	SEATTLE, WA 98107
FV EXODUS INC	6904 CENTRAL PARK DR	ABERDEEN, WA 98520
FV GOLD RUSH FISHERIES	BOX 69	KODIAK, AK 99615
FV NEAHKAHNE LLC / SEA STORM FISHERIES INC	400 N 34TH ST #308	SEATTLE, WA 98103
HARVESTER ENTERPRISE INC	101 NICKERSON STE # 340	SEATTLE, WA 98109
HAZEL LORRAINE JOINT VENTURE	42277 GARRISON LAKE RD	PORT ORFORD, OR 97465
HOCKEMA, REX A	108 N W NYE	NEWPORT, OR 97365
HOGEVOLL, BEN L	71 TROY CT	SILETZ, OR 97380
ILDHUSO FISHERIES INC	101 NICKERSON STE # 340	SEATTLE, WA 98109
JOHANNESSEN, JOHN M / POSEIDON & OWNERS	10727 226 SW	EDMONDS, WA 98020
LESLIE LEE INC	623 NW NYE ST	NEWPORT, OR 97365
LISA-MELINDA FISHERIES	BOX 1650	NEWPORT, OR 97365
MARCON FISHERIES INC / PATIENCE FISHERIES INC	BOX 428	NEWPORT, OR 97365
ROYAL AMERICAN FISHERIES / MARK I INC / GREAT WEST SEAFOODS	511 W COMSTOCK ST	SEATTLE, WA 98119
NINA FISHERIES	20308 DAYTON AVE N	SHORELINE, WA 98133
NINA FISHERIES INC	4209 21ST AVE #202	SEATTLE, WA 98199
OCEAN SPRAY PARTNERSHIP	BOX 1235	CORDOVA, AK 99574
PACIFIC PRINCE LLC / DOOLEY, J & R	48 FAIRWAY PLACE	HALF MOON BAY, CA 94019
PEDERSEN, EINAR H	930 VIEWMOOR DR	EDMONDS, WA 98020
PETERSON, CHESTER T	2171 N 122ND PL	SEATTLE, WA 98133
ROBISON, FREDERICK C	BOX 312	DEPOE BAY, OR 97341
SCHONES, STANLEY J	1483 OLD RIVER RD NE	SILETZ, OR 97380
SMITH, ROBERT E	BOX 1102	NEWPORT, OR 97365
ALEUTIAN SPRAY FISHERIES / PACMON LLC / STARFISH	5470 SHILSHOLE AVE NW #500	SEATTLE, WA 98107
TRIDENT SEAFOODS / ROYAL VIKING INC	5303 SHILSHOLE AVE NW	SEATTLE, WA 98107
US MARINE CORPORATION	712 E MARINE WAY	KODIAK, AK 99615
WESTWARD FISHING COMPANY	1111 3RD AVE #2360	SEATTLE, WA 98101

Draft Environmental Impact Statement for American Fisheries Act Amendments 61/61/13/8



United States Department of Commerce

National Oceanic and Atmospheric Administration

National Marine Fisheries Service
Alaska Region

October 2001



DRAFT ENVIRONMENTAL IMPACT STATEMENT
for
AMERICAN FISHERIES ACT AMENDMENTS:

- Amendment 61 to the *Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area*,
- Amendment 61 to the *Fishery Management Plan for Groundfish of the Gulf of Alaska*,
- Amendment 13 to the *Fishery Management Plan for Bering Sea and Aleutian Islands King and Tanner Crab*, and
- Amendment 8 to the *Fishery Management Plan for the Scallop Fishery off Alaska*.

October 2001

Lead Agency:	National Marine Fisheries Service Alaska Region Juneau, Alaska
Responsible Official:	James W. Balsiger Regional Administrator
For Further Information Contact:	Kent Lind National Marine Fisheries Service P.O. Box 21668 Juneau, AK 99802 (907) 586-7228
Cooperating Agencies:	North Pacific Fishery Management Council Alaska Department of Fish and Game

Abstract: On October 21, 1998, the President signed into law the American Fisheries Act (AFA) which mandated sweeping changes to the conservation and management program for the pollock fishery of the Bering Sea and Aleutian Islands (BSAI) and to a lesser extent, affected the management programs for the other groundfish fisheries of the BSAI the groundfish fisheries of the Gulf of Alaska, the king and Tanner crab fisheries of the BSAI, and the scallop fishery off Alaska. Under the Magnuson-Stevens Fishery Conservation and Management Act of 1976, the Council has prepared Amendments 61/61/13/8 to implement the provisions of the AFA in the groundfish, crab and scallop fisheries off Alaska. The purpose of Amendments 61/61/13/8 is to incorporate the relevant provisions of the AFA into the FMPs and establish a comprehensive management program to implement the AFA. The purpose of this Environmental Impact Statement (EIS) is to provide decision makers and the public with an evaluation of the environmental and economic effects of the management program that would be implemented under proposed Amendments 61/61/13/8, as well as the effects of possible alternative management programs to implement the AFA. It is intended that this EIS serve as the central environmental document for management measures developed by the National Marine Fisheries Service and the North Pacific Fishery Management Council to implement the provisions of the AFA.

Comments are due by:

Executive Summary

Introduction

On October 21, 1998, the President signed into law the American Fisheries Act (AFA) which mandated sweeping changes to the conservation and management program for the pollock fishery of the Bering Sea and Aleutian Islands (BSAI) and to a lesser extent, affected the management programs for the other groundfish fisheries of the BSAI the groundfish fisheries of the Gulf of Alaska (GOA), the king and Tanner crab fisheries of the BSAI, and the scallop fishery off Alaska. With respect to the fisheries off Alaska, the AFA requires a suite of new management measures that fall into four general categories: (1) regulations that limit access into the fishing and processing sectors of the BSAI pollock fishery and that allocate pollock to such sectors, (2) regulations governing the formation and operation of fishery cooperatives in the BSAI pollock fishery, (3) regulations to protect other fisheries from spillover effects from the AFA, and (4) regulations governing catch measurement and monitoring in the BSAI pollock fishery.

Under the Magnuson-Stevens Fishery Conservation and Management Act of 1976 (Magnuson-Stevens Act), the North Pacific Fishery Management Council (Council) has prepared FMP amendments to implement the provisions of the AFA in the groundfish, crab and scallop fisheries off Alaska. These are Amendment 61 to the *Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area*, Amendment 61 to the *Fishery Management Plan for Groundfish of the Gulf of Alaska*, Amendment 13 to the *Fishery Management Plan for the King and Tanner Crab Fisheries in the Bering Sea/Aleutian Islands*, and Amendment 8 to the *Fishery Management Plan for the Scallop Fishery off Alaska* (Amendments 61/61/13/8). The full text of Amendments 61/61/13/8 is contained in Appendix B. The purpose of Amendments 61/61/13/8 is to incorporate the relevant provisions of the AFA into the FMPs and establish a comprehensive management program to implement the AFA.

The purpose of this Environmental Impact Statement (EIS) is to provide decision makers and the public with an evaluation of the environmental and economic effects of the management program that would be implemented under proposed Amendments 61/61/13/8, as well as the effects of alternative management programs to implement the AFA. It is intended that this EIS serve as the central environmental document for management measures developed by NMFS and the Council to implement the provisions of the AFA.

Primary elements of Amendment 61/61/13/8

Amendments 61/61/13/8 were developed by the Council during an extensive public process over the course of 12 Council meetings. Each alternative is presented in the same format and contains the same four primary management components that are necessary to implement the provisions of the AFA in the fisheries off Alaska. These components are (1) Limited access and sector allocations, (2) fishery cooperatives, (3) Sideboards, and (4) Catch weighing and monitoring.

Component 1: Limited access and sector allocations. This management component includes regulations that (1) define the various sectors of the BSAI pollock industry, (2) determine which vessels and processors are eligible to participate in each industry sector, (3) establish allocations of BSAI pollock total allowable catch (TAC) to each industry sector as directed fishing allowances, and (4)

establish excessive share limits for harvesting BSAI pollock. These regulations are necessary to achieve the AFA's objective of decapitalization and rationalization of the BSAI pollock fishery. The AFA addresses these issues with explicit statutory language that remains in effect through December 31, 2004. The Council and NMFS do not have authority to recommend or implement a program that would define the pollock industry sectors differently, change the sectors allocation percentages, or change the lists of vessels and processors that are authorized to participate in each sector. Consequently, all four of the AFA-based alternatives in this EIS (Alternatives 2-5) mirror the provisions of the AFA with respect to pollock industry sectors and sector allocations.

Component 2: Fishery cooperatives. This management component addresses the formation and management of fishery cooperatives. Fishery cooperatives are a relatively new type of entity in the groundfish fisheries of the North Pacific and are formed by groups of vessel owners to provide an alternative to the open access race for fish. Under a fishery cooperative, the members of a cooperative agree to divide up the available quota among themselves in a manner that eliminates a wasteful race for fish and allows participants to maximize productivity. The AFA authorizes the formation of fishery cooperatives in all sectors of the BSAI pollock fishery, grants anti-trust exemptions to cooperatives in the mothership sector, and imposes operational limits on fishery cooperatives in the BSAI pollock fishery. The AFA provides more flexibility for NMFS and the Council to develop management measures to govern the formation and operation of fishery cooperatives. The AFA-based alternatives in this EIS (Alternatives 2-5) differ with respect to the level of autonomy and flexibility provided to fishery cooperatives to manage BSAI pollock and sideboard fishing activities.

Component 3: Sideboards. Sideboards are measures to protect other fisheries from spillover effects resulting from the rationalization of the BSAI pollock fishery and from the formation of pollock fishery cooperatives. Participants in other fisheries are concerned about the potential for large and efficient pollock vessels and processors to spillover into other fisheries as a result of the AFA. This could occur as a result of rationalization in the BSAI pollock fishery as surplus vessels and processing capacity is no longer needed in the absence of a race for fish. Cooperatives also provide competitive advantages to the BSAI pollock fleet. For example, members of cooperatives have the flexibility to time their pollock fishing activities in a manner that would allow them to expand into other concurrent fisheries to a greater extent than would be possible if a race for fish still existed in the BSAI pollock fishery. The AFA authorized fishery cooperatives in the catcher/processor sector beginning in 1999 but did not provide for the formation of fishery cooperatives in the mothership and inshore sector until 2000. Largely as a consequence of this timing, Congress set out specific sideboard measures for catcher/processors in the AFA to begin in 1999 but deferred to the Council and NMFS to develop sideboard measures for the inshore and mothership sectors. The AFA-based alternatives differ in their approach to establishing sideboard amounts for the various AFA fleets and in their approach to managing sideboard fishing. The choice of appropriate sideboard measures depends in part on the approach taken with respect to managing fishery cooperatives. Alternatives that provide greater autonomy to cooperatives to manage their pollock fishing activities also provide greater autonomy to cooperatives to manage their participation in sideboard fisheries. Sideboards are also the only AFA component with measures that affect the crab and scallop fisheries off Alaska under Amendments 13 and 8 to the crab and scallop FMPs, respectively. AFA catcher vessels face sideboard limits on entry into crab and scallop fisheries and AFA processors face limits on the amount of crab they may process.

Component 4: Catch weighing and monitoring requirements. Because the catcher/processor sector was authorized to form fishery cooperatives in 1999, the AFA mandated specific observer coverage and scale requirements for AFA catcher/processors. All listed AFA catcher/processors are required to carry

two NMFS observers at all times they are fishing for groundfish in the BSAI and they must weigh all catch on NMFS-approved scales. Because the AFA delayed the implementation of fishery cooperatives in the inshore and mothership sector until 2000, Congress left it to the Council and NMFS to develop adequate catch measurement and monitoring requirements for those two sectors. To a large extent, the decisions made with respect to management of cooperatives and sideboard fishing determine what type of monitoring and catch weighing programs are appropriate. Alternatives that sub-allocate pollock and sideboard quotas to individual cooperatives require a more intensive monitoring regime than alternatives in which NMFS manages the fishing activities of AFA fleets in the aggregate.

Alternatives analyzed

This EIS contains five management alternatives that are designed to capture the range of management options developed and considered by the Council over the two years in which Amendments 61/61/13/8 have been under development. During the course of developing a preferred alternative for Amendments 61/61/13/8, the Council examined a myriad of suboptions under each management component. However, it is not practical to construct an EIS that considers the environmental and economic consequences of every permutation of suboptions considered by the Council during the entire public process of developing a preferred alternative. Instead, the alternatives presented in the EIS are designed to capture the range of key issues and decision points that the Council, affected industry, and public have identified during scoping as critical from an environmental, economic, and socioeconomic perspective. The following is a brief synopsis of each alternative.

Alternative 1 No action. Under this alternative, NMFS would take no action to implement the provisions of the AFA. Management of the BSAI pollock fishery would return to the previous Inshore/Offshore management regime that governed the fishery from 1990 until the passage of the AFA in October 1998. While this alternative is clearly contrary to the statutory requirements of the AFA, it is included for analytical purposes to provide a baseline against which the environmental and economic effects of the AFA alternatives may be compared. The National Environmental Policy Act (NEPA) requires the examination of a no-action alternative even if such an alternative is contrary to existing law.

Alternative 2 AFA baseline. This alternative would implement the required elements of the AFA without additional modifications by NMFS or the Council. This alternative may be viewed as an "AFA baseline" alternative against which the Council and NMFS-proposed changes or modifications contained in Alternatives 3, 4, and 5 may be compared. Alternative 2 contains the four basic components required of all AFA alternatives: (1) measures defining the pollock sectors and the BSAI pollock allocations to each sector, (2) measures governing the formation and operation of fishery cooperatives, (3) sideboard protections for other fisheries, and (4) catch measurement and monitoring requirements for the AFA pollock fleet.

Alternative 3 Preferred. Alternative 3 would implement the required provisions of the AFA as set out in Alternative 2 with a series of modifications and additions recommended by the Council and NMFS under Amendments 61/61/13/8. Alternative 3 represents a co-management approach under which NMFS would issue sideboards and season/area apportionments of pollock at the sector level and would rely on fishery cooperatives for much of the day-to-day management of fishing activity at the co-op and individual vessel

level. Successful implementation of Alternative 3 requires the development of an inter-cooperative agreement between all of the cooperatives to prevent season/area competition for pollock and an "Olympic" race for fish in sideboard fisheries. Alternative 3 contains various adjustments to the organizational rules for inshore catcher vessel cooperatives designed to facilitate the formation and operation of such cooperatives and contains various other adjustments to harvesting and processing sideboards recommended by the Council.

Alternative 4 Co-op autonomy. Alternative 4 would implement the required provisions of the AFA as set out in Alternative 2 with a series of modifications and additions considered by the Council during the development of Amendments 61/61/13/8 that would allocate pollock to each co-op by season and area, and sub-allocate each groundfish and prohibited species catch (PSC) sideboard species to each cooperative. The intent of this alternative is to provide maximum autonomy to each individual cooperative to manage fishing activity in the directed pollock fishery and sideboard fisheries. In contrast to the co-management approach contained in Alternative 3, Alternative 4 would rely on NMFS management to regulate pollock and sideboard fishing by each individual cooperative. As a consequence, Alternative 4 contains substantially greater catch measurement and monitoring requirements than any of the other alternatives and would be the most burdensome and costly alternative for industry.

Alternative 5 Market freedom for catcher vessels. Alternative 5 is very similar to the preferred Alternative 3 with one significant change to the inshore co-op program to allow inshore catcher vessels to change cooperatives from year to year without spending a year fishing in the open access sector of the inshore fishery. The purpose of Alternative 5 is to increase the market flexibility for independently-owned catcher vessels. This alternative, (also known as the "Dooley-Hall" alternative after two of its primary proponents), was considered by the Council as a way to alleviate potential negative effects of the AFA on independently-owned catcher vessels. This alternative also was the subject of a separate analysis prepared for the Council by University of Washington researchers which is included as Appendix D.

Summary of the environmental effects of the alternatives

The environmental effects of the alternatives under consideration derive primarily from changes in pollock fishing and processing patterns that are expected to result from the AFA-based structural and organizational changes in the BSAI pollock fishery. The most significant structural change resulting from the AFA is the replacement of the previous inshore/offshore allocation regime with a new allocation formula for the BSAI pollock fishery that increases the Community Development Quota (CDQ) allocation to 10 percent of the TAC and subdivides the remaining TAC 50 percent to the inshore sector, 40 percent to the catcher/processor sector, and 10 percent to the mothership sector as directed fishing allowances. The most significant organization change resulting from the AFA is the emergence of fishery cooperatives which have eliminated the Olympic-style race for fish and has allowed for rationalization of the fishery.

These major structural and organizational changes are expected to affect patterns of pollock fishing and processing in the BSAI. Among the effects examined are:

- **Changes to pollock fishing patterns.** How will each of the alternatives affect when and where pollock fishermen chose to fish?
- **Changes to fleet composition.** How will each of the alternatives affect the composition of the various pollock fishing fleets?
- **Changes to pollock processing patterns.** How will each of the alternatives affect pollock processing (i.e. processing locations, product forms, and recovery rates)?

The task of describing how a particular fishery is expected to conduct itself under a comprehensive new set of rules involves some degree of conjecture and speculation. This is because the circumstances that lead fishermen and industry to behave in a certain manner are dependent on such a wide variety of unpredictable factors including such things as weather patterns, sea ice conditions, the migratory patterns of the target species, worldwide market conditions, other regulatory changes, and a host of other factors that are difficult or impossible to predict. Nevertheless, the re-organization of the BSAI pollock fishery under the AFA that is reflected in each of the AFA-based alternatives (Alternatives 2-5) will result in certain predictable changes to fishing and processing practices and these changes will have some predictable environmental and economic consequences.

Changes to fleet composition. The composition of fishing fleets evolves in response to many variables including management measures, changing costs, and availability of target species. Since the passage of the AFA, all sectors of the BSAI pollock fleet have experienced reductions in fleet size as marginal vessels have been removed from the fishery through fishery cooperatives and buybacks. Fishery cooperatives, which allow for the transfer of fishing quota to the most efficient operators, have encouraged the removal of marginal vessels including both small vessels and large vessels that were inefficient, either because of high fuel costs or high maintenance costs. As a result, streamlined fleets developed by 2000 in all of the BSAI pollock sectors with the expectation that permanent fleet reductions will be on the order of 30 percent for all three sectors of the industry.

Changes to fishing patterns: Temporal dispersion. The emergence of fishery cooperatives in the BSAI pollock fishery has eliminated the open access race for fish and, along with other measures such as the buyout of nine catcher/processors, has resulted in a dramatic slowing in the pace of the BSAI pollock fishery. Several reasons account for this slower pace of fishing. First, under the system of cooperatives which operate as a type of private IFQ system, each operator is issued a fixed quota which may be fished or leased to other operators. Fishermen are, therefore, guaranteed a fixed harvest and no longer need to race for fish at the same time as the rest of the fleet in order to assure their harvest. Under the prior open access regime, fishermen were forced to fish at the start of every fishery opening announced by NMFS or they would forfeit catch to their competitors. Secondly, fishermen may fish slower under cooperatives because they may be targeting a more specific size range of pollock for fillet or surimi processing, or may be ranging farther in attempts to locate higher quality catch. Thirdly, under cooperatives, processors may chose to operate at different times of the year than their competitors for logistical or market reasons. For example, a processor may wish to schedule pollock processing to avoid conflicts with salmon or crab processing activity so that the same processing crews and facilities may be more efficiently used in multiple fisheries. And finally, differences in markets may lead one processing operation to operate at different times of the year from its competitors. The advent of fishery cooperatives has provided this flexibility to all sectors of the BSAI pollock fleet where previously they had to compete with each other directly during each open access pollock opening to guarantee a percentage of the harvest.

Changes to fishing patterns: Spatial dispersion. Since the implementation of the AFA in 1999, the Bering Sea pollock fishery also has disbursed more widely on a spatial basis than had been the case in previous years. The most significant reason for this spatial dispersion of fishing effort was the 1999 implementation of Steller sea lion protection measures which established strict limits on harvests within the Steller sea lion Conservation Area (SCA) which was composed of a combination of the Catcher Vessel Operational Area (CVOA) and the major foraging area designated as Steller sea lion Critical Habitat (CH). However, a second reason for the increased spatial dispersion may be the slower pace of fishing under the AFA cooperatives. Because pollock is a migratory species, a side effect of slowing the pace of fishing may be the fishermen need to range over a wider area to encounter migrating schools of pollock at different times of the year. However the extent to which increased spatial dispersion of fishing effort is due to a slower-paced fishery under the AFA is difficult to estimate because it is difficult to disentangle the effects of the AFA from the effects of Steller sea lion protection measures that were implemented simultaneously. Nevertheless, while increased temporal dispersion of catch is the most obvious and dramatic effect of AFA implementation, some degree of spatial dispersion of catch is also a likely consequence of the AFA.

Changes to processing patterns. Since implementation of the AFA, higher utilization rates have resulted from fishermen and processors being guaranteed a specific percentage of the BSAI pollock fishery. Since the approximate amount of pollock going into a processing plant is known at the beginning of the year, the only way to increase production is to better utilize the fish being delivered. Slowing the rate pollock can be harvested while still allowing vessels and processors to maintain their share of the fishery has resulted in more product being produced. This occurred because the factories can operate slower, taking more care to extract useable products from the fish that are harvested. Pollock processors are keenly aware of the importance of utilization rates in terms of their own bottom line.

Since implementation of the AFA, pollock processors have reported increases in product recovery rates. Utilization rates in the catcher/processor sector increased about 26 percent from 1998 to 1999 (the overall utilization rate in 1999 was just over 25 percent) and about 35 percent from 1998 to 2000 (the overall utilization rate in 2000 was just over 27 percent). Inshore sector processors increased their utilization rate about 2.3 percent from 1999 to 2000. Their overall utilization rates increased from 35.8 percent in 1999 to 36.6 percent in 2000 (their utilization rate was about the same in 1998 as it was in 1999). While their increase was not as great as that seen in the catcher/processor sector, it still indicates they were able to produce about 4,000 mt more product in 2000 relative to what they would have produced had their utilization rate remained at the 1999 levels. The mothership sector's overall utilization rate rose from 20.7 percent in 1998 to 26.6 percent in 2000, an increase of almost 29 percent.

Effects of these changes on the environment. The EIS examines how these projected changes to pollock fishing and processing patterns are expected to affect the physical and biological resources of the BSAI and GOA. Table ES-1 displays the major conclusions with respect to environmental impacts of the alternatives. In summary, conditionally negative effects on Steller sea lions and predator-prey relationships have been identified for Alternative 1 primarily as a result of the expected increase in temporal and spatial concentration of fishing effort under Alternative 1. Alternatives 2 through 5 are expected to have conditionally positive effects on Steller sea lions as a result of the expected temporal and spatial dispersion of fishing effort and the expectation that fishery cooperatives will provide increased ability to micro-manage fishing activity at the individual vessel level. This increase in management capacity is expected to facilitate the implementation of Steller sea lion protection measures under Amendments 70/70. For all other components of the environment analyzed, the effects of all of the alternatives was found to be either insignificant or unknown.

Table ES-1 Summary of the predicted environmental effects of the alternatives.

<i>Affected Environment</i>	<i>Alt. 1 (no action)</i>	<i>Alt. 2 (AFA baseline)</i>	<i>Alt. 3 (preferred)</i>	<i>Alt. 4 (Co-op autonomy)</i>	<i>Alt. 5 (market freedom)</i>	<i>Comments and Summary</i>
<i>Effects on the physical environment</i>						
Substrate and benthic habitat						Pelagic trawl gear is mandated in the BSAI directed pollock fishery by regulation. The exclusive use of pelagic trawl gear in the BSAI directed pollock fishery is not expected to have significant impacts on benthic habitat and EFH.
Essential fish habitat (EFH)						
<i>Effects on marine mammals</i>						
Steller sea lions	CS-	CS+ <small>(relative to the no-action alternative)</small>	CS+ <small>(relative to the no-action alternative)</small>	CS+ <small>(relative to the no-action alternative)</small>	CS+ <small>(relative to the no-action alternative)</small>	Reverting to open access under Alt. 1 could lead to increased spatial/temporal concentration of catch and exacerbate Steller sea lion protection efforts. Formation of co-ops under Alts. 2-5 could decrease the spatial/temporal concentration of catch. Also, the increased ability to micro-manage vessel activity through co-ops is likely to facilitate the implementation of Amendment 70/70 protection measures.
ESA-listed cetaceans						These species do not prey primarily on pollock and/or their primary range does not overlap significantly with the primary pollock fishing areas.
Other cetaceans						
Northern fur seals	U	U	U	U	U	A shift in fishing effort northward away from the Steller sea lion conservation area (SCA) as a result of Steller sea lion protection measures and the emergence of fishery cooperatives could result in increased pollock removals from Northern fur seal foraging areas around the Pribilof Islands. The effects of this potential northward shift in fishing effort on Northern fur seals is unknown.
Harbor seals						These species do not prey primarily on pollock and/or their primary range does not overlap significantly with the primary pollock fishing areas.
Other pinnipeds						
Sea otters						
<i>Effects on fish and shellfish species</i>						
Pollock						None of the alternatives would affect total removals of pollock or the TAC-setting process.
Other groundfish						None of the alternatives would affect total removals of other groundfish species or the TAC setting process for those species.
Prohibited species						Bycatch rates of all prohibited species in the directed pollock fishery are low and are not expected to significantly affect the health of those species under all of the alternatives. The increased ability of co-ops to micro-manage individual vessel activity may enable co-ops to further reduce salmon bycatch.

Affected Environment	Alt. 1 (no action)	Alt. 2 (AFA baseline)	Alt. 3 (preferred)	Alt. 4 (Co-op autonomy)	Alt. 5 (market freedom)	Comments and Summary
Forage species	I	I	I	I	I	Bycatch of forage species is negligible under all of the alternatives
Effects on seabirds						
Non-piscivorous seabirds	I	I	I	I	I	Information voids for various aspects of seabird ecology make it difficult to predict impacts of fishery management changes on seabirds. Effects of spatial/temporal concentrations of prey on piscivorous seabirds considered unknown and insignificant for non-piscivorous seabirds.
Piscivorous (fish eating) seabirds	U	U	U	U	U	
Ecosystem effects						
Predator-prey relationships	CS-	U	U	U	U	Concentrated removals of pollock has been a concern in status-quo regime, especially with respect to Steller sea lions. The effects of a more dispersed fishery under Alternatives 2 through 5 on predator-prey relationships are considered unknown
Energy flow and balance	I	I	I	I	I	Combined evidence regarding the level of discards relative to natural sources of detritus and no evidence of changes in scavenger populations that are related to discard trends suggests that all of the alternatives would have insignificant ecosystem impacts through energy removal and redirection.
Biological diversity	I	I	I	I	I	No fishing-induced extinctions of groundfish or other marine species have been documented in the last 30 years or so. No fishing-induced changes in trophic diversity have been detected under current management regime.

S- Significant Negative
 CS- Conditionally Significant Negative
 I Insignificant
 CS+ Conditionally Significant Positive
 S+ Significant positive
 U Unknown

Summary of the economic and socio-economic effects of the alternatives

The EIS also examines the economic and socio-economic impacts of the alternatives. Impacts to the BSAI pollock industry, the Alaska groundfish industry as a whole, affected coastal communities, U.S. consumers, and net-benefits to the Nation are examined and summarized below.

Benefits to the BSAI pollock industry. The co-op system that is authorized under Alternatives 2 through 5 is expected to increase the profitability of BSAI pollock fishing and processing. The AFA reduced the transactions costs of organizing to eliminate problems flowing from the common property status of fisheries resources. The AFA defined and limited potential participants in the fishery, created relatively homogenous groupings of operations within the fishery, and provided the legal structure for the formation of the cooperatives within those groupings. The cooperatives, and other institutions (such as the Intercooperative Agreement) that emerged from the AFA, led to significant rationalization of the fishery harvest. This has led, and will almost certainly continue to lead, to operational economies for the pollock fishery in the BSAI.

These economies flow from the elimination of excess capital and labor from the fisheries, and from more effective coordination and use of the vessels and crew that remain. These economies will be greater for alternatives that allow relatively greater reductions in fishing capacity, and for those options that provide relatively more flexibility for cooperatives in their operations.

Experience in 1999 and 2000 indicates that the cooperatives are taking advantage of the program to remove excess fishing capacity with expectations of up to 30 percent reductions in fleet size for all three sectors of the BSAI pollock fishery. The co-op system also allows cooperatives to make more effective, coordinated, use of the vessels remaining in the cooperatives. This is expected to reduce costs and increase revenues in many ways:

- The end of the race for the fish allows operations to fish more slowly and to process more carefully. The result is likely to be an ability to obtain more added value from harvested fish. In 1999, the first year of the cooperatives, the vessels in the catcher/processor sector were able to increase utilization of harvested pollock resources by about 20 percent.
- Reports from catcher/processors suggest that, freed from the "race for the fish" the operators have been harvesting fewer fish per tow. This reduces bruising in the flesh, and may have contributed to improved roe quality.
- Operations are able to trade quota allocations between vessels within a given cooperative. This makes it possible to harvest allocations from the vessels that can do so at least cost in a given time and place.
- The increased flexibility offered by the cooperative system also allows fleets to respond more rapidly to market cues. This was an advantage to the catcher/processor sector in early 1999, when this flexibility allowed them to respond to increased demand and rising fillet prices by increasing fillet production while decreasing surimi production.

There are, however, factors built into the AFA that will probably prevent the industry from fully maximizing the profitability of the fishery. Although the AFA has eliminated the race for fish and the associated perverse incentive to increase fishing capacity, incentives to maintain existing capacity remain for several reasons. First, the AFA expires at the end of 2004; therefore, risks are involved with retiring

excess fishing and processing capacity. Second, the current rules governing cooperatives in the inshore sector will tend to limit consolidation of processing that would eliminate excess processing capacity. Third, inter-annual transfers among vessels of catch histories and the associated shares of the TAC for the inshore sector are prohibited; therefore, there is a strong incentive not to retire catcher vessels.

Benefits to U.S. consumers. The end of the “race for the fish” will make it easier for fishermen and fish processors to address the needs of their different markets. The race for fish induced processors to emphasize surimi production because it is the fastest way to process large quantities of fish caught at one time. Under the AFA-based alternatives, processors will have the time to produce products of higher value. The elimination of the race for the fish has allowed companies to increase the yields from pollock harvests. Processors are also now able to concentrate on the production of less valuable ancillary products such as oil and fishmeal. The end of the race for the fish also provides vessels more time to search for the size of fish most conducive to the products processors want to produce leading to increased product recovery and value. Another benefit has been that vessels can now justify catching fewer fish per trip. Catching fewer fish per trip improves product quality and utilization by reducing bruising and damage to the fish.

Safety. Commercial fishing is a dangerous occupation. From 1991 to 1998, the occupational fatality rate in groundfish fishing off of Alaska was 46 in 100,000. This occupational fatality rate is about 10 times the national average. Part of the reason is that fishermen who compete for fish in a common property fishery are often compelled to fish at times and places that are not very safe if they want to take a share of the fishery total allowable catch. Moreover, higher costs and lower revenues in a common property fishery may lead to lower profit margins and, indirectly, to less investment or attention to issues of safety.

This suggests that the introduction of the co-op system will allow fishermen more flexibility in their harvest and permit a greater consideration of safety issues. In addition, the program should increase the profitability of the fishery and lead, indirectly, to increased investment in safety. These factors should reduce risks of death, injury, and property loss in the BSAI pollock fishery.

Reports from the 1999 and 2000 fishing seasons indicate that the pollock fishery is being conducted in a safer manner under the AFA. The U.S. Government Accounting Office (GAO) reports that the pollock fishing industry views itself as safer. The GAO report noted, “Deep-sea fishing in the Bering Sea has historically been a hazardous occupation, and the hazards are increased when vessel operators believe they must operate in extremely bad weather to land a share of the catch. Because the cooperative agreements give members specific shares of the catch, vessels can now avoid fishing in such weather conditions.”

Impacts on other fisheries. The passage of the AFA and the introduction of co-ops in the BSAI pollock fishery raised concerns among fishermen in other fisheries that the rationalization of the pollock fishery would (1) free up excess fishing and processing capital that could be exported to other fisheries, and (2) would permit a more organized harvest of pollock and allow vessels and processing plants continuing in the pollock fishery to reallocate at least some of their time and capacity to other fisheries.

To protect the fishing and processing operations involved in other fisheries, the AFA provided for an elaborate system of “sideboards” or restrictions on what AFA vessels and plants could harvest and process in other fisheries. These sideboard regulations, and the ways they vary across alternatives, are described in detail in Chapter 2 of the EIS. In general, the sideboards work to limit AFA harvests of sideboard species to the proportions of the harvests of these species taken by the AFA sectors in the

period 1995 to 1997. The alternatives do vary somewhat with respect to the exemptions to these limitations, and there are variations in the computations used to relate sideboard limits to harvests during that period.

The efficiency impacts of the sideboards on other fisheries are difficult to determine and may not be large. Overall the catch of non-pollock species by AFA vessels may be somewhat reduced by these amendments, because the groundfish sideboards are based on landed catch history under the preferred alternative and the crab sideboards are more restrictive than the current license limitation program in most cases. Yet given the open access nature of these fisheries and the capacity that exists in other fleets, any harvest forgone by the AFA fleet will almost certainly be harvested by members of the non-AFA fleets. Differences among the alternatives for effecting sideboards do have the potential for distributional gains and losses; primarily these are trade-offs between the AFA and non-AFA vessels. While relative operating costs and other factors would affect the "net" results of such trade-offs, the basic intent of the sideboards is to maintain the status quo, in terms of the distribution of harvest between AFA and non-AFA vessels, and therefore inter-sectoral "net" impacts would be expected to tend towards neutral.

Summary of the benefit-cost analysis. Table ES-2 summarizes the benefit-cost analysis. Although the analysis is qualitative, the results permit a partial ranking of the different alternatives. Alternative 1, the fishery prior to the AFA, produces the smallest benefits. Moreover, it is precluded under the terms of the AFA. Of the four alternatives that are legal under the AFA, Alternative 2, minimum implementation, has the lowest net benefits. The problems with this alternative flow from the relatively large costs it imposes on the formation of the co-ops in the inshore catcher vessel sector. This raises questions about the ability of this sector to rationalize its part of the pollock fishery through the formation of co-ops. Alternative 4 appears to produce higher net benefits than Alternatives 1 and 2 because it tends to facilitate inshore co-ops, but it may produce lower net benefits than Alternatives 3 and 5 because of the high monitoring costs it would impose on industry.

Table ES-3 suggests that Alternative 3, has less net benefits than Alternative 5. Nevertheless, Alternative 3 has been designated as the "preferred" alternative. Benefit-cost analysis can only be one element in a public decision making process. Benefit-cost analysis is based on very specific ethical assumptions that not all persons may hold. Issues other than social efficiency may be important to many persons. For these reasons this benefit-cost analysis is supplemented with an analysis of the distributional implications of the alternatives, and an analysis on the impacts on small business, non-profit, and government entities in the accompanying Initial Regulatory Flexibility Analysis. In addition to these concerns, this benefit-cost analysis has been qualitative, and has incorporated a margin of error that makes it impossible to say for certain that Alternative 3 has smaller net benefits than Alternative 5.

Moreover, Alternative 3 is a political compromise that was developed in legislative and Council processes. It incorporates compromises among interest groups that were essential to bringing the AFA and the implementing regulations into existence. In particular, the difference between Alternatives 3 and 5 reflects a decision about the allocation of AFA benefits between inshore processors and inshore catcher vessels. The Council, for reasons of fairness and stability, chose not to change the terms of this agreement after it had been reached. Thus Alternative 3 is the preferred alternative, although it may not absolutely maximize net benefits as interpreted in benefit-cost analysis.

Table ES-2 Summary of benefit-cost analysis.

Benefit/Cost	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5
Organizing theme	<i>Open access "race for fish" under pre-AFA inshore/offshore regime</i>	<i>Implement minimum requirements of AFA without changes</i>	<i>Foster development of co-ops and inter-co-op agreements with NMFS-industry co-management of pollock and sideboard fishing</i>	<i>Maximize autonomy for individual co-ops to manage pollock and sideboard fishing at the individual co-op level</i>	<i>Increased market freedom for independent catcher vessels.</i>
Capital and operating cost reductions	Least	This alternative allows co-ops in the catcher/processor sector but imposes higher costs (that in Alternatives 3-5) for inshore catcher vessel co-ops. Benefits are greater than for Alternative 1, but less than for Alternatives 3 to 5.	This alternative facilitates co-ops in the inshore sector as well as the catcher/processor sector. It is thus expected to produce significantly larger social net benefits than Alternatives 1 and 2.	This alternative facilitates co-ops in the inshore sector as well as the catcher/processor sector. It is thus expected to produce significantly larger social net benefits than Alternatives 1 and 2.	This alternative facilitates inshore co-op formation in a way that is similar to Alternative 3. In addition, it allows inshore catcher vessels more flexibility to switch co-ops than does Alternative 3. Therefore, it may produce larger social net benefits.
Management expenses	Least	Second least expensive	Tied for third least expensive	Most expensive due to increased monitoring costs.	Tied for third least expensive
Consumer benefits and revenues from abroad	Least	Higher due to cooperative flexibility	Higher due to cooperative flexibility	Higher due to cooperative flexibility	Higher due to cooperative flexibility
Impacts on other fisheries	No large and systematic distinction identified among these alternatives.				
Relative ranking (from 1=highest net benefits to 5 = lowest net benefits)	5	4	2	3	1

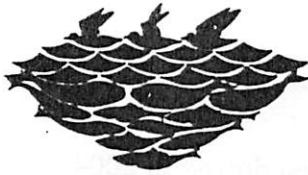
Impacts to fishing communities. Four fishing communities (Unalaska/Dutch Harbor, King Cove, Sand Point, and Akutan) are directly affected by the presence of AFA processors. Of these four communities, Unalaska/Dutch Harbor and King Cove are expected to benefit from the AFA-based alternatives. Impacts on these communities would be linked with benefits that would result from increased inshore pollock allocations and from AFA cooperatives by the establishment of a stable long-term supply of pollock to their neighboring shore-based processing plant. Such economic stability is expected to translate positively to these two neighboring communities.

The impacts of the AFA on Sand Point may be negative. While this community historically received deliveries of BSAI pollock, these deliveries may cease under the AFA-based alternatives because the Trident plant in Sand Point is not associated with a catcher vessel cooperative. Vessels that had historically delivered to that plant had delivered more pollock to Trident's Akutan plant and were therefore eligible to join that cooperative. This means that the long-term flow of BSAI pollock into the Sand Point community is less stable than under the status quo.

The community of Akutan is not identified as a small community that would be impacted by AFA fishery cooperatives. This determination is based on materials provided in 1995 to the Council, NMFS, and the State of Alaska by the Aleutian Pribilof Island Community Development Association on behalf of Akutan. The Council, State of Alaska, and NMFS, agreed these materials sufficiently documented no significant impacts were accrued by the community of Akutan from the presence of the neighboring Trident Seafood processing facility. This claim of no significant economic linkage between the Trident facility and the community of Akutan directly resulted in a 1996 regulatory change that included Akutan as an eligible participant in the CDQ program.

Impacts to CDQ groups. A total of six groups of Western Alaskan Communities comprise the CDQ program. These groups are considered small entities by NMFS and the Small Business Administration. No negative impacts should have been realized by these groups as a result of the AFA. The overall allocation to the CDQ program is increased from the 7.5 percent of the BS/AI TAC (Alternative 1 - status quo) to 10 percent annually under Alternatives 2 through 5. The change amounts to a 33 percent increase in the overall CDQ pollock allocation. That increase is equal to 25,000mt when the BS/AI TAC is 1 million metric tons. In revenue terms, if CDQ groups receive 8.5 cents per pound for their pollock allocation, it equates to an annual increase in revenues of over \$4.6 million. On average, that is equal to an annual increase of more than \$750,000 per CDQ group.

In addition to the increased CDQ allocation, the more stringent U.S. ownership requirements under the AFA have caused at least one of the largest pollock companies to restructure its ownership. During the restructuring process, the company formerly known as American Seafoods sold 20 percent of the entity to a CDQ corporation. Therefore, changing the ownership requirements has allowed some small entities to increase their ownership stake in the BSAI pollock fishery. If profits are being generated in the fishery, and it is assumed that they are, this is also a benefit to the CDQ groups, since these groups would share in the profits generated by the company.



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BYCATCH *Wasting Alaska's Future* *Special Update - June 2001*

Nearly 1,000 species of marine life are caught as bycatch in the North Pacific groundfish fisheries (NFMS 1998). Every year hundreds of millions of pounds of halibut, crab, salmon and other species are hauled aboard fishing vessels off the coast of Alaska, and then tossed back to sea as bycatch. These vast array of species with significant ecological importance, are dumped back to sea dead or dying because they are too small, the wrong sex, the wrong species, or of no immediate economic value.

To address excessive bycatch and respond to a concerned public, Congress amended the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA) in 1996. The Act requires that fishery managers adopt measures to minimize all forms of bycatch by *avoiding* unwanted catch. Congress also required accurate assessment of the amount and type of bycatch occurring in the fisheries. Finally, Congress added a specific requirement for North Pacific fisheries to adopt measures to lower the total amount of economic discards. Leaving no room for interpretation, Congress explicitly legislated that only measures to avoid bycatch will satisfy the law.

The Alaska Marine Conservation Council has been closely monitoring the efforts of fisheries managers and industry to comply with bycatch measures in the MSFCMA. This report has been designed to provide an informative view of bycatch in the North Pacific. Using the same methods as the Alaska Department of Fish and Game (ADF&G 1998), AMCC has updated bycatch data to include the years 1998 and 1999. Highlights of gear type and selected target fisheries provide a valuable understanding of bycatch. In addition, this report looks at places where improvement can be made, such as gear conversion from trawl to pot gear. The following summaries, tables and charts, outline bycatch rates among different fisheries and recent efforts taken to minimize wasteful fishing practices.

Management Changes to Reduce Bycatch:

This report unveils a substantial decline in discards from the year 1997 to 1998 and 1999, driven mainly by two changes in management; the Improved Retention/Improved Utilization program (IR/IU) and the ban on bottom trawling for Bering Sea pollock. The ban on bottom trawling for Bering Sea pollock was initiated by a proposal from the Alaska Marine Conservation Council and approved by the North Pacific Fisheries Management Council for the 1999 fishery. Another management measure designed to reduce bycatch of Chinook salmon is the designation of the Chinook Salmon Savings Areas (CHSSA) in the Bering Sea. The pollock fishery closes to vessels using trawl gear inside the CHSSA if the annual cap is attained. To this date the fishery has

never reached the cap, but each year the bycatch limit is being ratcheted down. In 2004 and after, the chinook bycatch cap will be set at 29,000 salmon.

In January of 1998 IR/IU was implemented in the Bering Sea Aleutian Islands (BSAI) and Gulf of Alaska (GOA). The intent of IR/IU was to provide industry with the incentive to develop more selective fishing techniques by requiring them to keep and utilize fish normally discarded as bycatch. The final rule requires 100% retention of all IR/IU species and a final product that is at least 15% of the live-weight of the fish. IR/IU species include pollock and Pacific cod, and in January of 2003 will also include rock sole and yellowfin sole (NOAA 1997).

Unfortunately, "utilization" of these species does not necessarily mean they will be processed for human consumption. The fish that were once discarded as bycatch because they were too small to effectively process can now be used as bait or processed into fishmeal. For boats or processors with fishmeal plants, IR/IU encourages fishmeal production rather than an incentive to protect juvenile stocks. The implementation of IR/IU raises serious concerns of whether or not any conservation benefits may have been achieved. Does the decline in discards reported by onboard observers reflect more selective fishing efforts, or an increase in fishmeal production? There have been no analyses conducted of how IR/IU has changed fishing practices and production, making the success of this program extremely difficult to evaluate.

Table 1 Pollock and Pacific Cod Discards, Bering Sea/ Aleutian Islands and Gulf of Alaska

		1997 Discard (lbs)	1997 Discard Rate*	1998 Discard (lbs)	1998 Discard Rate
BSAI	Pollock	203,759,000	8.70%	30,319,000	1.50%
	Pacific Cod	47,529,000	8.50%	7,835,000	2.20%
GOA	Pollock	15,331,000	7.8%	2,923,000	1.1%
	Pacific Cod	10,500,000	7.0%	3,595,000	2.6%

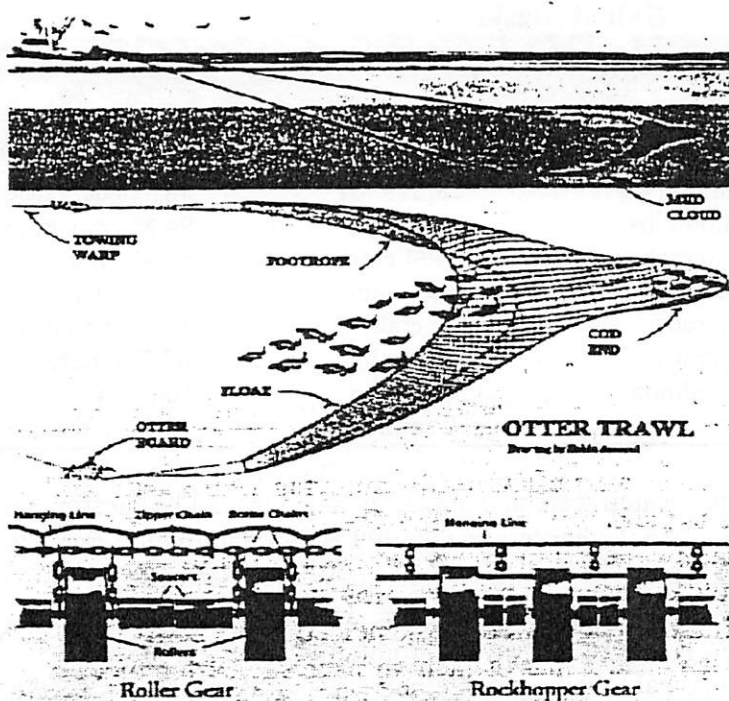
* The % discard rate is the percentage of the total catch tossed back to sea.

Gear Modifications:

Some catcher vessels don't have the ability to process fishmeal and are taking measures to avoid non-desired juvenile pollock and Pacific cod. One way to avoid juvenile pollock is to use square mesh through which small fish can escape, instead of the traditional diamond shaped mesh (Wildlife Conservation Society).

Additional research has shown that square mesh nets may allow small pollock to escape but consequently injures them in the process (Erickson et al 1999). These studies have shown that mortalities range between 47% and 84% for fish that escape through trawl codend meshes, and 47% to 64% for fish that escape through intermediate panels in the trawl nets (see Figure 1, diagram of an Otter Trawl). Additionally, pollock that survive passage through trawl nets may suffer extensive fatigue and disorientation, making them more vulnerable to predation (Ryer 2000).

Figure 1



Trawler catcher vessels range from 58' to 300'. Catches can be as enormous as 100 tons or more, depending on the fisheries, size and horsepower of the vessel, and the concentration of fish in the area (Gunstrom 1994). This picture illustrates rockhopper and roller gear, which trawlers drag over hard bottom habitats (Cape Cod Commercial Hook Fishermen's Association 2000. Drawing by Paul Shuman).

Gear Conversion:

Trawl fleets account for the vast majority of bycatch (see Tables 5 & 6, Figure 2). In contrast, pot gear incurs low amounts of bycatch. As a hypothetical tool, AMCC was interested to see how bycatch levels would change if the Pacific cod trawl fleet converted to pot gear.

In 1999 the BSAI Pacific cod factory trawl fleet discarded 29,905,000 lbs of groundfish at a discard rate of 38.0%. The BSAI Pacific cod catcher processor - pot fleet discarded 245,000 lbs of groundfish at a discard rate of 3.4%, while in the GOA they had a 0.5% discard rate. The tables below project how bycatch would change if factory trawlers converted to pot gear while targeting Pacific cod, assuming the new pot fleet would catch an amount of Pacific cod equal to that when trawling.

Table 2 Conversion of Trawl to Pot gear Bering Sea/ Aleutian Islands

<i>Groundfish and PSC species</i>	<i>Total Discards BSAI Pacific Cod Factory Trawl fleet (1999)</i>	<i>Total Discards if Pacific Cod Factory Trawl fleet converted to pot gear</i>	<i>% Decrease or increase in bycatch</i>
<i>Groundfish</i>	29,905,000 lbs	2,675,000 lbs.	91.1 % decrease
<i>Halibut</i>	1,672,000 lbs	700 lbs.	99.9 % decrease
<i>C. bairdi tanner crab</i>	93,815 crab	126,231 crab	25.7 % increase
<i>Other tanner crab</i>	218,934 crab	600,181 crab	63.5 % increase
<i>Red King crab</i>	7,339 crabs	4,295 crab	41.5 % decrease
<i>Other King crab</i>	3,828 crabs	68,330 crab	94.4 % increase
<i>Chinook Salmon</i>	686 salmon	0 salmon	100 % decrease
<i>Other Salmon</i>	11 salmon	0 salmon	100 % decrease

Table 3 Conversion of Trawl to Pot gear
Gulf of Alaska

<i>Groundfish and PSC species</i>	<i>Total Discards GOA Pacific Cod Factory Trawl Fleet (1999)</i>	<i>Total Discards if Pacific Cod Factory Trawl fleet converted to pot gear</i>	<i>% Decrease or increase in bycatch</i>
<i>Groundfish</i>	2,198,000 lbs	28,219 lbs	98.7% decrease
<i>Halibut mortality</i>	398,000 lbs	20,723 lbs	94.8% decrease
<i>C. bairdi tanner crab</i>	1,280 crabs	3,494 crabs	63.4% increase
<i>Other tanner crab</i>	163 crabs	120 crabs	26.4% decrease
<i>Red King crab</i>	0 crabs	0 crabs	0.0 % no change
<i>Other King crab</i>	2 crabs	14 crabs	85.7% increase
<i>Chinook Salmon</i>	146 salmon	0 salmon	100 % decrease
<i>Other Salmon</i>	1 salmon	0 salmon	100 % decrease

The projected changes in bycatch were calculated by applying 1999 Pacific cod catcher/ processor pot discard rates to the harvest of the 1999 BSAI Pacific cod factory trawl fleet (NMFS 1999 bycatch data). These projections show that discards for groundfish species and halibut would dramatically decline. However for most crab species, bycatch would increase. If this scenario were implemented in the BSAI groundfish fishery, it would be critical to take management measures to curb projected crab bycatch.

Highlights from 1998 & 1999 Data:

Table 4 Amount of bycatch from all groundfish fisheries
Bering Sea/ Aleutian Islands & Gulf of Alaska

	<i>1997</i>	<i>1998</i>	<i>1999</i>
<i>Groundfish Species</i>	644,654,000 lbs	329,822,000 lbs	328,368,000 lbs
<i>Halibut (mortality)*</i>	14,620,000 lbs	14,087,000 lbs	14,414,000 lbs
<i>Herring</i>	2,515,000 lbs	1,797,000 lbs	1,989,000 lbs
<i>Chinook Salmon**</i>	63,231 fish	70,000 fish	43,492 fish
<i>Other Salmon</i>	65,578 fish	81,580 fish	53,792 fish
<i>Red King Crab</i>	74,634 crabs	49,191 crabs	94,022 crabs
<i>Other King Crab</i>	29,093 crabs	43,220 crabs	61,878 crabs
<i>C. bairdi Tanner Crab</i>	2,262,152 crabs	1,643,587 crabs	996,764 crabs
<i>Other Tanner Crab</i>	5,654,941 crabs	4,633,578 crabs	1,604,354 crabs
<i>Marine Life with no Commercial Value ***</i>		~No information Available~	

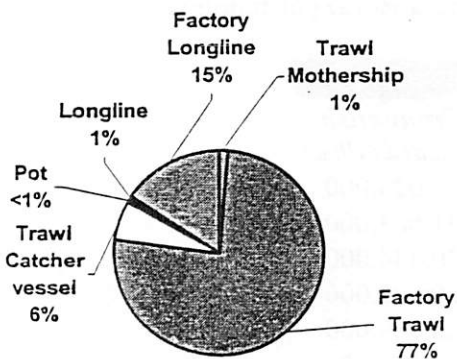
* **Halibut Mortality:** The International Pacific Halibut Commission (IPHC) determines halibut mortality based on observer sampling data for each fishery. The assumed mortality rate for all other species is 100%. For more on halibut mortality rates see: www.iphc.washington.edu/halcom/

** **Chinook Salmon:** In 1999, Chinook bycatch decreased only in the Bering Sea and Aleutian Island fisheries. Gulf of Alaska Chinook bycatch increased from 16,984 salmon in 1998 to 30,600 in 1999.

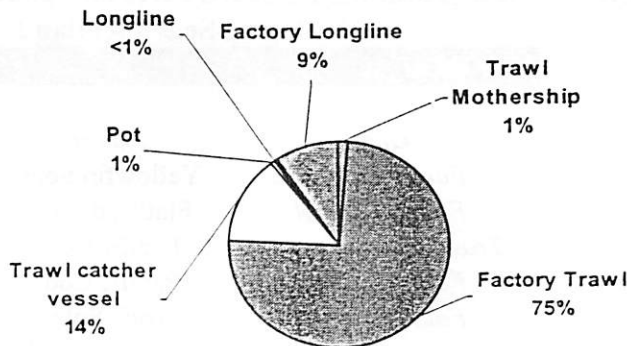
*** **Marine Life with No Commercial Value:** Nearly 1,0000 species are caught as bycatch in the North Pacific groundfish fisheries. Many of these species receive little or no documentation by onboard observers. Included among the many poorly documented species are corals, sea urchins, sponges, anemones, and various sea birds.

Figure 2 Amount of total bycatch by gear type in the Bering Sea/ Aleutian Islands & Gulf of Alaska

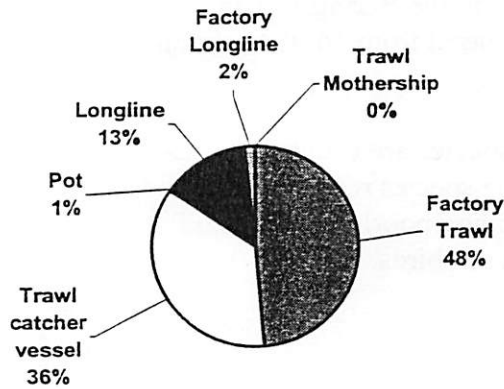
Bering Sea/ Aleutian Islands 1998
total discard: 282,434,000 lbs.



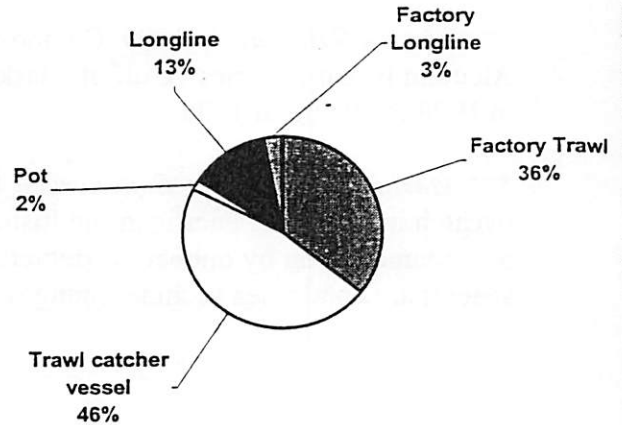
Bering Sea/ Aleutian Islands 1999
total discard: 275,077,000 lbs.



Gulf of Alaska 1998
total discard: 47,388,000 lbs.



Gulf of Alaska 1999
total discard: 53,291,000 lbs.



Highlights by gear type:

The following two tables highlight bycatch rates and poundage for specific fisheries in the BSAI & GOA. The discard rate is the percentage of the total catch tossed back to sea. It is interesting to note that although some fisheries have very high discard rates, the amount of bycatch can be far less than in fisheries with lower discard rates. A fishery may look “clean” based on discard rates, but a small percentage of a very large volume can equate to millions of pounds of bycatch.

Table 5 Total groundfish discard rates and pounds by gear type and target fishery, Bering Sea/ Aleutian Islands 1999

1999 BSAI			
<i>Gear</i>	<i>Target</i>	<i>Groundfish Discard Rate</i>	<i>Groundfish Discards (lbs.)</i>
Factory Trawl	Yellowfin Sole	33.0%	73,028,000
Factory Trawl	Flathead Sole	46.0%	31,683,000
Trawl catcher vessel	Pacific Cod	32.1%	30,444,000
Factory Trawl	Pacific Cod	38.0%	29,905,000
Factory Trawl	Rock Sole	47.1%	28,319,000
Factory Trawl	Atka mackerel	17.8%	24,185,000
Factory Longline	Pacific Cod	11.4%	23,118,000
Factory Trawl	Other Flatfish	63.2%	3,776,000
Longline	Sablefish	50.5%	714,000
Longline	Greenland Turbot	57.4%	326,000
Longline	Pacific Cod	53.8%	201,000
Pot- Catcher/Processor	Pacific Cod	3.4%	245,000
Jig	Pacific Cod	0%	0

Table 6 Total groundfish discard rates and pounds by gear type and target fishery, Gulf of Alaska 1999

1999 GOA			
<i>Gear</i>	<i>Target</i>	<i>Discard</i>	
		<i>Rate</i>	<i>Discard (lbs.)</i>
<i>Factory Trawl</i>	Rex Sole	57.0%	10,453,000
<i>Trawl catcher vessel</i>	Pacific Cod	11.8%	9,905,000
<i>Trawl catcher vessel</i>	Rockfish	28.4%	6,650,000
<i>Factory Trawl</i>	Rockfish	11.4%	3,984,000
<i>Longline</i>	Pacific Cod	19.2%	3,414,000
<i>Longline</i>	Sablefish	11.5%	3,205,000
<i>Trawl catcher vessel</i>	Deep-water flatfish	39.0%	3,038,000
<i>Factory Trawl</i>	Arrowtooth Flounder	36.5%	2,464,000
<i>Factory Trawl</i>	Pacific Cod	38.9%	2,198,000
<i>Trawl catcher vessel</i>	Shallow-water flatfish	27.1%	797,000
<i>Pot- Catcher/Processor</i>	Pacific Cod	0.5%	44,000
<i>Jig</i>	Pacific Cod	0%	0

Bering Sea/ Aleutian Island Flathead Sole Fishery:

Flathead sole are a bottom dwelling flatfish similar to flounder, distributed from off the coast of Northern California to the Bering Sea. The BSAI flathead sole fishery is conducted using factory bottom trawls. They are also caught in great numbers and discarded overboard by other target fisheries and gear types. Fisheries managers consider the flathead sole populations to be healthy and not approaching an overfished condition (NPFMC 2000).

Because of the nature of flathead sole and of bottom trawlers, there is an enormous amount of bycatch of other groundfish, prohibited species, and unspecified "other species." Flathead sole and other target groundfish species are managed as independent stocks, yet they are part of a diverse ecosystem. Each year since 1995, the flathead sole fishery has closed before reaching the total allowable catch due to the attainment of the prohibited species cap for halibut.

The following table highlights the bycatch of selected species in the BSAI flathead sole fishery for 1998 and 1999. In 1998 the total groundfish discards was 36.6 million pounds at a rate of 45.1% and in 1999 it was 31.6 million pounds at a rate of 46.0%.

**Table 7 Bycatch in Flathead Sole Fishery
Bering Sea/ Aleutian Islands 1998 and 1999**

<i>Groundfish Species</i>	<i>1998</i>		<i>1999</i>	
	<i>Discard Rate</i>	<i>Discard lbs.</i>	<i>Discard Rate</i>	<i>Discard lbs.</i>
<i>Flathead sole</i>	15.0%	4,402,000	13.0%	3,069,000
<i>Pollock</i>	43.9%	2,294,000	59.5%	5,158,000
<i>Yellowfin sole</i>	54.5%	6,010,000	51.2%	4,080,000
<i>Rock sole</i>	75.1%	6,095,000	74.4%	4,082,000
<i>Arrowtooth flounder</i>	90.5%	8,231,000	88.6%	6,496,000
<i>Other species</i>	99.3%	5,143,000	100.0%	4,780,000

Gulf of Alaska Flatfish Fishery:

The "flatfish" group is comprised of the predominant commercial flatfish species, excluding halibut. The species accounting for 98% of the catch volume include arrowtooth flounder, flathead sole, rock sole, rex sole, Dover sole, yellowfin sole, and starry flounder. The flatfish complex is divided into four groups including shallow water flatfish, deep-water flatfish, arrowtooth flounder, and flathead sole. The shallow water and deep-water groups were split because of a significant difference in halibut bycatch rates (NPFMC 2000).

Like the BSAI flathead sole fishery, the shallow water and deep-water flatfish are targeted using bottom trawls. Flatfish are also caught in trawl and longline fisheries that are not targeting flatfish, and they are subsequently dumped in large volumes as bycatch. The following tables highlight bycatch in the GOA deep-water and shallow-water flatfish fisheries.

**Table 8 Bycatch in the Trawl/ Catcher Vessel Deep-water flatfish fishery
Gulf of Alaska 1998 & 1999**

<i>Species</i>	1998		1999	
	<i>Discard Rate</i>	<i>Discard lbs.</i>	<i>Discard Rate</i>	<i>Discard lbs</i>
<i>All groundfish species</i>	27.2%	2,159,000	39.0%	3,038,000
<i>Deep-water flatfish</i>	0.4%	14,000	0.6%	18,000
<i>Shallow-water flatfish</i>	1.5%	3,000	60.4%	70,000
<i>Shorthead/ roughey rockfish</i>	72.6%	101,000	65.3%	159,000
<i>Arrowtooth flounder</i>	79.0%	1,490,000	78.7%	1,828,000
<i>Sablefish</i>	35.8%	157,000	62.5%	320,000
<i>Pollock</i>	33.6%	13,000	70.3%	139,000
<i>Halibut mortality</i>	4.4%	353,000	3.8%	295,000

*Discard rates for the above species are calculated from discards and total catch of just that species, but the halibut mortality rate is calculated as the amount of halibut mortality in relation to total groundfish catch.

**Table 9 Bycatch in the Trawl/ Catcher Vessel Shallow-water flatfish fishery
Gulf of Alaska 1998 & 1999**

<i>Species</i>	1998		1999	
	<i>Discard Rate</i>	<i>Discard lbs.</i>	<i>Discard Rate</i>	<i>Discard lbs</i>
<i>All groundfish species</i>	46.7%	4,169,000	27.1%	797,000
<i>Shallow-water flatfish</i>	7.1%	218,000	6.8%	117,000
<i>Rex sole</i>	3.8%	3,000	0.0%	0
<i>Pollock</i>	67.2%	276,000	59.0%	102,000
<i>Halibut mortality</i>	9.5%	851,000	4.0%	117,000

*Discard rates for the above species are calculated from discards and total catch of just that species, but the halibut mortality rate is calculated as the amount of halibut mortality in relation to total groundfish catch.

CDQ Fisheries:

The Western Alaska Community Development Quota (CDQ) program allocates a percentage of all Bering Sea and Aleutian Island quotas for groundfish, prohibited species, halibut, and crab to eligible coastal communities. From 1993-1997 pollock was the only groundfish species allocated. 1998 marked the first year of the "multi-species" CDQ program, in which all groundfish species and associated PSC quotas were allocated.

Fishing for CDQ quota tends to be during times outside open access groundfish seasons. Because dates for some open access fisheries were set to minimize PSC bycatch, there was concern that PSC bycatch in CDQ fisheries could be greater than in open access fisheries. However, CDQ is subdivided among six groups, each of which in turn allies with other vessels or companies to catch their quota. A boat with its own quota is able to make more operational choices to avoid bycatch as compared to the open access, "race for the fish." Table 10 compares bycatch rates for factory trawl pollock fisheries between open access and CDQ fisheries.

Table 10 Comparison of Open Access to CDQ fisheries
1998 & 1999

<i>Pollock—Factory Trawl</i>	<i>1998</i>	<i>1998</i>	<i>1999</i>	<i>1999</i>
	<i>Open Access</i>	<i>CDQ</i>	<i>Open Access</i>	<i>CDQ</i>
<i>Groundfish Catch (lbs)</i>	1,066,960,000	141,865,000	726,906,000	164,906,000
<i>Groundfish Discard (lbs)</i>	13,065,000	2,657,000	7,454,000	2,000,000
<i>Groundfish Discard Rate</i>	1.0%	1.9%	1.0%	1.2%
<i>Halibut (lbs)</i>	264,555	11,023	260,145	11,023
<i>Halibut Discard Rate</i>	0.25%	0.08%	0.36%	0.07%
<i>Crab (individuals)</i>	80,273	1,143	2648	56
<i>Crab Discard Rate (crab/ton)</i>	0.151	0.016	0.007	0.000
<i>Salmon</i>	16,268	2,707	6,393	807
<i>Salmon Discard Rate (fish/ton)</i>	0.031	0.038	0.017	0.010

More work to reduce Bycatch in needed:

People throughout Alaska are concerned about the impacts of bycatch on our coastal communities, economies and the marine ecosystem. The bycatch of such large masses of marine life from the ecosystem is not only wasteful but establishes harmful consequences for the ecological integrity of the North Pacific. 328 million pounds of groundfish and unknown quantities of other species dumped back to sea dead or dying, is not acceptable. Management actions such as the ban on bottom trawling for Bering Sea pollock have been successful in reducing bycatch by up to 50%. However, the Improved Retention/ Improved Utilization program requires in depth evaluation if we are to accurately weigh its benefits for bycatch reduction. In light of past management actions to reduce bycatch, it is apparent that much more effort is needed.

The Magnuson-Stevens Act should be amended to:

- ~~se~~ Make avoiding bycatch in marine fisheries a priority.
- ~~se~~ Require fishery managers to make progress in reducing bycatch under strict timelines.
- ~~se~~ Promote conversion to cleaner gear types.
- ~~se~~ Restrict indiscriminate fishing gear in biologically sensitive habitats.
- ~~se~~ Increase observer coverage to improve catch data and to achieve greater accountability.

Data Sources and Methodology:

1998/1999 bycatch data compiled for the Alaska Marine Conservation Council by Fisheries Information Services from the National Marine Fisheries Service (NMFS) "best blend" data set. A description of the derivation of this data can be found at:

<http://www.fakr.noaa.gov/sustainablefisheries/blend.htm>

Totals may differ slightly from those in the NMFS annual reports posted on the NMFS web-page due to slightly different methodologies in assigning targets in the data provided to the author, and small amounts of catch in unassigned categories which were not included in this report. AMCC thanks Fisheries Information Services in cooperation with Mary Furuness & Pamela Mason of NMFS for providing bycatch data.

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Photo Credits:

Page 3: Shuman, P. Cape Cod Commercial Hook Fishermen's Association. "Hooked on Cod," Vol.4 issue 1, January 2000.

Excerpt from Russell
Pritchett letter

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October 2001

requirements to determine and submit measures to protect non-AFA fishermen from any adverse impacts of the AFA or of the pollock cooperative system, and (2) to fulfill the policies set forth in National Standard 10, take the following actions:

1. That the Council recommend to the Secretary of Commerce that regulations be implemented as soon as possible to hold these three long-time cod vessels harmless from the adverse effects of the AFA and the coop system by:

A. Limiting access to the directed trawl fishery for Pacific cod to the cod-exempt AFA vessels and to open access vessels which have a history of economic dependency upon the winter Bering Sea Pacific cod fisheries, as demonstrated by average January and February deliveries of at least 500,000 pounds for 4 out of the 5 pre-AFA years of 1995-1999 (or such other measure of dependency as the Council deems fit), and

B. Allocating a minimum of 5,000,000 pounds (with no cap) of Pacific cod to non-AFA vessels which meet the criteria set forth in paragraph A above.

2. That the Council task Council staff to determine the nature and extent of any adverse impacts on other fisheries or participants in those other fisheries caused by the AFA or the fishery cooperatives in the directed pollock fishery, including:

- A. Increased safety problems,
- B. Decreased catch per unit of effort,
- C. Increased fishing time required,
- D. Loss of earnings, and
- E. The measures which are necessary to ensure that participants in other fisheries

Julie Bonney
C-4
Oct. 2001

ATTACHMENT 6

June 2000 AP recommendation on GOA P.cod rationalization

The goa Rationalization Committee revised the June 2000 Advisory Panel recommendation such that the Council request AKFIN (?) to develop tables depicting background data to implement further LLP endorsements for GOA pollock, Pacific cod, rockfish, and flatfish.

Freezer Longline Vessels:

Qualification Years:

- Option 1: Any two years 1995, 1996, 1997, 1998
- Option 2: Any two years 1995, 1996, 1997, 1998, 1999
- Option 3: Any two years 1995, 1996, 1997, 1998, 1999, 2000
- Option 4: Any two years 1995, 1997, 1998, 1999
- Option 5: Any two years 1995, 1997, 1998, 1999, 2000
- Option 6: Any three years of 1995, 1996, 1997, 1998
- Option 7: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 8: Any three years of 1995, 1996, 1997, 1998, 1999, 2000

Minimum poundage requirement during each qualifying year:

- Option 1: 100,001 lbs. - 200,000 lbs.
- Option 2: 200,001 lbs. - 300,000 lbs.
- Option 3: > 300,000 lbs.

Catcher Longline Vessels:

Qualification Years:

- Option 1: Any two years 1996, 1997, 1998
- Option 2: Any two years 1996, 1997, 1998, 1999
- Option 3: Any two years 1996, 1997, 1998, 1999, 2000
- Option 4: Any three years of 1995, 1996, 1997, 1998
- Option 5: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 6: Any three years of 1995, 1996, 1997, 1998, 1999, 2000

Qualification landings (minimum landing requirements):

Minimum poundage requirement during each qualifying year:

- Option 1: 25,000 lbs. - 50,000 lbs.
- Option 2: 50,001 lbs. - 100,000 lbs.
- Option 3: 100,001 lbs. - 300,000 lbs.
- Option 4: > 300,000 lbs.

Suboption 1: Allow catcher vessels less than 60' LOA to use their jig landing as part of their catch history to apply towards a minimum landing requirement.

Suboption 2: Allow all catcher vessels to use their jig landing as part of their catch history to apply towards a minimum landing requirement.

Pot Gear Catcher Vessels:

Qualification Years:

- Option 1: Any two years of 1995, 1996, 1997, 1998
- Option 2: Any two years of 1995, 1996, 1997, 1998, 1999
- Option 3: Any two years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 4: Any three years of 1995, 1996, 1997, 1998
- Option 5: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 6: Any three years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 7: Any four years of 1995, 1996, 1997, 1998,
- Option 8: Any four years of 1995, 1996, 1997, 1998, 1999
- Option 9: Any four years of 1995, 1996, 1997, 1998, 1999, 2000

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

- Option 1: 25,000 lbs. - 50,000 lbs.
- Option 2: 50,001 lbs. - 100,000 lbs.
- Option 3: 100,001 lbs. - 300,000 lbs.
- Option 4: > 300,000 lbs.

Pot Gear Catcher Processor Vessels:

Qualification Years:

- Option 1: Any two years of 1995, 1996, 1997, 1998
- Option 2: Any two years of 1995, 1996, 1997, 1998, 1999
- Option 3: Any two years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 4: Any three years of 1995, 1996, 1997, 1998
- Option 5: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 6: Any three years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 7: Any four years of 1995, 1996, 1997, 1998,
- Option 8: Any four years of 1995, 1996, 1997, 1998, 1999
- Option 9: Any four years of 1995, 1996, 1997, 1998, 1999, 2000

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

- Option 1: 25,000 lbs. - 50,000 lbs.
- Option 2: 50,001 lbs. - 100,000 lbs.
- Option 3: 100,001 lbs. - 300,000 lbs.
- Option 4: > 300,000 lbs.

Trawl Catcher Vessels:

Qualification Years:

- Option 1: Any two years of 1995, 1996, 1997, 1998
- Option 2: Any two years of 1995, 1996, 1997, 1998, 1999
- Option 3: Any two years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 4: Any two years of 1996, 1997, 1998, 1999
- Option 5: Any two years of 1996, 1997, 1998, 1999, 2000
- Option 6: Any three years of 1995, 1996, 1997, 1998
- Option 7: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 8: Any three years of 1995, 1996, 1997, 1998, 1999, 2000
- Option 9: Any four years of 1995, 1996, 1997, 1998
- Option 10: Any four years of 1995, 1996, 1997, 1998, 1999
- Option 11: Any four years of 1995, 1996, 1997, 1998, 1999, 2000

Option 12: Any five years of 1995, 1996, 1997, 1998, 1999
Option 13: Any five years of 1995, 1996, 1997, 1998, 1999, 2000

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

Option 1: 50,001 lbs. - 100,000 lbs.

Option 2: 100,001 lbs. - 300,000 lbs.

Option 3: > 300,000 lbs.

Trawl Catcher Processors:

Qualification Years:

Option 1: Any two years of 1995, 1996, 1997, 1998

Option 2: Any two years of 1995, 1996, 1997, 1998, 1999

Option 3: Any two years of 1995, 1996, 1997, 1998, 1999, 2000

Option 4: Any two years of 1995, 1996, 1997

Option 5: Any two years of 1996, 1997, 1998

Option 6: Any two years of 1996, 1997, 1998, 1999

Option 7: Any two years of 1996, 1997, 1998, 1999, 2000

Option 8: Any three years of 1995, 1996, 1997, 1998

Option 9: Any three years of 1995, 1996, 1997, 1998, 1999

Option 10: Any three years of 1995, 1996, 1997, 1998, 1999, 2000

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

Option 1: 100,001 lbs. - 300,000 lbs.

Option 2: > 300,000 lbs.

Jig Gear Vessels:

Qualification Years:

Option 1: Any one year of 1995, 1996, 1997, 1998

Option 2: Any one year of 1995, 1996, 1997, 1998, 1999

Option 3: Any one year of 1995, 1996, 1997, 1998, 1999

Option 4: Any two years of 1995, 1996, 1997, 1998

Option 5: Any two years of 1995, 1996, 1997, 1998, 1999

Option 6: Any two years of 1995, 1996, 1997, 1998, 1999

Option 7: Any three years of 1995, 1996, 1997, 1998

Option 8: Any three years of 1995, 1996, 1997, 1998, 1999

Option 9: Any three years of 1995, 1996, 1997, 1998, 1999

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

Option 1: A landing only (no minimum poundage required)

Option 2: 25,000 lbs. - 50,000 lbs.

Option 3: 50,001 lbs. - 100,000 lbs.

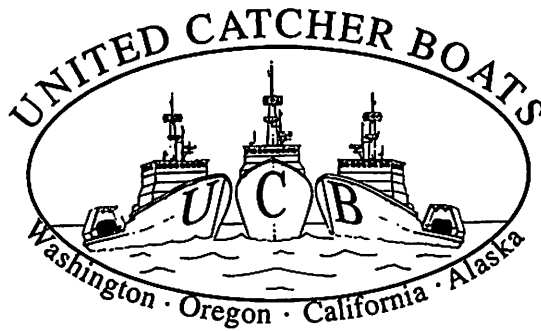
Option 4: over 100,001 lbs.

Exemptions

Analyze options that exempt the following vessel sizes from the gear and area endorsements:

1. 58'
2. 50'
3. 48'

Brent C. Paine
Executive Director



Oct 2001
C-4

Steve E. Hughes
Technical Director

John F. Gruver
Intercoop Manager

From: John Gruver
To: Terry Leitzell ; Steve Olsen ; Mike Martin ; Marcus Alden ; Lou Fleming ; Ken Tippett ; Kathy Alexy ; Karl Haflinger ; John Woodruff ; John Dooley ; Joe Sullivan ; Joe Plesha ; Jim McManus ; Jeff Hendricks ; Gunnar Ildhuso ; Fred Yeck ; Donna Parker ; Don Goodfellow ; David Stanchfield ; Dave Fraser ; Dale Schwarzmiller ; Christian Asay ; Chris Garbrick ; Brent Paine ; Bob Dooley ; Bill Oliver ; Craig Cross
Sent: Friday, January 19, 2001 11:35 AM
Subject: Area 655430 Vessels

At Wednesday's IC meeting all coop's agreed to make their best effort towards maintaining 21 or less AFA non-exempt cod vessels fishing in ADF&G stat area 655430. The following table provides each coop's base number of vessels to fish for cod in area 655430 each day. This is not meant to be a hard limit for each coop, but a reference point. The total number of boats inside the area is the main concern. If a coop has a day(s) where they have more than their initial amount of vessels, we will try to find a coop currently not using all their vessel days. John

Coop	Coop Cod %	Vessels Pro Rata	Minimum of 1 Boat.	Adjustments Based on 2000 Unimak Area Survey	Committee Recommended Initial Number of Vessels per coop in Area 655430
Akutan CVA	26.47%	5	5	-1	4
Arctic Ent	5.85%	1	1	0	1
HSCC	10.57%	2	2	-1	1
Mothership CVs	15.25%	3	3	1	4
Northern Victor	12.60%	3	3	0	3
Peter Pan	0.52%	0	1	0	1
Unalaska	8.35%	2	2	0	2
Unisea	11.62%	2	2	1	3
Westward	8.77%	2	2	0	2
		20	21		21

T. Smith
NPLA
Oct 2001
DRAFT

C-4 AFA

IRIU

The AP recommends staff begin analysis immediately of a potential amendment to IRIU regulations for flatfish that would:

- a. Examine a range of retention rates for those fisheries.

The suggested range: 100% retention
 85% retention
 50% retention
 No retention requirement

- b. Analyze the halibut mortality avoidance program (HMAP) implementation including the probability and range of likely halibut mortality savings and deducting those savings from the appropriate halibut bycatch cap.

Motion passed 19:0

LLP RECENCY

The AP recommends the Council develop a discussion paper on non-AFA CP and CV BSAI trawl LLP recency requirement. Further, we request the paper contain a matrix showing participation based on a catch threshold of 50, 150, 250 mt/year of trawl groundfish deliveries.

Motion passed 19:0

ADDITIONAL AFA MEASURES

The AP recommends the Council develop analysis for:

- A. Proposed additional sideboard protection measures for non AFA Pacific cod fishermen with the following provisions:

1. Limiting access to the directed trawl fishery for Pacific cod to the cod-exempt AFA vessels and to open access vessels which have a history of economic dependency upon the winter Bering Sea Pacific cod fisheries, as demonstrated by average January, February deliveries of at least 500,000 lbs for 4 out of the 5 pre-AFA years of 1995-1999 (or such other measure of dependency as the Council deems fit), and
2. Allocating a minimum of 1) 5,000,000 lbs (with no cap) or 2) historical catch of TAC of Pacific cod to non-AFA vessels which meet the criteria set forth in paragraph A above.
3. Require co-ops to use such measures as limiting the number of AFA vessels on the cod grounds at any given time to ensure that non-AFA and exempt vessels do not get pre-empted and insure their historical participation.

- B. The conversion of AFA eligible c/p non-pollock target species sideboard caps into allocations in order to allow the use of such target species to be maximized including thorough possible rationalization. The analysis should consider the potential to rollover any unused cod by AFA-eligible c/ps to the other trawl sectors.

- C. A proposal to change the single geographic location (SGL) restriction as submitted by Icicle Seafoods.

(It is noted that these measures would not apply to CDQ operations)

BSAI Amendment 46 Pacific Cod Allocation (II)

Dates: Amendment 46 was adopted by the Council in June 1996. NMFS published a proposed rule to implement Amendment 46 to the Fishery Management Plan for the groundfish of the BSAI on August 22, 1996 (61 FR 43325). The final rule was published on November 20, 1996 (61 FR 59029). Effective date of implementation was January 1, 1997.

Purpose and Need: Amendment 46 was proposed to extend the management measures authorized by Amendment 24 beyond 1996. Amendment 24 authorized the explicit allocation of BSAI Pacific cod among vessels using trawl, hook-and-line or pot gear, and jig gear. The amendment also authorized the seasonal apportionment of the amount of Pacific cod allocated to vessels using hook-and-line or pot gear and the reallocation of the unused portion of one gear's allocation to other gear types.

Amendment 24 was proposed in response to socioeconomic concerns of the fishing industry and the need for stability in the trawl gear and fixed gear (longline, pot, and jig) fleets. The fishery was exhibiting numerous overcapitalization problems such as compressed fishing seasons, high bycatch and waste, gear conflicts, and an overall reduction in benefit from the fishery. At the April 1993 meeting, the Council developed a problem statement that focused on resolving overcapitalization in the BSAI Pacific cod fishery, and in June recommended the Amendment 24 management measures to be implemented through 1996. The alternative approved allocated the BSAI Pacific cod TAC to the jig gear (2%), hook-and-line or pot gear (44%) and trawl gear (54%) fleets.

The Council's action was intended to provide industry and community stability by directly allocating to gear groups approximately the average percent of Pacific cod taken with these gear types during 1991-1993. In addition, the intent of the seasonal apportionment in the fixed gear sector was to allow for a first and third season fishery when halibut bycatch rates, product quality, and markets are most advantageous. Upon the expiration of Amendment 24, the Council began an analysis to extend the allocations. At the December 1995 Council meeting, it was noted that while the action provided the necessary stability to the various gear sectors, significant regulatory, economic, and biological changes had occurred in the Pacific cod fishery since the amendment was implemented in 1994. These changes were incorporated into the original analysis with a specific focus on reducing prohibited species mortality, impacts on habitat, and cod discards by the different gear sectors. The analysis examined a range of possible allocations, and the Council then tasked an industry-based negotiating committee to agree on a new allocation regime that would be acceptable to all sectors of the fishery. The final percentages were chosen based on the current harvest percentage taken by the trawl and fixed gear sectors under current halibut PSC limits while retaining the 2% allocation for jig gear.

Regulation Summary:

- 1) **BSAI Pacific cod TAC Apportionments:**
Trawl sector: 47% (The trawl apportionment will be split between catcher vessels and catcher processors 50/50.)
Fixed gear sector: 51%
Jig gear sector: 2%
- 2) **Roll-overs:**
On September 15 of each year, the Regional Director shall reallocate 100% of any projected unused amount of the Pacific cod allocated to jig vessels to the fixed gear vessels.
If, during a fishing year, the Regional Director determines that vessels using trawl gear or hook-and-line or pot gear will not be able to harvest the entire amount of Pacific cod allocated to those vessels, then NMFS shall reallocate the projected unused amount of Pacific cod to vessels using the other gear type(s).
- 3) **Halibut PSC Mortality Caps:**
The trawl halibut PSC mortality cap for Pacific cod will be no greater than 1,600 mt.
The hook-and-line gear halibut PSC mortality cap for Pacific cod will be no greater than 900 mt.
- 4) **Review:**
No sunset provision, but the Council will review this agreement in four years following the date of implementation.

Analysis: A 173-page EA/RIR (final draft dated October 1996) was prepared for this amendment. Six alternative allocation splits, including no action, were considered. While the specific allocation preferred by the negotiating group and approved by the Council was not explicitly identified in the analysis, it was well within the range of alternatives considered. Thus, the Council had sufficient information on the impacts of the alternative to make a decision.

Results: The allocations established in Amendment 46 have continued to stabilize the BSAI cod fishery as the Council continues on the path towards comprehensive rationalization. However, since the amendment was passed, there have been further allocation and limited entry measures imposed on the BSAI Pacific cod fishery by Amendments 64 and 67.

Russell PRITCHETT
C-4
Oct 2001

American Fisheries Act

The Council reviewed the final co-op reports for the 2000 fisheries, including reports from the inshore processor and mothership sectors on product mix and overall utilization rates. Similar information was provided in the offshore catcher/processor report. These reports are available upon request from the Council offices. Under this agenda item, the Council initiated several amendment packages to address a suite of issues. First, the Council revisited the issue of groundfish processing sideboards, and requested that a plan amendment analysis be prepared, in time for implementation in January 2003, which would re-examine the Improved Retention/Improved Utilization (IR/IU) requirements for flatfish species, as an alternative to processing sideboards based on processing history. Recall that in 2003, under the existing IR/IU amendments, these species will come under the 100% retention requirements. The amendment initiated by the Council will examine options of (a) no retention, (b) full retention, or status quo, (c) 50% retention for rocksole and 85% retention for yellowfin sole, and (d) other bycatch reduction measures that may be developed by industry. The analysis is intended to examine the effects of these options relative to other species catch and bycatch. Related action was taken with regard to opilio crab bycatch (see separate newsletter article). Work on this analysis would not begin until 2002 likely, with action by the Council likely scheduled for June of 2002.

Under this agenda item the Council also adopted an AP motion intended to facilitate potential development of co-ops in the BSAI cod trawl fisheries by recognizing the ability of harvesting cooperatives to address the race for fish and Steller sea lion concerns. The Council did not appoint a Committee in this regard, but is encouraging the industry to pursue further discussions which could address both general management issues and recent conflicts between AFA and non-AFA cod trawl fishermen early in the season. To facilitate this process the Council also passed a motion initiating an amendment for P. cod trawl LLP recency requirements, as follows: *to eliminate latent BSAI trawl-endorsed LLP permits by establishment of a recency requirement for non-AFA vessels (using qualification years proposed by the AP in June 2000), with the addition for non-AFA trawl catcher/processors, a recency requirement for all groundfish species in the BSAI/GOA of one landing in 1999 and 2000.* Work on such an amendment would begin when staff or outside contact assistance become available.

To more specifically address the issue of competition between AFA and non-AFA cod trawl fishermen early in the season, the Council initiated an amendment to examine alternatives suggested by the non-AFA cod fishermen, with the specific direction that work on such an amendment package would not begin until at least April, pending other staff tasking priorities and/or an industry-based solution. The proposed action would examine the following: *(a) limiting access to the directed trawl fishery for P. cod to the cod-exempt AFA vessels and to open access vessels which have a history of economic dependency upon the winter Bering Sea P. cod fisheries, as demonstrated by average January and February deliveries of at least 500,000*

pounds for 4 out of the 5 pre-AFA years of 1995-1999 (or such other measures of dependency as the Council deems fit), and (b) allocating a minimum of 5,000,000 pounds (with no cap) of P. cod to non-AFA vessels which meet the criteria set forth above.

Also under the AFA agenda item, the Council approved development of an amendment which would allow an AFA co-op catcher vessel to contract with a vessel(s) from a different co-op to harvest its pollock, after notification to its co-op and approval of its associated processor. This amendment is scheduled for initial review at the April meeting, and final action in June, so that it would be in place for 2002 if approved.

Regarding the AFA report to Congress, that project is underway and it is expected that a draft report will be available for Council review at the June meeting. Council contact for AFA issues is Chris Oliver.

Crab Rationalization

The Council received a report from NMFS on the recently legislated capacity reduction (buyback) program for the BSAI crab fisheries, noting corrections to the legislation which are now being developed for Congress' consideration which would make that legislation consistent with the Council's eligibility criteria, and exemptions, under LLP. Regulations to implement the buyback are being developed by NMFS, and specific questions on that program should be directed to the NMFS Restricted Access Management (RAM) Division in Juneau. In the meantime, the Council's Crab Rationalization Committee is working to develop a suite of alternatives, elements, and options for analysis, with the expectation of a report to the Council in April in that regard. The focus of that Committee is on some type of co-op or IFQ program, and includes representation of harvesters, processors, and communities. Staff contact is Maria Tsu.

Other Staff Tasking

The Council requested development of a discussion paper, for review in June, of the proposal by the Gulf Coast Community Coalition (GCCC) to allow communities to purchase commercial halibut IFQ. Staff will use the original GCCC proposal for guidance in this effort. A formal amendment analysis could occur in October, pending Council direction and staff availability. Council contact is Nicole Kimball. Under this agenda item the Council also discussed its various Committees, and noticed its intent to further discuss this in April with the intent of consolidating and streamlining the Committee process. General staff tasking, including a discussion of existing projects and Council prioritization, will also occur in April.

C-4(c)

PRITCHETT & JACOBSON

ATTORNEYS AT LAW

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January 31, 2001

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

Re: February Meeting
Item C-4(c) - American Fisheries Act

Dear Mr. Benton,

I am writing on behalf of Omar Allinson (F/V MISS LEONA), Steve Aarvik (F/V WINDJAMMER), and Charles Burrece (F/V LONE STAR).

There has been no agreement between my clients and the AFA industry members, as to ways to resolve the adverse impacts of the AFA. The inter-coop group has proposed to my clients that they will limit the daily on-grounds participation of AFA cooped non-exempt vessels fishing in area 655430 (my clients' traditional fishing ground) to a maximum of 21 boats prior to March 1. Together with the 10 cod-exempt AFA boats, and my clients 3 boats, this would be a total of at least 34 boats on the grounds at one time, as opposed to an average of only 11 boats on the grounds during the first 5 weeks of the cod fishery in the five pre-AFA years (1995-1999). Please see:

Exhibit A: Chart (prepared by Alaska Groundfish Databank);

Exhibit B: Graph depicting the figures in Exhibit A.

Because no agreement has been reached, we request that the Council take the management measures set forth below.

BACKGROUND

All three of these vessels are small vessels for the Bering Sea fishery, ranging in length overall from 75 to 88 feet. All have beams under 24 feet. They have fished for cod in the Bering Sea since the 1970's (Charles Burrece), 1980's (Steve Aarvik), and 1991 (Omar Allinson),

respectively.

In prior Council meetings my clients have testified as to the extremely adverse effects caused by an unprecedented increase in the number of vessels fishing in January and February in the year 2000 BSAI Pacific cod fishery. Because of the AFA, the number of vessels fishing in their traditional fishing grounds in Area 517 (and especially Statistical Area 655430) increased from no more than 15 vessels (including these 3 vessels and the 10 AFA cod-exempt vessels) to up to 40 vessels on those grounds in January and February of 2000. Please see:

Exhibit C: Data prepared by Alaska Groundfish Databank.

Because of the resulting race for fish, my clients had to fish in extremely dangerous weather conditions for their small vessels, including hurricane force winds. They were constantly passed by the much larger AFA vessels.

Section 211(a) of the AFA provides as follows:

Sec. 211. Protections for other Fisheries; conservation measures.

(a) General.-- The North Pacific Council shall recommend for approval by the Secretary such conservation and management measures as it determines necessary to protect other fisheries under its jurisdiction and the participants in those fisheries, including processors, from adverse impacts caused by this Act or fishery cooperatives in the directed pollock fishery.

By Section 211, Congress articulated certain duties borne by the Council for the purpose of determining, and remedying, such adverse impacts. In the presentation of the AFA to the Senate for its consideration, key sponsoring Senators including Senator Ted Stevens and Senator Patty Murray, explained what Section 211 requires of the Council. Their comments are set forth in the Conference Report (Senate - October 20, 1998).

Senator Murray explained the nearly absolute protections intended in the AFA for non-pollock fisheries as follows:

The bill attempts to ensure adequate protections for other fisheries in the North Pacific from any potential adverse impacts resulting from the formation of the fishery cooperatives in the pollock fishery. The formation of fishery cooperatives will undoubtedly free up harvesting and processing capacity that can be used in new or expanded ways in other fisheries. Although many of these vessels and processors have legitimate, historic participation in these other fisheries, they should not be empowered by this legislation to gain a competitive advantage in these other fisheries to the detriment of participants who have not benefitted from the resolution of the pollock fishery problems. .

While we have attempted to include at least a minimum level of protections for these other fisheries, it is clear to many of us that unintended consequences are likely. It is therefore imperative that the fishery management councils not perceive the protections provided in this bill as the only protections needed. In fact, the opposite is true. Although the protections provided for the head and gut groundfish offshore sector are more highly developed and articulated in the bill, the protections for other fisheries are largely left for the Councils to recommend. Those of us involved in the development of this legislation strongly urge the Councils to monitor the formation of fishery cooperatives closely and ensure that other fisheries are held harmless to the maximum extent possible. [Conference Report, at page 12707].

The comments of Senator Stevens were wholly consistent:

Subsection (a) of Section 211 directs the North Pacific Council to submit measures for the consideration and approval of the Secretary of Commerce to protect other fisheries under its authority and the participants in those fisheries from adverse impacts caused by subtitle II of the American Fisheries Act or by fishery cooperatives in the BSAI directed pollock fishery. The Congress intends for the North Pacific Council to consider particularly any potential adverse effects on fishermen in other fisheries resulting from increased competition in those fisheries from vessels eligible to fish in the BSAI directed pollock fishery or in fisheries resulting from any decreased competition among processors. [At page 12781].

Paragraph (3) of subsection (c) directs the Pacific Council to submit any measures that may be necessary to protect fisheries under its authority by July 1, 2000 and allows the Secretary of Commerce to implement measures if the Council does not submit measures or if the measures submitted are determined by the Secretary to be inadequate. [At page 12781].

Thus, Congress' intent was that the Council would determine the adverse impacts and take measures under Section 211(a), which are in addition to sideboards. It was also Congress' intent that protections be put in place for any adverse impacts on non-AFA fishermen, and that the Council will ensure that other fisheries are held harmless to the maximum extent possible.

We believe that the protections sought today are mandated by the AFA, as well as by National Standard 10.

Under National Standard 10 (50 CFR §600.355), conservation and management measures must, to the extent practicable, promote safety of human life at sea. The regulations implementing National Standard 10 provide, in part, as follows:

"Typically, larger vessels can fish farther offshore and in more adverse weather

conditions than smaller vessels. An FMP should try to avoid creating situations that result in vessels going out farther, fishing longer, or fishing in weather worse than they generally would have in the absence of management measures. Where these conditions are unavoidable, management measures should mitigate these effects, consistent with the overall management goals of the fishery.”
§600.355(c)(1).

The safety concerns articulated under National Standard 10 precisely reflect the dangerous conditions which are faced by these 3 small vessels. All 3 vessels are non-AFA, so they do not have the ability of AFA vessels to shift their cod catch to a larger coop vessel. Nor do they enjoy the pollock allocations held by AFA vessels, which give those vessels alternate Bering Sea fisheries, or alternate sources of income through leasing pollock quota. All three fishermen have long-term dependency on the directed cod fisheries (and not the pollock fishery) in the Bering Sea. Because of their vessels’ small size, none of these three vessels can safely fish in winter outside of Critical Habitat.

Thus, without the protection mandated by the AFA and by National Standard 10, the MISS LEONA, the LONE STAR, and the WINDJAMMER will be forced once again to engage in an “A” season winter fishing derby. This is especially true in light of the extreme limitations on catch which will be imposed in Critical Habitat (Area 7) under the RPA’s. They will be unavoidably compelled to fish in a situation which will subject them to the dangers which National Standard 10 is intended to prevent.

The regulations under National Standard 10 note that “derby” fisheries can create serious safety consequences, including fishing in bad weather and overloading a vessel with catch. Section 600.355(c)(3) therefore requires as follows:

“Where these conditions exist, FMPs should attempt to mitigate these effects and avoid them in new management regimes, as discussed in paragraph (e) of this section.”

Among the measures set forth in paragraph (e) of the regulation are:

- Limiting the number of participants in the fishery. §600.355(e)(6).
- Implementing management measures that reduce the race for fish and the resulting incentives to take additional risks with respect to vessel safety. §600.355(e)(8).

REQUEST FOR ACTION:

We respectfully request that the Council, in order (1) to comply with the Section 211(a)

requirements to determine and submit measures to protect non-AFA fishermen from any adverse impacts of the AFA or of the pollock cooperative system, and (2) to fulfill the policies set forth in National Standard 10, take the following actions:

1. That the Council recommend to the Secretary of Commerce that regulations be implemented as soon as possible to hold these three long-time cod vessels harmless from the adverse effects of the AFA and the coop system by:

A. Limiting access to the directed trawl fishery for Pacific cod to the cod-exempt AFA vessels and to open access vessels which have a history of economic dependency upon the winter Bering Sea Pacific cod fisheries, as demonstrated by average January and February deliveries of at least 500,000 pounds for 4 out of the 5 pre-AFA years of 1995-1999 (or such other measure of dependency as the Council deems fit), and

B. Allocating a minimum of 5,000,000 pounds (with no cap) of Pacific cod to non-AFA vessels which meet the criteria set forth in paragraph A above.

2. That the Council task Council staff to determine the nature and extent of any adverse impacts on other fisheries or participants in those other fisheries caused by the AFA or the fishery cooperatives in the directed pollock fishery, including:

- A. Increased safety problems,
- B. Decreased catch per unit of effort,
- C. Increased fishing time required,
- D. Loss of earnings, and
- E. The measures which are necessary to ensure that participants in other fisheries

*Applies
to Jan &
Feb. only.
(made clear
in testimony)*

are held harmless to the maximum extent possible.

3. That the Council recommend to the Secretary of Commerce and/or the U.S. Congress that the groundfish license limited entry program be amended to allow trawl vessels to use longline or pot gear in order to harvest their Pacific cod.

} # 3
Withdrawn

Thank you for your consideration of these requests.

Respectfully submitted,



Russell W. Pritchett

Attachments

#111/AFA-FEB

Number of Trawl Catcher Vessels targeting Pacific cod by Stat Week in NMFS Reporting Area - 509 & 517

NMFS Reporting Area - 509

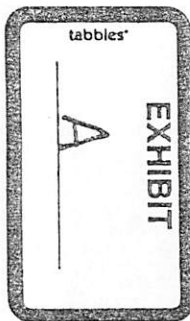
Catcher Vessel

Statistical Week:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Number of Vessels																									
1995	NA	NA	NA	NA	NA	NA	NA	NA	Cnfdl	32	9	Cnfdl	5	NA	NA	Cnfdl	Cnfdl	NA	NA	NA	NA	NA	NA	NA	NA
1996	NA	NA	NA	NA	Cnfdl	Cnfdl	Cnfdl	NA	Cnfdl	12	27	43	56	41	51	47	47	28	20	10	NA	NA	NA	NA	NA
1997	NA	NA	NA	NA	NA	NA	Cnfdl	4	7	12	30	47	44	43	46	42	47	8	NA	NA	NA	NA	NA	NA	NA
1998	NA	NA	NA	Cnfdl	NA	NA	Cnfdl	NA	Cnfdl	20	33	55	57	13	41	32	21	10	Cnfdl	Cnfdl	NA	NA	NA	NA	NA
1999	NA	NA	NA	NA	5	Cnfdl	4	Cnfdl	10	5	27	29	9	42	29	10	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	NA	NA	NA	NA	NA	NA	NA	NA	Cnfdl	Cnfdl	Cnfdl	10	7	17	25	24	23	14	NA	NA	NA	NA	NA	NA	NA

NMFS Reporting Area - 517

Catcher Vessel

Statistical Week:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Number of Vessels																									
1995	NA	NA	NA	7	9	9	9	11	22	30	31	41	40	44	43	45	31	Cnfdl	NA	NA	NA	NA	NA	NA	NA
1996	NA	NA	NA	8	11	9	10	9	12	29	40	34	24	37	44	42	38	10	3	Cnfdl	NA	NA	NA	NA	NA
1997	NA	NA	NA	6	7	9	8	12	30	36	35	34	24	24	39	44	44	21	NA	NA	NA	NA	NA	NA	NA
1998	NA	NA	NA	8	8	9	15	14	13	35	25	42	40	18	53	44	20	4	NA	NA	NA	NA	NA	NA	NA
1999	NA	NA	NA	11	15	15	15	23	17	39	50	47	19	41	37	24	NA	NA	NA	NA	NA	NA	NA	NA	NA
2000	NA	NA	NA	6	26	32	23	15	20	20	27	33	25	16	28	30	18	15	NA	NA	NA	NA	NA	NA	NA



NUMBER OF TRAWL VESSELS TARGETING COD
EFFECTS OF THE AFA - AREA 517

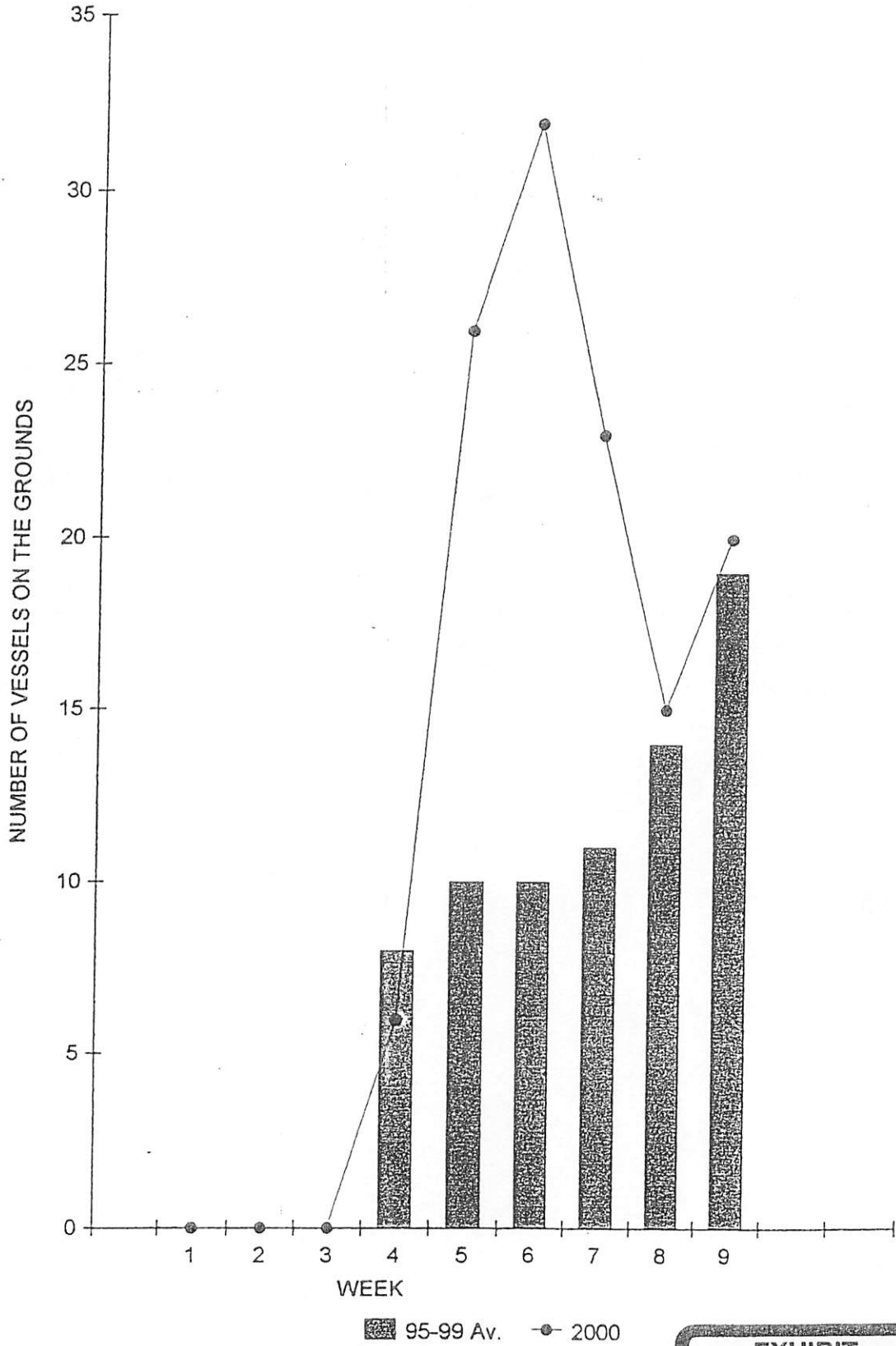


EXHIBIT
tabbies
B

Number of Trawl Vessels targeting Pacific cod by Stat Week in State Stat Reporting Area - 655430

STATISTICAL AREA 655430

Number of Vessels¹ by Year and Month

Year	Month	# of Vessels
1995	January	8
	February	16
	March	62
	April ²	52
1996	January	9
	February	18
	March	72
	April ²	73
1997	January	7
	February	33
	March	64
	April ²	66
1998	January	8
	February	19
	March	60
	April ²	61
1999	January	15
	February	30
	March	61
	April ²	45
2000	January	36
	February	40
	March	43
	April ²	39

¹ All vessel types, catcher and catcher/processor have been combined to comply with confidentiality SOP

² April and May data combined to comply with confidentiality SOP

