

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director



DATE: May 30, 2000

SUBJECT: Staff Tasking

ESTIMATED TIME 4 HOURS

ACTION REQUIRED

- (a) Review current tasking and 1999 proposals.
- (b) Identify next steps in GOA Pacific cod rationalization.
- (c) Provide direction on GOA co-op development.
- (d) Task next steps in EFH stakeholder process, and necessary revisions to crab FMP and halibut regulations to protect corals and sponges

BACKGROUND

(a) Current Tasking

The Council last reviewed staff tasking in February, including proposals from the 1999 groundfish and IFQ cycle. It was apparent then, that current projects would fully occupy available staff through at least the June meeting. The Council reviewed tasking priorities recommended by the Advisory Panel and directed staff to work on those marked as required tasks or high priority. Those tasks (along with groundfish overfishing revisions tasked earlier) are shown in the accompanying table under "Existing Projects." They reflect only analytical tasks, not processing and rulemaking by NMFS of those and previous actions.

There will be considerable additional work needed on the groundfish SEIS and FMP updates, the AFA EIS, and the AFA performance report to Congress. Regarding the report to Congress, portions of that project will be contracted, but a majority of that effort is expected to be done by Council staff, with assistance from NMFS. Our expectation is to have a draft by the October deadline, and then a much more complete report by March 2001 which will allow us to compile relevant information from the 2000 fisheries, the first full year of AFA implementation.

NMFS is also now compiling a comprehensive biological opinion on the 2001 groundfish fisheries relevant to Steller sea lion issues, which will require some assistance from Council staff. Another major project between now and October is the IFQ program for the halibut charter fleet initiated by the Council in conjunction with the GHL decision in April. And, the second phase of the EFH/HAPC amendment package is still pending (see further discussion under C-5(d)). Those projects will keep the majority of our staff largely subscribed between now and October.

The second section of the tasking table shows projects previously tasked and their status. Many were on the AP's list in February, but had no star or dot. The Council indicated then that those projects would become priority items when staff time becomes available.

Other major potential projects recently discussed by the Council are shown in the table under "Potential New Tasking." A summary of proposals received in last year's groundfish cycle, and a list of sablefish/halibut IFQ program proposals, are included under Item C-5(a), along with the report from the IFQ Implementation Team.

Depending on projects initiated by the Council at this meeting, we may want to reconsider whether to solicit additional proposals in this summer's annual groundfish cycle (next IFQ proposal cycle is 2001 already). I also believe it will be necessary for the Council to prioritize the items listed above, as well as any new projects initiated at this meeting.

(b) Next steps in GOA P. cod rationalization

In April the Council noticed that they would be considering rationalization options for the GOA cod fisheries at this meeting, and noticed that landings after April 16, 2000 may not count in any such program. While broad co-op type programs are being discussed by industry and the Council for the GOA (see further discussion under C-5(c)), it is likely that such a program would take considerable time to develop and implement. It may be that the Council wishes to initiate more near-term rationalization options for the cod fisheries specifically. Staff was able to compile some information on the GOA cod fisheries for consideration by the Council at this time. This is included under Item C-5(b). It is unlikely that anything will be in place for 2001, unless we slip some other projects from the existing list. Even so, it would likely be December before final action could occur, making implementation before mid-2001 unlikely. We also have to recognize that NMFS is trying to move several previous Council amendments through the rulemaking process, and will have several more, including AFA adjustments and the long-term AFA rulemaking, from the next few Council meetings.

(c) Gulf cooperatives

During final action on AFA sideboard measures in December 1998, the Council added a framework proposal submitted by Alaska Groundfish Databank for pollock co-ops in the Gulf of Alaska to staff tasking, noting that this task would not be started by staff until the Committee formed to study this issue has completed its work. The Council announced its intent to disband the Western and Central GOA committee and reform it as the GOA Sideboard Committee.

A ten member Gulf of Alaska Co-op Committee convened in April, June, and October, 1999 and April 2000. A comprehensive amendment proposal was prepared in June 1999. A problem statement was approved in October 1999. A new draft proposal for cooperatives in Regulatory Areas 620-640 was discussed in April 2000 and a revised draft was posted on the Council website in May with a call for counter-proposals and comments. The minutes from these meetings and the March 16 and May 9 draft proposals and public comments are attached as Items C-5(c)(1) and (2). The committee is scheduled to convene on June 8 to provide recommendations to the Council on the draft proposal and comments. Those minutes will be provided to you during the Council meeting.

North Pacific Fishery Management Council

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



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Certified by: 

Date: 9.9.00

ADVISORY PANEL MINUTES June 7-10, 2000 The Doubletree Downtown, Portland, Oregon

Advisory Panel members in attendance:

Alstrom, Ragnar	Jordan, Melody
Benson, Dave	Kandianis, Teresa
Boisseau, Dave	Madsen, Stephanie (Vice-Chair)
Bruce, John (Chair)	Nelson, Hazel
Burch, Alvin	Ridgway, Michelle
Cross, Craig	Steele, Jeff
Falvey, Dan	Stephan, Jeff
Fuglvog, Arne	Ward, Robert
Fraser, Dave	Yeck, Lyle
Jones, Spike	

C-1 Halibut Management

(a) Review Gulf Coastal Communities Coalition (GOACCC) Halibut IFQ discussion papers:

The AP recommends the elements and options included in the GOACCC paper and the revised elements and options below to be distributed for additional public comment. Comments would be reviewed at the Council's October meeting in Sitka. We further request the GOACCC discussion paper be made available as an attachment. Recommended additions follow:

Community IFQ Purchase - elements and options:

Element 2. Ownership Entity - Clarify that there can only be one entity/community and include GOA communities only.

Element 4. Purchase, sale and use restrictions:

- a. Add a definition for residency requiring a physical presence in the community of
 1. 180 days/year
 2. 270 days/year

Element 7. Add an option creating a drop through system with use privileges subject to voluntary change in year 5 and mandated change in year 10

Suboption: Accompany mandated change in year 10 with

1. 10% loss of QS
2. 15% loss of QS
3. 20% loss of QS

Motion passed 18-0-1.

The AP recommends the Council include the elements and options identified in the Community 'set aside' of halibut charter IFQ GOACCC discussion paper with the addition of a new alternative that would allow qualified communities to buy charter QS.

Further, the AP is aware of Council staff time constraints and understands it may be necessary to complete work through a contract.

The above motion failed 9-9 but passed 10-8 upon reconsideration.

C-1 (b) Halibut Donation Program

The AP recommends the Council adopt Alternative 2 with the understanding the Council, in consultation with IPHC and NMFS, commit to a periodic review every three years.

Motion passed 17-0.

C-2 Observer Program

The AP recommends the Council adopt the following:

Proposed Action 1 - Alternative D with the modification allowing an increase in observer coverage when processor wishes to exceed the 250 mt capacity/week.

Proposed Action 2 - Alternative A

Proposed Action 3 - Alternative A

Proposed Action 4 - Alternative A - status quo

Proposed Action 5 - Alternative B excluding observer evaluations and deployment ratings.

Motion passed 19-0.

Minority Report

The following motion failed 14-3.

We, the undersigned members of the AP, believe that Proposed Action 4, Alternative B, Option 1 more adequately meets the mandated fishing effort coverage objective than does the current practice of observing 30% of "days fished." This Action may also provide the following benefits:

- increase accuracy, precision and overall confidence of data obtained by observers*
- improve efficiency of observer time on vessels (which may yield cost savings to vessel owners)*
- provide a more realistic basis for analyzing what level of observer coverage is actually required to obtain statistically significant data on stock, recruitment, CPUE, and bycatch.*

Hazel Nelson, Michelle Ridgway, Dan Falvey

C-3 American Fisheries Act

(Motion to bifurcate the following motion failed 15-3).

Pursuant to Section 213 of the AFA, the AP recommends that regulations implementing Section 210b of the AFA be modified to allow inshore catcher vessels to change cooperatives without going through an open access year based on the following language:

1. Accepted catcher vessel: In addition to the rights of those catcher vessels defined as Qualified Catcher Vessels, all 208(a) inshore catcher vessels, (whether such vessels harvested pollock in the directed pollock fishery in the previous year or not, and if the vessel did harvest pollock in the previous year, regardless of to whom it delivered) shall be eligible to join any existing AFA onshore cooperative provided:

- a. The processor purchasing pollock from the inshore cooperative which the vessel wishes to join has agreed to purchase the pollock caught by the vessel; and
- b. Prior to the calendar year in which the vessel participates in the inshore cooperative, which shall not be before the year 2001, the owner of the vessel becomes a party to the contract which implemented the inshore cooperative under the same terms and conditions as were accepted by the owners of "qualified catcher vessels which are members of that inshore cooperative."

2. 80% rule: In the case of inshore cooperatives which have a term of more than one year, the requirement that the contract implementing the cooperative be signed by the owners of 80% or more of the qualified catcher vessels that delivered pollock for processing by a shoreside processor in the directed pollock fishing in the year prior to the year in which the fishing cooperative will be in effect will only apply in the first calendar year of the term and in the first calendar year of any renewal term.

3. Inactive Vessel Issue: A qualified vessel shall not be required to make a delivery in each calendar year so as to continue to be qualified in the following year. While on inactive status, that vessel cannot fish more than 2 seasons annually in the GOA directed pollock fishery.

4. LLP Issue: Prohibit any transfers of LLP licenses from inactive AFA vessels to non-AFA catcher vessels except to designated replacement vessels. (Under this option, all transfers of LLP licenses from AFA vessels would be prohibited unless the transfer was to a replacement vessel designated under subsection 208 (g) of the AFA. This would effectively prevent vessels from retiring AFA vessels and then transferring the LLP license to a new vessel for re-entry into Alaska fisheries free of sideboard restrictions and would affect all sectors of the AFA fleet.)

Motion passed 14-3-1.

The AP recommends the Council revise the BSAI pollock quota issued to each inshore co-op and the open access fishery to be equal to the aggregate official catch history¹ of the member vessels in each co-op or open access sector divided by the aggregate official catch histories of all inshore-qualified AFA catcher vessels.

Motion passed 19-0.

¹1995 -1997 best 2 out 3 years plus offshore compensation for vessels with more than 500 mt of offshore landings.

Minority Report - AFA Inshore Co-op Structure

The undersigned oppose the inshore co-op structure as proposed by the modified Dooley-Hall plan. The AFA's purpose was to rationalize the inshore pollock fishery in a way that equally benefitted investors in both harvesting and processing capacity.

The AFA limits the Council's authority to modify the inshore co-op structure only when adverse effects on owners of fewer than three vessels caused by the AFA itself or fishery cooperatives can be demonstrated. We believe the proponents of the modified Dooley-Hall proposal have failed to demonstrate any adverse effect.

No vessel owner presented testimony supporting elimination of the inshore co-op structure and return to open access. Testimony given reported that fishermen received the highest ex-vessel price ever this 2000 A/B pollock season.

Additionally, public testimony received alerted the AP to the concern that, in fact, the modified Dooley-Hall proposal represents a grave danger to non-vertically integrated processors and may accelerate the purchase of ICV's by processors. Preventing the loss of ICV's is a stated core motive of the modified Dooley-Hall proposal.

Finally, the AFA requires that any modification of the co-op structure be "imposed fairly and equitably to the extent practicable among and within the sectors in the directed pollock fishery." Allocating all of the rights to the fish exclusively to vessel owners and excluding inshore pollock processors, is not equitable within the inshore sector. It will also cause the inshore processing sector to be greatly destabilized in relationship to the factory trawler, the offshore catcher vessel and the mothership sectors.

We believe the fundamental co-op structure should be maintained and if changes are necessary in the future, a proposal which equally benefits investors in both harvesting and processing capacity should be developed. We do, however, support the AP's actions:

- Changing the definition of "qualified catcher vessel" to allow vessels to retire from the fishery*
- Applying the 80% rule to only the first year a co-op is formed*
- Prohibiting the transfer of LLP licenses from inactive AFA vessels to non-AFA vessels except to designated replacement vessels*
- Recalculation of the open access/inshore co-op pollock allocations*

*Dave Benson
Stephanie Madsen
David Boisseau*

C-3 (b) Pollock excessive share caps and groundfish processing sideboards

The AP recommends the Council bifurcate the document and release the Excessive Share Portion for public review. Motion passed 19-0.

The following motion failed 9/10 and no further action was taken on this issue.

The AP recommends to send the groundfish processing sideboard portion of the document out for public review with the following changes:

1. Attempt to balance the analysis by ground-truthing existing hypothetical scenarios - replace those that are not found to be true or likely with hypothetical scenarios that are reality-based.
2. Add a bycatch section that looks at processing of bycatch when sideboards for that species are reached. In that section, the analysis should look at the potential of processing caps that might result in the discards of bycatch. It should also identify an option that would allow AFA processors to accept bycatch above their processing caps.
3. The IR/IU section of the analysis should examine the potential role of processor sideboards in mitigating additional operating advantages to AFA processors (such as fishing cooperatives and additional investment capital) in competing with non-AFA processors under IR/IU.
4. Ask staff to include in the analysis an evaluation of the option of allowing the Council to pick different sets of processing sideboard limits for the GOA and BSAI fisheries.
5. Ask staff to include in the analysis a discussion of the consequences or impacts that would result from setting catcher processor processing sideboards lower than the harvesting sideboards that apply to the catcher processor sector and its catcher vessel fleet.

C-3 (c) Crab processing caps

The AP recommends that the Council exercise its authority under Section 213 of the AFA to lift the crab processing caps contained in Section 211 of the AFA. The AP understands this would be by emergency action in order to be in place for the Bristol Bay Red King Crab season.

Motion passed unanimously 19-0.

C-3 (d) Methods for calculating P.cod sideboards

The AP recommends the Council encourage the inter co-op group work with the affected P.cod catcher vessels to develop appropriate alternatives/solutions and report back to the Council at the September meeting. Additionally, due to the success of the inter-co-op efforts with the P.cod sideboard sub-allocations, the AP recommends no further Council action is necessary.

Motion passed unanimously 19-0.

Crab harvest vessel exemption

The AP recommends the Council exempt AFA crossover vessels from crab sideboards that can demonstrate participation in all opilio, bairdi, and BBRKC fisheries during 1991 through 1997 and that have AFA qualifying pollock catch histories of less than 5000mt (as calculated on the 1995-1997 best of 2 year average.)

Motion passed 17-1-1.

C-4 Steller Sea Lion Protection

The AP recommends that the council make the following comments on The Discussion Paper on Cod and Sea Lions:

The discussion paper needs to be enhanced with the following information necessary to better evaluate the question of competition between the fishery and the sea lions. Because any necessary restrictions ultimately apply at the level of the resolution of the data, more specific the area resolution will provide the public a better opportunity make the most appropriate recommendations. Therefore the AP recommends the following:

Prey Competition

1. Use fishery management area definitions where ever possible to avoid confusion (especially regarding the conflicting definitions of Aleutian area definitions.)
2. Enhance Figure 11 to provide length and weight frequency distributions (showing N) for the commercial fishery by:
 - a) 3 digit stat area resolution (at a minimum)
 - b) quarter (at a minimum - monthly if possible for the BSAI, and weekly for the GOA)
 - c) by gearThe graphs should provide cumulative catch by both numbers and weight by size interval.
3. Provide length and weight frequency distributions (showing N) for the trawl survey by 3 digit stat area resolution.
4. Sub-divide the 35-60 cm bin of length and weight frequency distributions (showing N) from the seal lion scat analysis (Tables 2 & 3, Figure 7).
5. Use consistent definitions of “seasons” (quarters rather than trimesters – Figure 10, 15, etc.)
6. Provide better area resolution of the percentages of the directed commercial harvests within each 3 digit stat area (i.e.: enhance Table 6) by gear and season with the sub-percentages taken in:
 - a) rookeries
 - b) haulouts
 - c) balance of critical habitat
7. Enhance Figure 12 & 16 to provide parts C & D, showing harvest within critical habitat over both total survey biomass and exploitable biomass.
8. Enhance Figure 8 to provide total GOA and BSAI catch over both total survey biomass and exploitable biomass.

Localized Depletion

The other part of the evaluation is the question of localized depletion. An analysis of CPUE will likely show an increase from the beginning of the season up to a peak and then a decline over the course of the traditional cod trawl season from Feb-May. in the GOA, Unimak Pass, and the AI.

However:

1. The summer trawl survey distribution for cod is no more relevant to the winter spawning distribution, than the summer trawl survey distribution for herring is to the spring spawning distribution.
2. A localized depletion analysis based on CPUE changes through the spawning season, is no more relevant for cod than it would be for herring. Request NMFS scientists review the appropriateness of

CPUE/depletion models for evaluating potential localized depletion in light of the findings of academic peer reviews of the models developed during the Atka mackerel plan amendment.

3. Include a description of the rationale for using East of 170° and West of 170° when describing harvest rates and distribution, and evaluate other means or areas of distribution and harvest.

The AP supports the conclusion on page 55 that lack of information about cod stock distribution through the years is a significant impediment to understand and resolve potential interaction and “strongly argues for more seasonal stock assessment surveys.” As such we encourage the Council and NMFS to seek funding for such surveys.

4. The AP would like a description of the formula used for back casting biomass distribution and harvest as much of the paper uses back casting to develop the tables and figures.

5. Include discussion of the interaction of collection of data on rookeries and haulouts in BSAI and GOA.

Additional ly, the AP recommends that the paper include information on the history of cod fisheries in both the BSAI and GOA from the 1800’s to present, along with cod and sea lion population data to the extent that such information is available. Understanding that this data will not be strictly comparable with current data, the AP believes that the historical relationship between these species may provide insights that will be useful.

Motion passed 17-0.

C-5 Staff Tasking (b) Next steps on GOA P.cod rationalization

The AP recommends that the Council begin an initiative to implement further LLP endorsements for GOA P.cod and BSAI trawl P.cod. If an initiative for further LLP endorsements in the BSAI P.cod trawl fisheries is supported by the AP, it is with the clear intent that the GOA is a clear priority and in great need of immediate attention. It is noted that the endorsements may be different for the different areas of the GOA (WGOA, CGOA, etc.)

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, 1997, 1998, 1999
- Option 4: Any three years of 1995, 1996, 1997, 1998
- Option 5: Any three years of 1995, 1996, 1997, 1998, 1999

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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999

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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 5: Any four years of 1995, 1996, 1997, 1998,
- Option 6: Any four years of 1995, 1996, 1997, 1998, 1999

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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 5: Any four years of 1995, 1996, 1997, 1998,
- Option 6: Any four years of 1995, 1996, 1997, 1998, 1999

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 1996, 1997, 1998, 1999

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

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

Option 6: Any four years of 1995, 1996, 1997, 1998

Option 7: Any four years of 1995, 1996, 1997, 1998, 1999

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

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

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

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

Option 6: Any three years of 1995, 1996, 1997, 1998

Option 7: 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: 100,001 lbs. - 300,000 lbs.

Option 2: > 300,000 lbs.

Jig Gear Vessels:

Qualification Years:

Option 1: Anyone year of 1995, 1996, 1997, 1998

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

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

Option 4: Any two years of 1995, 1996, 1997, 1998, 1999

Option 5: Any three years of 1995, 1996, 1997, 1998

Option 6: 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'

The AP also requests the following:

1. Information on catch history by sector using the years 1995-April 16, 2000
2. Information on points of delivery

Motion passed unanimously 17-0.

C-5 (d) EFH Stakeholder process

The AP recommends that the Council endorse and begin the stakeholder process frameworked in the discussion paper. The AP further recommends the Council initiate formation of the working group described in Option 4 to guide in refinement of the process, identify stakeholders and examine the most efficient means of working with stakeholders.

The working group will be charged with developing a prototype stakeholder meeting format that will include going to at least 3 communities in the fall of 2000. These meetings would discuss the stakeholder process in addition to information gathering on Gorgonian corals.

Motion passed 15-0.

D-1 Groundfish Management

The AP recommends the Council release for public review the EA/RIR/IRFA, "Amending the process by which TAC specifications are established for Alaska Groundfish Fisheries."

Motion passed 12-0.

D-2 Crab Management

Opilio Rebuilding Plan

The AP recommends the Council adopt the Crab Plan Teams recommendations:

Alternative 2. Establish a comprehensive rebuilding plan for BS snow crab.

A. Harvest Strategy

Option 2: Adopt a new harvest strategy for Bering Sea snow crab. The strategy, as detailed in Section 1.6.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 1. Status quo - no action. Maintain existing snow crab bycatch control measures in the BSAI groundfish fisheries. The snow crab PSC limit would be set at 0.1133% of total survey abundance (minus 150,000 crabs) with a maximum of 2.85 million crabs, and a minimum of 4,350,000 crabs.

Option 3. Request the Board of Fisheries and the Alaska Department of Fish and Game to consider additional measures (such as gear modifications and area closures) to reduce bycatch of snow crab in crab fisheries.

C. Habitat Protection

Option 2: Expand the EFH definition for snow crabs to include all habitats used by opilio crab, based on both historic and current data. The importance of snow crab EFH in maintaining stock productivity would be noted in consultations. To the extent feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

Motion passed 14-2.

The following substitute motion failed 4/10.

The AP recommends the Council delay final action on the Opilio rebuilding plan harvest strategy until the September meeting.

Minority Report - Opilio Rebuilding Plan

We recommend the Council delay the approval of the Opilio rebuilding plan - harvest strategy, until the September or October meeting. We feel that we would benefit from the information from the committee to be convened by NMFS to review the overfishing definition. Additionally, we would potentially have the summer crab surveys.

It is our understanding that a delay in approval would not delay implementation of the harvest strategy because the Board of Fisheries has already adopted the Alaska Department of Fish and Game's recommended harvest strategy.

*Spike Jones
Dave Benson
Stephanie Madesen*

St. Matthew Blue King Crab Rebuilding Plan

The AP recommends the Council adopt the Crab Plan Team's recommendation:

Alternative 2: Establish a rebuilding plan for St. Matthew Blue King Crab

A. Harvest Strategy

Option 2: Adopt the Alaska Board of Fisheries new harvest strategy for St. Matthew blue king crab. The strategy, as detailed in Section 5.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 2: Adopt the Board of Fisheries gear modifications measures and area closure to reduce bycatch of blue king crabs in crab fisheries.

C. Habitat Protection

Option 2: For agency consultation purposes, highlight the importance of blue king crab EFH in maintaining stock productivity. To the extent feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

Option 3: Adopt the Alaska Board of Fisheries State Waters Habitat Protection Areas for egg bearing female blue king crab around St. Matthew Island, Hall Island, and Pinnacles Island.

Motion passed 17-0.

The AP, by unanimous consent, approved the minutes of their April 2000 Council meeting,

North Pacific Fishery Management Council

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



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Certified: Shari Bendixen
Date: 8/28/00

MINUTES Scientific Statistical Committee June 5-7, 2000

The Scientific Statistical Committee met June 5-7, 2000 at the Doubletree Hotel in Portland, Oregon. All members were present except Sue Hills, Terry Quinn, Richard Marasco, and Al Tyler:

Jack Tagart, Vice Chair
Steve Hare
Doug Larson

Keith Criddle
Jeff Hartman
Seth Macinko

Doug Eggers
Dan Kimura

C-3(a) Inshore Co-op Structure, Definition of Qualified Catcher Vessel, and Calculation of the Open Access/Co-op Pollock Allocations

Inshore Co-op Structure

The SSC heard a presentation by Robert Halvorsen (University of Washington) on a "Discussion Paper on Inshore Sector Catcher Vessel Cooperatives in the Bering Sea/Aleutian Islands Pollock Fisheries." Public testimony was provided by Joe Plesha (Trident Seafoods), Scott Matulich (Washington State University), Rebecca Baldwin (Economic and Environmental Analysis), John Young (Independent Catcher Vessels Association), Greg Baker (Westward Seafoods), Donna Parker (Arctic Storm), and Brent Paine (United Catcher Boats).

The paper by Halvorsen, Khalil and Lawarée has undergone minor revision from the version first presented in October 1999. The revisions include an expanded discussion of the potential distribution of benefits under the American Fisheries Act (AFA), discussion of additional options that the Council is considering that could affect the relative bargaining strength of catcher vessels *vis a vis* processors, and three alternative specifications of the benchmarks to use for comparison of the various options. While the discussion paper is an interesting analysis, it lacks the broader consideration of environmental and regulatory impacts that characterize an EA/RIR/IRFA. That is, it is but one piece of analytical information that normally would be used in the drafting of such a document. The lack of a full analysis is problematic because of the potential breadth and severity of the impacts involved. For example, it was suggested in public testimony that there could be profound impacts on selected catcher vessels, processing plants, and by extension, communities. The current document does not describe these types of potential impacts or address the likelihood of their occurrence. The last draft of an EA/RIR that the SSC has seen on this subject was presented in June 1999, well before Halvorsen and colleagues were contracted to do their report.

The paper by Halvorsen *et al.* provides a useful game-theoretic treatment of the potential distribution of gains and losses relative to three benchmark situations: pre-AFA, AFA without cooperatives, and the actual AFA. The choice of game theory as a modeling framework is reasonable. The author's assumptions with respect to the intensity of cooperative and competitive behaviors among and between catcher vessels and processors are based on discussions with industry participants, the authors' understanding of legal provisions for and barriers to cooperation, and their interpretation of the professional literature on cooperative bargaining theory. The conclusions drawn are plausible. However, because data are unavailable, the correctness of their assumptions cannot be unambiguously established. Moreover, there is little apparent agreement among the industry about some of the key assumptions made in the analysis, and there is little empirical evidence to judge the accuracy of the assumptions. This is important because assumptions usually have a strong influence on the conclusions.

While there is broad support for the conclusion that measures such as the Dooley-Hall proposal will improve the relative bargaining position of catcher vessels *vis a vis* processors, public testimony suggested that there is considerable disagreement about the absolute bargaining power of individual processors, harvesters, and harvester cooperatives. Again, there is general agreement about institutional structures and legal conditions that contribute to the strength of bargaining positions, but not about the actual bargaining strength of the various entities. For example, the legal authority of harvesters to form cooperative bargaining units increases their strength in negotiations, but the absolute level of that bargaining strength depends on how much of the harvest is controlled by the bargaining association and whether the association is cohesive or easily fractured into individual negotiations. The presence of processor-controlled vessels reduces the strength of a catcher vessel bargaining unit. In the absence of data, weighing the relative importance of factors that contribute to the bargaining strength of catcher vessels and processors is subjective and reasonable people may reasonably arrive at divergent conclusions regarding the absolute bargaining strength of the protagonists.

Some of the key assumptions in the Halvorsen *et al.* paper are (a) that the processors have strong bargaining advantages due to their greater knowledge about costs and demand and due to their ownership/control of some harvesting vessels; (b) that the market interaction is best described by moderate competition rather than monopsony (sole buyer facing many sellers), monopoly (sole seller facing many buyers) or bilateral monopoly (sole buyer facing a sole seller); (c) that the strategic interaction is characterized as a repeated game; (d) that the degree of price competition will be moderate and processors will refrain from aggressive non-price competition; (e) that the cost of switching co-ops will be high; and (f) that there is a significant amount of "under-vested" fishing effort, i.e., boats whose qualifying catch history in 1995-97 is lower than their fishing power. Individual interactions between groups of catcher vessels and processors will differ due to variations in their individual circumstances.

In evaluating the conclusions of the discussion paper, the key points to keep in mind are that the assumptions used and the benchmarks chosen directly affect the conclusions; there is little quantitative evidence to either support or refute the assumptions; and there is considerable disagreement among knowledgeable people in the industry about the "truth" of the assumptions.

In addition, we note that

1. While game theory is a reasonable tool for use in this analysis it is not, as Halvorsen *et al.* suggest, "the only" tool that could have been used. Each tool has advantages and disadvantages. Game theory is a mathematical model that can be useful for exploring certain hypothetical properties of stylistic models of interactions among economic agents.
2. Some of the characterizations in the text are too extreme. For example, while cooperatives may share a number of the attributes of IFQs, cooperatives are not "equivalent" to IFQs. For example in contrast to IFQs, while co-op members contribute their catch history to the co-op, the sub-allocation of catches

- within a co-op may be more reflective of the relative bargaining strength of co-op members than of the catch history they contribute.
3. While the decision to model the industrial organization of processors as one of moderate competition is not unreasonable, alternative arguably reasonable assumptions could lead to the adoption of alternative specifications (e.g., monopsony, bilateral monopoly) that might result in different conclusions about the ultimate bargaining strength of processors and catcher vessels.
 4. In understanding the exvessel prices for pollock sales to processors, it is important to understand that distribution of the tax burden associated with the \$0.006/lb tax on landings intended to offset the \$75 million AFA buyout of 9 catcher-processors will depend on the relative bargaining strength of the processors and catcher vessels. If processors could exert monopsony power, the entire tax burden would be borne by catcher vessels. If catcher vessels could exercise monopoly power, the tax burden would be entirely transferred to the processors. In an intermediate case, the tax burden will be shared among catcher vessels and processors.
 5. The analysis focused largely on price competition among processors. However, there are many avenues for competition, and the presence or absence of price competition may not adequately reflect the overall degree of competitive behavior
 6. Anecdotal observations presented in public testimony suggest that the level of competition among processors may be fairly intense. For example, it was reported that some processors have offered to offset a portion of the transition costs for catcher vessels to move through the open access fishery into a new cooperative. Similarly, public testimony suggested that some processors have offered bonuses for catcher vessels that have agreed to remain in the co-op associated with their plant.

Definition of a Qualified Catcher Vessel

The SSC heard staff presentation from Kent Lind. Public testimony was provided by some of the individuals who addressed the SSC on the inshore co-op structure.

The rules for determining how a vessel qualifies for a co-op are one factor that influence how costly it is to maintain membership in the co-op. Present interpretation of provisions of the AFA serves as a disincentive to the retirement of excess harvesting capacity.

Open Access Quota Share Pool

The SSC heard staff presentation from Kent Lind. Public testimony was provided by some of the individuals who addressed the SSC on the inshore co-op structure.

The size of the open access quota share pool affects the cost incurred by catcher vessels that transition from one co-op to another. A large quota share pool, particularly one that is larger than the combined catch history of the vessels that choose to participate in it, improves the outside option for co-op members by increasing the credibility of their threat to move from one co-op to another. However, catch is allocated within the open access fishery through the race for fish. Consequently, a large open access quota share pool reduces the degree to which rationalization gains can be achieved and potentially attracts so-called "under-vested" vessels. The presence of these under-vested vessels could serve as a deterrent for fully vested vessels to switch co-ops. Moreover, the current formula could lead to the odd result that a portion of the TAC could be left unfished in the unlikely event that no vessels choose to participate in the open access fishery.

Moreover, it should be noted that to the extent that the open access pool is large and attractive to catcher vessels, the size of the open access pool may deter the development and continuation of co-ops.

C-3(b) Groundfish Processing Sideboards/Pollock Processing Excessive Share Caps

The SSC heard presentations by Darrell Brannan and Marcus Hartley (Northern Economics). Public testimony was given by John Gauvin (Groundfish Forum) and Ed Richardson (At Sea Processors Association). The SSC reviewed this analysis in detail in February, and requested that a number of changes be made. The authors were responsive to these concerns in their revisions.

The SSC recommends that the draft EA/RIR/IRFA be released for public review after the following issues have been addressed:

1. The SSC concurs with the analysts' suggestion that the matrix of effects on different industry groups (presented in the previous draft) be included in the package sent to reviewers (in blank form), with the request that reviewers fill out their best assessment of how the alternatives would affect them if they wish to, along with any other comments they might provide. This could be a useful way of focusing and directing commentors to provide information that would be of use to the Council.
2. The SSC requests an elaboration of the potential effects on rate of harvest and other consequences if the excess catcher processor capacity in the pollock fishery were to enter the flatfish fishery (e.g., a mothership operation).

Finally, as noted in our February 2000 minutes: "the Council is likely to face a continuing stream of AFA mitigation measures. In essence the Council is progressing down a path of piecemeal modification of the structure of North Pacific groundfish fisheries. A piecemeal approach may or may not be preferred to a comprehensive approach; nevertheless, caution is warranted to ensure that undesirable consequences are avoided."

Socioeconomic (Cost/Earnings) Data Collection

The SSC heard a presentation from Dan Holland and Todd Lee of the (NMFS AFSC), who are implementing the a cost/earnings survey of the pollock industry. Public testimony was provided by Glenn Reed (Pacific Seafood Processors Association) and Ed Richardson (At-Sea Processors Association).

The cost/earnings survey instrument developed by NMFS is an attempt to gather data that could contribute to analyses that would provide the Council with better information about the potential economic consequences of alternative management actions. The lack of such data has often been identified as a limitation in RIR/IRFA analyses that have been conducted in support of Council actions. While NMFS has worked closely with industry to develop an instrument that closely mirrors the form in which industry currently retains information, some of the information is potentially confusing or sensitive and industry has instead proposed providing aggregate values for some of the requested individual values. The SSC is sympathetic with the industry's major concerns that certain questions seem intrusive, that the purpose for requesting certain information is unclear, and that confidentiality cannot be absolutely assured.

However, it is likely that highly aggregated economic data will limit the Council's ability to fulfill the statutory and regulatory requirements (MSFCMA, RFA, etc.) to analyze the economic consequences of Council actions. For such analyses, models predicting economic behavior are needed, and aggregation to the sector level loses the critical detail on individual actions, which is required to estimate such models. While aggregate values may provide useful information and may be sufficient for certain analyses, other types of analyses require disaggregate information. As presently envisioned, the NMFS cost/earnings survey is voluntary. Consequently, it will be ineffective without strong industry support. Even if the survey were mandatory, industry support would be necessary to ensure accuracy and timeliness.

The SSC recommends that the Council's Socioeconomic Data Committee be asked to meet this summer to review progress and industry concerns. The review should revisit data needs in the context of the types of analyses that could be supported by various levels of data; specifically the differences between analyses supportable with aggregate vs. disaggregate data.

C-4 STELLER SEA LION PROTECTION

NMFS PRD staff made a brief presentation of a "Discussion paper on potential interactions between Steller sea lions in the BSA and GOA Pacific cod fisheries".

The discussion paper was not provided in advance of the presentation and was not reviewed by the SSC.

D-1 AMEND THE TAC SETTING PROCESS

The SSC reviewed the draft EA/RIR for Amending the Process by Which TAC Specifications are Established for Alaska Groundfish. The draft EA/RIR was presented to the SSC by Sue Salvesson and Jill Stevenson (NMFS). Public testimony was provided by Glenn Merrill (Aleutians East Borough) and Ed Richardson (At Sea Processors).

The current TAC specification procedure is grossly inefficient. The public is asked to comment on interim specifications that are published as a proposed rule and eventually published as a final rule, even though it is known that this information will be outdated by the time it is published. Therefore, the TAC setting procedure needs to be changed. The alternative TAC setting procedures offered by this EA/RIR balance the needs of fulfilling administrative requirements under NEPA, ESA, APA, and RFA with the desire to base TAC's under current survey and biological information. Alternatives 2-4 eliminate problems associated with reporting on interim TAC. The SSC questioned whether Alternatives 3 and 4 will provide sufficient "extra" time to allow the fulfillment of administrative requirements.

The SSC believes that there are several aspects of the alternatives that need to be addressed in a revised document. The SSC recommends the analysis be revised to address the following comments. The revised document should be reviewed at the October meeting.

Alternative 2A (Issue proposed and final specifications based on previous year's stock assessment surveys) has associated benefits to the stock assessment process. The alternative has the "downside" of not utilizing the most current survey information in the stock assessment process. In terms of meeting the public review requirement and relaxing the often-harried pace at which the annual stocks assessments take place, this Alternative solves certain problems associated with the status quo. Under this alternative, stock assessments – based on the previous year's survey and catch-age data – could be prepared earlier in the calendar year. Conceivably, the assessments could be ready for SSC review by the April meeting, Council review by the June meeting, with recommended TACs, public review and comment, and publication of final TACs occurring before January 1.

While it is generally preferable to utilize the most current survey data, there are a number of reasons why it is not necessarily disadvantageous to shift the stock assessment process as noted above and restrict the analysis to the previous year's data. Technically, the stock assessments would still be based on the most recently available data since the assessments would be conducted in the spring through summer and survey results not available until fall. The expanded timeline would allow for thorough review by all parties and a more complete comment and response interaction between analysts and commentators than is currently practical.

Given the current timeline, survey biomass estimates are not available until October, shortly before stock assessment results and preliminary ABCs are given to the SSC for review. There are legitimate questions whether this rushed use of data is warranted and whether the process would benefit from a lengthier review and validation period. There is also a tendency to place a disproportionate amount of weight on the most recent data points. In particular, much attention is paid to the newest recruitment estimate, which is possibly the most poorly estimated parameter in the stock assessment model. The utility of these data increases with time and the addition of auxiliary data. Finally, in the Gulf of Alaska and the West Coast, where surveys are conducted biennially or triennially, assessments have long been based on survey data collected 18-30 months previously.

Alternative 2B (Issue proposed and final specifications based on an alternative fishing year schedule) appears to both take advantage of the most recent survey data and relieve many of the problems currently associated with the TAC specification process. The SSC, however, would like to see a more complete discussion about the expected consequences of this alternative. In particular, the SSC is concerned about the following issues:

1. The impact of a revised fishing season on the stock assessment process. Presumably, the assessments would be modified to provide biomass estimates in April or May rather than December. There is some question as to how the models would be adapted and whether the data are amenable to this change.
2. How would these new fishing years interact with the January-December managed fisheries that impact the groundfish fisheries such as Pacific halibut, sablefish, ADF&G managed fisheries including crab and salmon.
3. The implications of having the high value/high volume fisheries at the end of the fishing calendar, furthest removed from the biomass surveys.

Analysts ranked alternative 2c high in its ability to use current survey data. However, the technical feasibility of a late-winter survey is questionable, and must be addressed in the revised document. Specific issues include:

1. The ability to conduct a consistent and comprehensive stock assessment surveys in the Bering Sea during the late winter months due to presence of ice and hazardous inclement weather, and;
2. The consistency of the late-winter and conventionally timed stock assessment surveys.

Here the stock's spatial distribution and availability to a late winter surveys would be different from the distribution and availability during historically timed stock assessment surveys. Some period of concurrent late-winter and conventional surveys would be required to calibrate the late-winter survey in order to maintain continuity of the stock assessment data

The SSC notes that the proposed non-discretionary procedure for determining interim TAC's under Alternative 3 (Interim specifications calculated from ABC, followed by proposed and final specifications) depends on the ABC's and TAC's (where Council-recommended TAC's are lower than calculated TAC's) set at the December Council meeting, and may not satisfy APA standards for public review and input. It was noted in public testimony that there could be problems with area apportionments under this alternative. The SSC suggests this be clarified in the revised document.

HALIBUT CHARTER IFQ – ANALYTICAL DESIGN

The SSC received a presentation of the documents, Analytical Design of the Halibut charter IFQ Analysis, for SSC Review, and Supplemental to Analytical /Design of the Halibut Charter IFQ Analysis for SSC Review by Council staff members Jane DiCosimo and Chuck Hamel. Public testimony was received from Sheri Gross (Halibut Association of North America), and Bob Ward (Homer Charter Vessel Owners Association). The Council has directed staff to prepare a “preliminary analysis of Charter IFQ issues for the October meeting, initial review for the December meeting, and final review at the February 2001 meeting.

The Charter IFQ analysis is on a very tight schedule. Council staff noted that there was a possibility of an additional amendment involving a set aside for communities. This proposed amendment might be added on to the Charter IFQ analysis, further burdening the analysts.

Some problems with the proposed Analytical Design document follow:

1. The problem statement expresses some potentially overly optimistic results for the charter IFQ program, including; “Extending the existing halibut quota share program to include the guided sport sector, with provisions to recognize the unique nature of the guided sport sector, *will resolve future allocation conflicts between the commercial and guided sport sectors*, and provide access opportunities for halibut fishermen, processors and consumers. “ While halibut IFQ’s provide promise for reduction of some allocation conflict, it may not fully extinguish regional conflict over halibut allocation.
2. We note that datasets on personal identifiers and data on potentially qualified IFQ recipients are incomplete. These data problems could create a significant obstacle to identifying the population of participants and associated history in the fishery. It was noted in the Analytical Design document that:

“While a definitive count of vessels and owners can be produced from available data, it will not be possible to match these data to the options under Issue 4. Further, it will not be possible to match those missing records to harvest history qualification criteria for the options under Issue 3.”

These data shortcomings will handicap the analysis in terms of identifying appropriate strata for the population, impacts on quota price and rents, and in determining the probable outcomes of the distributional effects on various groups in the recreational sector, other fishing sectors, and localities.
3. Without substantial additional resources, Council staff indicated that it would be unlikely that the charter IFQ analysis would be as detailed as the halibut GHL analysis. The SSC encourages the Council to consider the use of additional technical assistance through contracts or other means to increase the probability of developing an analysis that will withstand scrutiny.

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North Pacific Fishery Management Council

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Certified


David Benton, Chairman

Date

Sept. 11, 2000

MINUTES

**144th Plenary Session
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
June 7-12, 2000
Portland, Oregon**

The North Pacific Fishery Management Council met June 7-12, 2000 at the Doubletree-Downtown in Portland, Oregon. The Scientific and Statistical Committee met June 5-6, and the Advisory Panel met June 5-8, at the same location. The following members of the Council, staff, SSC and AP attended the meetings.

Council

Richard Lauber, Chairman
Dennis Austin for Jeff Koenings
CAPT Vince O'Shea for RADM T. Barrett
Linda Behnken
Dave Benton for Frank Rue
David Fluharty
John Bundy

Bob Mace for J. Greer
Dave Hanson
Joe Kyle
Kevin O'Leary
Jim Balsiger
H. Robin Samuelsen, Jr.

NPFMC Staff

Clarence Pautzke, Executive Director
Darrell Brannan
Cathy Coon
Jane DiCosimo
Elaine Dinneford
Chuck Hamel

Chris Oliver, Deputy Director
Nicole Kimball
David Witherell
Helen Allen
Gail Bendixen
Maria Shawback

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Support Staff

Lisa Lindeman, NOAA-GCAK
Sue Salvesson, NMFS-AKR
Earl Krygier, ADFG
Jay Ginter, NMFS-AKR
Kent Lind, NMFS-AKR
Rich Ferrero, NMFS-NMML
Lowell Fritz, NMFS-NMML

Michael Payne, NMFS-AKR
Tim Ragen, NMFS-AKR
Jeff Bush, ADCED
Wayne Donaldson, ADFG
Bridget Mansfield, NMFS-AKR
Jill Stevenson, NMFS-AKR

Scientific and Statistical Committee

Jack Tagart, Vice Chair
Keith Criddle
Doug Eggers
Steve Hare
Jeff Hartman

Dan Kimura
Doug Larson
Seth Macinko

Advisory Panel

John Bruce, Chair
Ragnar Alstrom
Dave Benson
Dave Boisseau
Al Burch
Craig Cross
Dan Falvey

Stephanie Madsen, Vice Chair
Kris Fanning
Dave Fraser
Arne Fuglvog
Spike Jones
Melody Jordan
Teresa Kandianis

Hazel Nelson
Michele Ridgway
Jeff Steele
Jeff Stephan
Robert Ward
Lyle Yeck

Other Attendees

The following people signed the attendance register:

Arni Thomson
Joe Childers
Simeon Swetzof, Jr.
John Crowley
Jack Crowley
Will Brown
John Iani
Ed Glotfelty
F. Gregory Baker
Tuck Donnelly
Marcus Hartley

Ken Tippett
Rick Mezich
Heather McCarty
Garry Loncon
Craig Cross
Joe Plesha
Donna Parker
Terry Leitzell
Glenn Reed
Steve Hughes
Paul Clarke

Rusty Sinnott
Matt Doherty
Gordon Blue
Marcus Alden
Thorn Smith
Sinclair Wilt
Brent Paine
Stephen Taufen
Beth Stewart
Glenn Merrill
John Henderschedt

A list of those who gave public comment during the meeting is found in Appendix I to these minutes.

A. CALL TO ORDER/APPROVAL OF AGENDA/MINUTES OF PREVIOUS MEETING(S)

Chairman Lauber called the meeting to order at approximately 8:05 a.m., Wednesday, June 7, 2000.

Agenda. The agenda was approved as drafted.

Minutes. No comments were offered on the February and April 2000 meeting minutes which will stand approved as submitted.

B. REPORTS

The Executive Director's report (B-1), the State Fisheries report (B-2), status of fisheries and various regulatory and plan amendments by NMFS (B-3), and enforcement reports from NMFS and the Coast Guard (B-4) were submitted in written form. Deputy Commissioner Jeff Bush of the Alaska Dept. of Community and Economic Development Division provided the Council with proposed changes to the Community Development Quota Program. NPFMC staff member Dave Witherell gave the Council a brief report on the current work within U.S. Fish and Wildlife with regard to Steller's and spectacled eiders.

Discussions Resulting From Reports

Executive Director's Report. Regarding a letter from the Center for Marine Conservation expressing concern that the Council has not tasked staff to work on its 1999 overfishing proposal, Council members discussed the concerns of the SSC with the current requirements and the fact that work is being done at the Center and within the SSC to resolve several concerns with overfishing definitions. Council member Fluharty suggested that the letter from CMC be provided to the groundfish plan teams for further consideration.

With regard to eiders, the Council asked that staff provide comments to the U.S. Fish and Wildlife Service indicating Council concern over impacts of fishery closures on coastal communities and asking that the Council be kept informed regarding any future actions the Service may consider that may impact fisheries.

Changes to CDQ Regulations. Council expressed concern that NOAA General Counsel has not be able to provide a legal opinion as to whether . . .

NMFS Management Report: Jim Balsiger, Regional Administrator, submitted a letter to the Council requesting that Amendments 52 to the GOA and BSAI groundfish fishery management plans be withdrawn. The amendments would have implemented an advance registration requirement for vessels participating in certain fisheries at risk of TAC overages. Dr. Balsiger indicated that implementation of sideboard measures under the AFA alleviates the need for this measure. Council members agreed, but because this issue was not in the advance notice of the meeting, no action was taken. It will be discussed under staff tasking at a future meeting. However, no further staff work will be undertaken on these amendments at this time.

Enforcement Reports: The Council approved a motion to send a letter to the Secretary of Transportation with copies to the Alaska, Washington and Oregon congressional delegations urging special attention to the Coast Guard's budget needs, particularly unfunded mandates and unanticipated costs such as the recent dramatic increase in fuel prices.

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FORMAT FOR COUNCIL MEETING MINUTES:

Each agenda item requiring Council action will begin with a copy of the original "Action Memo" from the Council meeting notebook. This will provide a "historical" background leading up to the current action. This section will be set in a different type than the actual minutes. Any attachments referred to in the Action Memo (e.g., C-1(a), etc.) will not be attached to the minutes, but will be part of the meeting record and available from the Council office on request. Following the Action Memo will be the **reports** of the Scientific and Statistical Committee, Advisory Panel, and any other relevant committee or workgroup on the subject. And, last will be a section describing Council **Discussion and Action**, if any.

C. NEW OR CONTINUING BUSINESS

C-1 Halibut Management

ACTION REQUIRED

- (a) Review Gulf Coastal Communities Coalition halibut IFQ discussion papers.
- (b) Final action to extend halibut donation program.

BACKGROUND

(a) Gulf Coastal Communities Coalition halibut IFQ discussion papers

In February, the Council approved development of a discussion paper by Gulf Coastal Communities Coalition (GOAC³) of an IFQ proposal to allow a community-based, non-profit entity to hold commercial quota share. This proposal was not recommended for development by the IFQ Implementation Committee, which convened in October 1999 to review IFQ proposals. It failed on a tie vote (4:4). The committee was split on whether or not to involve the Council in designing a program that would provide access to GOA communities as a QS holding entity that would then compete with fishermen currently eligible to be QS holders.

In April, the Council approved development of a discussion paper of a proposal offered in public testimony by GOAC³ to include certain coastal communities in Areas 2C and 3A as initial quota share issues (for charter IFQs), despite their lack of past participation in the charter IFQ fishery in the proposed qualifying years. Duncan Fields will present the two discussion papers, which are included in your supplemental meeting materials.

(b) Halibut Donation Program

Amendments 50/50 to the BSAI and GOA Groundfish FMPs authorized the retention and processing of halibut taken as bycatch up to a limit of 50,000 pounds, for donation to economically disadvantaged individuals. Known as the Halibut Donation Program (HDP), Federal regulations allow a NMFS-authorized distributor to receive and distribute halibut bycatch. Two of the three processors in Dutch Harbor, Unisea and Alyeska, have participated in the HDP. Together, they donated 21,196 pounds of halibut in 1998 and 4,476 pounds in 1999. The program was implemented for 1998-2000, and will sunset at the end of this year.

Final action is required to extend the program. An EA/RIR/IRFA will be provided by NMFS staff.

Report of the Scientific and Statistical Committee

The SSC did not address the discussion papers provided by the Gulf Coastal Communities Coalition, but reviewed a preliminary analytical design for the halibut charter IFQ analysis. The SSC provided staff with comments on the draft.

Report of the Advisory Panel

(a) Review Gulf Coastal Communities Coalition (GCCC) Halibut IFO discussion papers

The AP recommended the elements and options included in the GCCC paper and the revised elements and options below to be distributed for additional public comment. Comments would be reviewed at the Council's October meeting in Sitka. We further request the GCCC discussion paper be made available as an attachment. Recommended additions follow:

Community IFQ Purchase - elements and options:

Element 2. Ownership Entity - Clarify that there can only be one entity/community and include GOA communities only.

Element 4. Purchase, sale and use restrictions:

- a. Add a definition for residency requiring a physical presence in the community of
 - 1. 180 days/year
 - 2. 270 days/year

Element 7. Add an option creating a drop through system with use privileges subject to voluntary change in year 5 and mandated change in year 10

Suboption: Accompany mandated change in year 10 with

- 1. 10% loss of QS
- 2. 15% loss of QS
- 3. 20% loss of QS

The AP recommended the Council include the elements and options identified in the Community 'set aside' of halibut charter IFQ GCCC discussion paper with the addition of a new alternative that would allow qualified communities to buy charter QS. The AP noted they were aware of Council staff time constraints and that it may be necessary to complete this work through a contract.

(b) Halibut Donation Program

The AP recommended the Council adopt Alternative 2 with the understanding that the Council, in consultation with IPHC and NMFS, will commit to a periodic review every three years.

DISCUSSION/ACTION

Gulf Coastal Communities Coalition Halibut IFQ Discussion Papers

Duncan Fields presented two discussion papers for Council consideration: "Community Purchase of Halibut and Sablefish Individual Fishing Quota Shares," and "Community Set Aside of Halibut Charter IFQ Quota Shares." These concepts had been submitted by GCCC for Council consideration at previous meetings and GCCC was asked by the Council to develop discussion papers.

Linda Behnken moved to approve the recommendations of the Advisory Panel to send the GCCC discussion paper on community purchase of halibut and sablefish IFQ shares, incorporating the additional elements and options recommended by the AP, out for public comment. Additionally, the

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same range of purchase and sale alternatives that are currently being analyzed in the halibut charter IFQ program should be included in the discussion paper, i.e. restrictions on where communities can buy and sell relative to vessel size categories. The motion was seconded by Robin Samuelsen and carried without objection.

The Council made it clear that at this time this issue would not be tasked for staff analysis because of the current workload. It was suggested that the discussion paper be edited to clarify that the Halibut Act would be the controlling legislation with regard to halibut regulations, rather than National Standard 8 under the Magnuson Act.

With regard to the problem statement, Ms. Behnken recommended that the additional language be inserted to clarify that while the Council may not be bound by the Magnuson Act relative to their actions on halibut, they are taking into consideration and are concerned by the impacts of their actions on coastal communities.

The Council further directed staff to send the revised discussion paper out with a cover letter noting that the Council has not taken a position on this issue but wishes to solicit comments before deciding in October whether or not to task staff to develop an EA/RIR.

With regard to the second discussion paper on a community set aside of halibut charter IFQ quota shares, Council members pointed out that it should be discussed under the "Staff Tasking" agenda item.

(b) Halibut Donation Program

Linda Behnken moved to approve the recommendation of the Advisory Panel to permanently extend existing regulations establishing a voluntary halibut donation program. Halibut taken as bycatch in the groundfish trawl fishery would be distributed to economically disadvantaged individuals. The program would be evaluated by the Council, in consultation with NMFS and the IPHC, every three years. The motion was seconded by Robin Samuelsen and carried without objection.

C-2 Observer Program

ACTION REQUIRED

Final action on regulatory amendment package

BACKGROUND

In April you reviewed a draft regulatory amendment package and recommended additional analysis prior to release for public comment and final action at this meeting. The revised document was sent out on May 25, and a copy of the Executive Summary is under Item C-2(a). The five issues addressed in the package are: (1) shoreside plant observer periods; (2) shoreside plant observer logistics; (3) assignment of observers to multiple shoreside plants; (4) groundfish pot fishery observer requirements; and, (5) confidentiality of observer personal information. NMFS staff will present the alternatives and findings of the analysis at this time.

Originally scheduled for this meeting was a report on the independent study of the North Pacific groundfish observer program by Marine Resource Assessment Group (MRAG), and a report from your Observer Committee. The release of the MRAG report has been delayed until mid-June, and therefore no report is available at this meeting. The Observer Committee was scheduled to meet in late May to review the MRAG report and continue its work at developing long-term solutions to the observer program delivery model and funding mechanisms. Due to the delay in the MRAG report,

and the likelihood that the report would provide valuable guidance to the Committee, that meeting was canceled and is tentatively being re-scheduled for mid-July.

The Scientific and Statistical Committee did not address this agenda item.

Report of the Advisory Panel

The AP recommends the Council adopt the following:

Proposed Action 1 - Alternative D with the modification allowing an increase in observer coverage when processor wishes to exceed the 250 mt capacity/week.

Proposed Action 2 - Alternative A - status quo

Proposed Action 3 - Alternative A - status quo

Proposed Action 4 - Alternative A - status quo

Proposed Action 5 - Alternative B excluding observer evaluations and deployment ratings.

DISCUSSION/ACTION

Bob Mace moved to approve the recommendations of the Advisory Panel. The motion was seconded by Kevin O'Leary.

The full text of the alternatives recommended by the AP follows:

Proposed Action 1: Weekly, rather than monthly, projections to trigger observer coverage for the week at specified thresholds.

AP Recommendation: Alternative D: Maintain monthly observer coverage periods at shoreside processors based on monthly landing projections, but allow a reduction of observer coverage from 100% to 30% coverage in plants for the remainder of a month when pollock or Pacific cod fisheries close. Conditions of the reduction require the plant to maintain 30% observer coverage for the rest of the month and landings received by the plant may not exceed 250 mt/week for the remainder of that month. The reduced observer coverage period for a given plant will begin on the fourth calendar day following the day that a pollock or cod fishery closes, allowing for fish received prior to the closure to be processed, and will end on the last day of the month. The CDQ and AFA program observer requirements would continue to supercede general observer coverage requirements, requiring that every deliver received by shoreside processors be monitored. [Added by Advisory Panel: Allow an increase in observer coverage when processor wishes to exceed the 250 mt capacity in a week.]

Proposed Action 2: Shoreside Plan Observer Logistics

AP Recommendation: Alternative A: Status quo. No changes to existing regulations.

Proposed Action 3: Assignment of Observers to Multiple Shoreside Plants

AP Recommendation: Alternative A: Status quo. No changes to existing regulations.

Proposed Action 4: Groundfish Pot Fishery Observer Coverage Requirements

AP Recommendation: Alternative A: Status quo. No changes to existing regulations.

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Proposed Action 5: Confidentiality of Observer Personal Information

AP Recommendation: Alternative B: Amend regulations to prohibit observer contractors from distributing personal information, such as observers' resumes, observer evaluations and deployment rates, home addresses and phone numbers to industry. [AP recommended excluding observer evaluations and deployment ratings from this alternative.]

Linda Behnken moved to amend to adopt Alternative B, Option 1, under Proposed Action 4. The motion was seconded by Joe Kyle, and carried, 10 to 1, with Mace voting against. Alternative B, Option 1, reads as follows:

Amend observer coverage requirements for a vessel equal to or greater than 60 ft LOA fishing with pot gear that participates more than 3 days in a directed fishery for groundfish in a calendar quarter so that such a vessel must have an observer aboard during at least 30 percent of the total pot retrievals by that vessel in that calendar quarter, rather than for 30 percent of its fishing days in that calendar quarter. Groundfish would be required to be retained each day the observer is on board and gear is retrieved for observer coverage to be valid.

Sue Salveson moved to amend to approve Alternative B under Proposed Action 2:

To require observer contractor to provide clean, dry, quiet housing; reliable communication equipment such as a phone at the observer's accommodations, VHF radio or pager for notification of upcoming deliveries, or other necessary communication, and safe, reliable, motorized transportation to the plan if the observer's accommodations are greater than 1 mile away from the processing facility.

The motion was seconded by Linda Behnken, and carried, 6 to 5, with Krygier, Kyle, Mace, O'Leary and Lauber voting against.

During discussion Council members expressed concern with regulations that may be so specific that observer contractors would have difficulty complying in outlying areas. It was suggested that perhaps the regulations could be designed to indicate that observer contractors would be required to comply with similar regulations already in State law. Sue Salveson acknowledged Council concerns and indicated that any resulting regulations would take those comments into consideration.

Sue Salveson moved to amend to adopt Alternative B under Proposed Action 3. The motion was seconded by Linda Behnken and failed, 6 to 5, with Austin, Salveson, Behnken, Bundy and Fluharty voting in favor.

Council members expressed concern that the proposed action would cause undue hardship on processors.

The main motion, as amended, carried unanimously.

C-3 American Fisheries Act

ACTION REQUIRED

- (a) Final action on inshore co-op structure, definition of qualified catcher vessel, and allocation of pollock to open access/co-ops.
- (b) Initial review of analysis of groundfish processing sideboards and pollock processing excessive share caps.
- (c) Review of crab processing caps.
- (d) Review methods for calculating P. cod sideboards and crab harvest vessel exemption.
- (e) Status report on AFA EIS.

BACKGROUND

The Council is scheduled to address seven AFA issues at this meeting. Five issues are scheduled for final action. Final action issues include (1) inshore co-op structure (the Dooley-Hall proposal); (2) the definition of a qualified catcher vessel; (3) treatment of pollock catch history made by vessels that are not eligible to join cooperatives in the inshore sector; (4) calculation of catcher vessel Pacific cod sideboards; and, (5) a proposed exemption to crab harvesting sideboards. Scheduled for initial review at this meeting are groundfish processing sideboards and the pollock processing excessive share cap. We have separated these issues into three groups to allow similar issues to be commented on and deliberated at the same time, while keeping the number of issues on the table at one time to a manageable number. First will be the three items related to inshore co-op structure (we will also get a report from Dr. Scott Matulich on his latest research for related AFA issues). Second are the processing sideboard issues, both groundfish and crab, and the pollock processing excessive share caps. Third are the proposed harvest sideboard adjustments and a report on the EIS progress.

C-3(a): Inshore cooperative structure, definition of qualified catcher vessel, and calculation of the open access/co-op pollock allocations

Inshore co-op structure: A revised analysis of the "Inshore Sector Catcher Vessel Cooperatives in the Bering Sea/Aleutian Islands Pollock Fisheries" was submitted by Drs. Halvorsen, Khalil, and Lawarree. Their report was mailed to the Council on March 9, 2000. The executive summary from the report is included as Item C-3(a)(1). The report is often referred to as the analysis for the proposed Dooley-Hall amendment. Based on information provided in that report, and other available information, the Council is scheduled to make a final decision regarding whether catcher vessels should be required to deliver to the same processor that they delivered the majority of their catch to the previous year. Implementing the Dooley-Hall proposal would remove that restriction and allow catcher vessels to negotiate contracts with the AFA processor of their choice each year. Essentially, the Dooley-Hall proposal would give catcher vessels more freedom to determine where they want to deliver the pollock they harvest. If approved, that proposal or other options identified by the Council could be included in the current AFA amendment package and would be scheduled for implementation in 2001. Dr. Halvorsen will provide an overview of his analysis.

Definition of a Qualified Catcher Vessel: The Council is also scheduled to consider the issue of defining a qualified catcher vessel. Kent Lind developed a discussion paper on this issue that was distributed at the February meeting. That discussion paper is provided again here as Item C-3(a)(2). In general, the issue revolves around the treatment of vessels that do not deliver pollock in a year.

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Currently if a vessel does not deliver pollock in a year, it is not eligible to join a cooperative the following year. This means each vessel must make at least one BSAI pollock delivery during a year to remain eligible to participate in an inshore cooperative, or for its catch history to remain with the co-op (i.e., there is no ability to permanently retire that capacity). The discussion paper outlines several options for the Council to change this aspect of the AFA. If approved, this change would be expected to be in effect for the 2001 fishing seasons.

Open Access Quota Share Pool: BSAI pollock, in the directed inshore AFA pollock fishery, are either assigned to cooperatives or the open access pool. Pollock assigned to the open access pool is currently either from vessels that opted not to join a cooperative, or was the catch of vessels that are not eligible to harvest pollock allocated to the inshore sector. The portion of the open access pool that resulted from the catch of vessels that are not eligible to participate in the inshore pollock fishery are the focus of this discussion. Item C-3(a)(3) shows that in 2000 a total of 29,921 mt was allocated to the open access pool. If the catch history of the vessels not eligible to participate in the inshore pollock fishery is excluded, the open access pool would drop to 10,852 mt, a decrease of 19,069 mt, from the status quo. The calculation to reassign the catch history of vessels not eligible to participate in the inshore fishery, distributed the previously unassigned catch history to all vessels in the inshore sector. Therefore, some of the catch would be assigned to vessels in cooperatives and some vessels in the open access pool, based on their percentage of pollock catch during the qualification period.

Distributing the catch that is currently automatically assigned to the open access pool may have significant impacts on vessels that choose to spend a year in the open access fishery in order to switch cooperatives. During the 2000 fishery, the argument was made that the "cost" of spending a year in the open access fishery was not substantial. However in future years, if this amendment is passed, the cost of spending a year in open access will increase and may be quite large. Given the current conditions, about two-thirds of the pollock would be removed from the open access portion of the fishery if this proposal is approved, and reallocated to the various co-ops. Written comments received on these issues are provided under Item C-3(a)(4).

C-3(b,c): Groundfish Processing Sideboards and Pollock Processing Excessive Share Caps

Groundfish Processing Sideboards and Excessive Share Caps: The Council is scheduled for initial review of the groundfish processing sideboard and pollock processing excessive share analysis at this meeting. The amendment package on these issues was mailed to the Council family on May 25 after additional analyses which were requested at the April meeting. Regarding excessive share caps, the Council requested that the analysis examine alternatives which ranged between 10 and 30 percent of the BSAI pollock TAC. This cap may or may not include processing of CDQ pollock, depending on the alternative selected by the Council. A copy of the executive summary, which includes the alternatives under consideration and the primary decision points that the Council will need to address, are included as **Item C-3(b,c)(1)**. However, the only decision required by the Council at this meeting is whether the document is adequate to release for public review. If the document is released for public review, the Council will be scheduled to make a final decision on this issue at the October meeting in Sitka, or perhaps an additional meeting that may be scheduled for September. Should the Council move forward on this schedule, those amendments would be expected to be implemented in 2002. Staff will present the revised analysis at this time, followed by a review of information relative to the crab processing caps.

Review of Crab Processing Caps for the 2000 Opilio Crab Fishery: Following the Council's request in April to review the crab processing caps, the State of Alaska has developed a discussion paper outlining the impacts that processing sideboards had on the 2000 opilio crab fishery. That discussion paper is included here as **Item C-3(b,c)(2)**. A summary of processing by AFA and non-AFA firms is provided in the supplemental folder. The information includes the 2000 fishery, when AFA was in place, and years prior to the implementation of the AFA.

Removing or altering the crab processing sideboards regulations will require the Council to revisit their previous action on this issue, which was based on the specific language in the AFA. Section 213 of the AFA allows the Council to supercede specific provisions of the AFA, if they can demonstrate adverse impacts. In order for any changes to these caps to be in place in time for the 2000 BBRKC fishery, action would be required at this meeting, which would have to be implemented via an emergency rule. Alternatively, the Council may wish to schedule this issue for October in conjunction with final action on the groundfish processing sideboards. An emergency action would then be required to have an amended crab processing sideboard package in place for the start of the 2001 opilio fishery.

Written comments received on these issues are provided under **Item C-3(b,c)(3)**.

C-3(d,e): Harvesting Sideboards and EIS Status Report

Pacific Cod Harvesting Sideboards: Currently the years 1995-97 are used to calculate sideboard harvesting caps for almost all species in the BSAI. Pacific cod is one of the species where a different time period was used to estimate harvest sideboards. For Pacific cod, only the year 1997 was used. This time period was selected because it was the first year that the trawl Pacific cod TAC in the BSAI was divided between catcher vessels and catcher processors. The table below shows how changing the years used to estimate the caps would change the amount that is available under the caps. The information indicates that the cap would be largest using only 1997. If the years 1995-97 were used the total amount of the cap would decrease by 2,877mt. Members of industry are aware that using years other than 1997 would decrease the amount of the cap. However, they are considering other years, because of the difficulties they are having dividing the Pacific cod among cooperatives. This is because vessels that fished in 1995-96 may not have fished Pacific cod during 1997, or their harvest amounts may have changed significantly over those years. Therefore, some vessels feel that they have been placed at a disadvantage in the internal cooperative negotiations, and are unable to harvest an amount of cod that they feel represents their historic level of participation.

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1995-1997 BSAI Pacific cod harvests by non-exempt AFA catcher vessels and resulting catcher vessel sideboard amount using 1995, 1996, 1997, and all three years, respectively.

<i>year</i>	<i>non-exempt AFA BSAI P.cod landings in mt.</i>	<i>Final BSAI trawl allocation in mt.</i>	<i>BSAI catcher vessel trawl allocation in mt¹</i>	<i>Sideboard ratio</i>	<i>2000 sideboard amount in mt.</i>
1995	36,607	127,200	63,600	0.576	24,148
1996	49,118	130,800	65,400	0.751	31,508
1997	50,259	n/a	65,450	0.768	32,216
1995-1997	135,984		194,450	0.699	29,339

¹The BSAI trawl allocation was not divided between catcher/processors and catcher vessels prior to 1997. For the purpose of generating catcher vessel sideboard amounts for 1995 and 1996 a 50 percent catcher vessel trawl allocation is assumed for all three years even though such allocation did not exist until 1997.

Crab Harvest Sideboard Exemption: The President of Mezich Allegiance, Inc. has provided a written proposal requesting that vessels which participated in all opilio, bairdi, and Bristol Bay red king crab fisheries from 1991-97 and have AFA qualifying pollock catch histories of less than 5,000mt (based on the best 2 of 3 year average) be exempt from AFA crab harvest sideboards. Because of the structure of AFA crab sideboards, this proposal would currently only impact the BBRKC fishery, and would appear to exempt only the one vessel represented by Mezich Allegiance, Inc. If adopted by the Council, this amendment could be in place for the 2001 fishing season.

Status Report on EIS: NMFS will provide an update on the status of the AFA EIS at this meeting. The EIS is scheduled to be completed by October 2000.

The public comments received on these issues are provided under Item C-3(d.e)(1).

Report of the Scientific and Statistical Committee

Inshore Co-op Structure: The SSC pointed out that there is little apparent agreement among industry about some of the key assumptions in the discussion paper by Halvorsen, et al. and that because data are unavailable, the correctness of their assumptions cannot be verified. The SSC noted that this is important because assumptions usually have a strong influence on the conclusions. In evaluating the conclusions of the paper, they stressed that there is little quantitative evidence to either support or refute the assumptions and there is considerable disagreement among knowledgeable people in the industry about the validity of the assumptions. More detailed comments are found in the SSC Minutes (Appendix II to these minutes).

Definition of Qualified Catcher Vessel: The SSC noted that the rules for determining how a vessel qualifies for a co-op are one factor that influence how costly it is to maintain membership in the co-op, and that the present interpretation of provisions of the AFA serves as a disincentive to the retirement of excess harvesting capacity.

Open Access Quota Share Pool: The SSC pointed out that to the extent that the open access pool is large and attractive to catcher vessels, the size of the open access pool may deter the development and continuation of co-ops.

Groundfish Processing Sideboards/Pollock Excessive Share Caps: The SSC recommended that the draft EA/RIR/IRFA be released for public review after several issues have been addressed (see SSC Minutes for details).

Socioeconomic (Cost/Earnings) Data Collection: The SSC received a report from Drs. Dan Holland and Todd Lee (NMFS-AFSC) on the cost/earnings survey they are undertaking. The SSC recommended that the Council's Socioeconomic Data Committee be asked to meet this summer to review progress and industry concerns.

Report of the Advisory Panel

Pursuant to Section 213 of the AFA, the AP recommends that regulations implementing Section 210b of the AFA be modified to allow inshore catcher vessels to change cooperatives without going through an open access year based on the following language:

1. Accepted catcher vessel: In addition to the rights of those catcher vessels defined as Qualified Catcher Vessels, all 208(a) inshore catcher vessels, (whether such vessels harvested pollock in the directed pollock fishery in the previous year or not, and if the vessel did harvest pollock in the previous year, regardless of to whom it delivered) shall be eligible to join any existing AFA onshore cooperative provided:

- a. The processor purchasing pollock from the inshore cooperative which the vessel wishes to join has agreed to purchase the pollock caught by the vessel; and
- b. Prior to the calendar year in which the vessel participates in the inshore cooperative, which shall not be before the year 2001, the owner of the vessel becomes a party to the contract which implemented the inshore cooperative under the same terms and conditions as were accepted by the owners of "qualified catcher vessels which are members of that inshore cooperative."

2. 80% rule: In the case of inshore cooperatives which have a term of more than one year, the requirement that the contract implementing the cooperative be signed by the owners of 80% or more of the qualified catcher vessels that delivered pollock for processing by a shoreside processor in the directed pollock fishing in the year prior to the year in which the fishing cooperative will be in effect will only apply in the first calendar year of the term and in the first calendar year of any renewal term.

3. Inactive Vessel Issue: A qualified vessel shall not be required to make a delivery in each calendar year so as to continue to be qualified in the following year. While on inactive status, that vessel cannot fish more than 2 seasons annually in the GOA directed pollock fishery.

4. LLP Issue: Prohibit any transfers of LLP licenses from inactive AFA vessels to non-AFA catcher vessels except to designated replacement vessels. (Under this option, all transfers of LLP licenses from AFA vessels would be prohibited unless the transfer was to a replacement vessel designated under subsection 208 (g) of the AFA. This would effectively prevent vessels from retiring AFA vessels and then transferring the LLP license to a new vessel for re-entry into Alaska fisheries free of sideboard restrictions and would affect all sectors of the AFA fleet.)

The AP recommends the Council revise the BSAI pollock quota issued to each inshore co-op and the open access fishery to be equal to the aggregate official catch history (1995 -1997 best 2 out 3 years plus offshore compensation for vessels with more than 500 mt of offshore landings) of the member vessels in each co-op

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or open access sector divided by the aggregate official catch histories of all inshore-qualified AFA catcher vessels.

Pollock excessive share caps and groundfish processing sideboards

The AP recommends the Council bifurcate the document and release the Excessive Share portion for public review.

Crab processing caps

The AP recommends that the Council exercise its authority under Section 213 of the AFA to lift the crab processing caps contained in Section 211 of the AFA. The AP understands this would be by emergency action in order to be in place for the Bristol Bay Red King Crab season.

Methods for calculating P.cod sideboards

The AP recommends the Council encourage the inter co-op group to work with the affected P.cod catcher vessels to develop appropriate alternatives/solutions and report back to the Council at the September meeting. Additionally, due to the success of the inter-co-op efforts with the P.cod sideboard sub-allocations, the AP recommends no further Council action is necessary.

Crab harvest vessel exemption

The AP recommends the Council exempt AFA crossover vessels from crab sideboards that can demonstrate participation in all opilio, bairdi, and BBRKC fisheries during 1991 through 1997 and that have AFA qualifying pollock catch histories of less than 5000mt (as calculated on the 1995-1997 best of 2 year average.)

DISCUSSION/ACTION

Inshore Co-op Structure/Qualified Catcher Vessel/Open Access/Co-op Pollock Allocations

Bob Mace moved to the approve the AP recommendations for catcher vessel qualifications and the “80% rule”, as follows:

Pursuant to Section 213 of the AFA, the AP recommends that regulations implementing Section 210b of the AFA be modified to allow inshore catcher vessels to change cooperatives without going through an open access year based on the following language:

1. Accepted catcher vessel: In addition to the rights of those catcher vessels defined as Qualified Catcher Vessels, all 208(a) inshore catcher vessels, (whether such vessels harvested pollock in the directed pollock fishery in the previous year or not, and if the vessel did harvest pollock in the previous year, regardless of to whom it delivered) shall be eligible to join any existing AFA onshore cooperative provided:

a. The processor purchasing pollock from the inshore cooperative which the vessel wishes to join has agreed to purchase the pollock caught by the vessel; and

b. Prior to the calendar year in which the vessel participates in the inshore cooperative, which shall not be before the year 2001, the owner of the vessel becomes a party to the contract which implemented the inshore cooperative under the same terms and conditions as were accepted by the owners of "qualified catcher vessels which are members of that inshore cooperative."

2. 80% rule: In the case of inshore cooperatives which have a term of more than one year, the requirement that the contract implementing the cooperative be signed by the owners of 80% or more of the qualified catcher vessels that delivered pollock for processing by a shoreside processor in the directed pollock fishing in the year prior to the year in which the fishing cooperative will be in effect will only apply in the first calendar year of the term and in the first calendar year of any renewal term.

The motion was seconded by Linda Behnken.

Council members asked NOAA General Counsel to review Council authority to amend Section 213 of the American Fisheries Act. The Council was advised that the Act grants the Council that authority but any change must be supported by the record and show that changes are necessary to mitigate any adverse impacts of the Act. Any action must also comply with the provisions of the Magnuson Act. Ms. Behnken stated that through public comments, the report by Dr. Halvorsen, and other documentation provided during public comments, she feels there is evidence of adverse impacts. However, Robin Samuelsen disagreed and suggested that the Council wait for at least a year to allow the fisheries to adjust to the new system before considering changes.

Robin Samuelsen moved to postpone action on this motion until adverse effects can be demonstrated, as shown in Section 213 of the American Fisheries Act. The motion was seconded by Dave Benton and carried, 7 to 4, with Balsiger, Behnken, Fluharty and Mace voting against.

Linda Behnken moved that a qualified vessel shall not be required to make a delivery in each calendar year so as to continue to be qualified in the following year. No AFA catcher vessel may participate in more than 2 Gulf of Alaska directed pollock fisheries annually. An inactive vessel returning to the fishery would be required to either go back to the co-op or processor of last delivery before inactive status, or go into the open access fishery. The motion was seconded by Joe Kyle and carried without objection. In addition, later in the meeting it was clarified that this would not apply to vessels less than or equal to 125' LOA fishing east of 157°W.

Linda Behnken moved that as of June 9, 2000, any LLP license earned in whole or in part on an AFA-qualified vessel may only be transferred to another LLP-qualified vessel (this applies to all vessels referenced in Section 208(g) of the American Fisheries Act). The motion was seconded by Dave Benton and carried without objection. It was clarified that this restriction would only apply during the term of the American Fisheries Act.

Bob Mace moved to approve the AP recommendation with regard to revision of the BSAI pollock quota, as follows:

Revise the BSAI pollock quota issued to each inshore co-op and the open access fishery to be equal to the aggregate official catch history (1995 -1997 best 2 out 3 years plus offshore compensation for vessels with more than 500 mt of offshore landings) of the

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member vessels in each co-op or open access sector divided by the aggregate official catch histories of all inshore-qualified AFA catcher vessels.

The motion was seconded by Linda Behnken and carried unanimously.

Council discussion indicated that this action is supported by public comment by both catcher vessel and processor sectors and that the measure will all address conservation, management, and safety issues by encouraging vessels to participate in co-ops.

Crab Caps

With regard to crab processing caps under AFA, **Linda Behnken moved to allow a 20% overage per AFA processor without penalty.** The motion was seconded by Kevin O'Leary. Council intent would be to move ahead as an emergency rule for the red king crab season to avoid further adverse impacts, and then work on a permanent amendment.

Kent Lind, NMFS, explained that there is already an emergency rule in effect to implement provisions of the AFA for the remainder of the season. This action would require a new emergency rule supported by an EA/RIR, and it is unlikely it could be accomplished without jeopardizing work on the existing AFA rules, the SEIS, and other high priority tasks.

Lisa Lindeman also pointed out that enforcement may have a problem with an "overage margin" put into permanent regulations and suggested the Council look at other options to alleviate the current situation. As a result, Dave Benton recommended that a discussion document be prepared outlining this management proposal, including the 20% margin, for consideration at the next Council meeting, and that the document be released for comment before that meeting so that any modification could be implemented as soon as possible. Alternatives to be considered would include percentages (i.e., a range of 10 to 20 percent), and total elimination of the cap. These suggestions were considered as friendly amendments to the motion.

The motion carried without objection with the addition of Mr. Benton's suggestions.

Mr. Benton said ADF&G staff would be available to assist in development of the discussion paper.

Later in the meeting, **Kevin O'Leary moved to request staff include in the discussion paper the issue of latent processing capacity and to add an additional alternative that would include 1998 as one of the years that would be averaged (i.e., 1995, 1996, 1997, 1998) to determine the crab caps.** The motion was seconded by Dave Fluharty and carried without objection.

Mr. O'Leary pointed out that the Council received public comment that indicates that some capacity has left the industry in the last few years and that capacity could return and negatively affect the processors, whether AFA or non-AFA.

Dave Benton moved that the sense of the Council is that as part of the overall management regime to implement AFA sideboard caps in the red king crab fishery for 2000, NMFS should coordinate with ADF&G, to the extent possible, using the method used by ADF&G for determining the CDQ catch. The motion was seconded by Linda Behnken and carried without objection.

Groundfish Processing Sideboards/Pollock Excess Share Caps

Linda Behnken moved to release the Excessive Share Cap analysis for public review, after incorporating the relevant recommendations of the SSC and AP. The motion was seconded by Robin Samuelsen.

John Bundy moved to amend, as follows:

Send the groundfish processing sideboard portion of the document out for public review with the following changes:

1. Include a table comparing non-AFA catcher processor cod and flatfish processing amounts as a percentage of catch before and after AFA.
2. Ask staff to make recommendations on how to close loopholes that might permit activation of latent LLPs for use in BSAI groundfish trawl fisheries.
3. Include option to allocate to non-AFA catcher processors their historic percentages of TACs and PSCs in underutilized species.
4. Add an option that, like harvesting sideboards, would impose processor limits whether or not an AFA processor participates in a cooperative.
5. Identify owners of the non-AFA groundfish processing vessels/plants in the BSAI and GOA.

The motion was seconded by Dave Benton. A vote on the motion was tabled until the issue could be taken up during staff tasking. At that time, the Council directed staff to include additional issues raised by the AP. Regarding Mr. Bundy's suggestions for public comment, indicating that the Council may consider options other than those previously analyzed. Staff will not include the additional issues in the analysis at this time. The groundfish processing sideboards and excessive share cap issues will remain linked in the same analysis document. The Council will consider further action in October.

Pacific Cod Harvesting Sideboards

Bob Mace moved to encourage industry to continue to work toward alternative solutions and report back to the Council at the next meeting. The Council will consider further action based on the results of that report. The motion was seconded by Joe Kyle.

Dave Benton moved to amend to indicate that absent an industry agreement the Council will consider an analysis that would explore two options: (1) AFA vessels permitted to fish Pacific cod will not be allowed to begin a directed fishery on Pacific cod until mid-March, unless the AFA-qualified vessel had a history of entering the directed Pacific cod fishery prior to that date; and (2) develop a Pacific cod quota that is specific to those vessels that are not AFA-qualified. The motion was seconded by Robin Samuelsen.

Linda Behnken moved to table action on the amendment submitted by Mr. Benton. The motion to table was seconded and carried without objection.

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The original motion by Mr. Mace carried without objection.

Crab Harvest Vessel Exemption

Dave Benton moved to approve the AP recommendation on crab harvest vessel exemptions: Exempt AFA crossover vessels from crab sideboards that can demonstrate participation in all opilio, bairdi, and BBRKC fisheries during 1991 through 1997 and that have AFA qualifying pollock catch histories of less than 5000mt (as calculated on the 1995-1997 best of 2 year average.) The motion was seconded by Linda Behnken and carried without objection. Staff indicated that the records indicate this will affect only one vessel.

C-4 Steller Sea Lion Protection

ACTION REQUIRED

- (a) Status report on Pacific cod fisheries and Steller sea lion concerns.
- (b) Status report on Russian sea lion research and management.

BACKGROUND

(a) Pacific Cod Interactions

The 1999 biological opinion on TAC specifications for Alaskan groundfish fisheries suggested areas of concern about potential competition between cod fisheries and Steller sea lions. At the April meeting, NMFS staff provided the Council with notice that it was preparing an analyses to further evaluate the issue. At this meeting, NMFS staff will present their findings. If the analysis indicates that these cod fisheries may be competing for Steller sea lion prey, the Council may be requested to recommend appropriate measures to alleviate those concerns prior to the 2001 fisheries. A special September meeting may be required to review analyses of measures, if necessary.

(b) U.S.-Russia Sea Lion Research

In April the Council received a status report on Russian sea lion research. The Council requested NMFS to provide additional details on Russian sea lion research, management, information on herring stocks, and sea lion-fisheries interactions in the Russian EEZ.

Report of the Scientific and Statistical Committee

The SSC did not receive the discussion paper on potential interactions between Steller sea lions in the Bering Sea/Aleutian Islands and Gulf of Alaska Pacific cod fisheries in time to review and comment on it.

Report of the Advisory Panel

The Advisory Panel received the discussion paper and a staff report on the potential interactions between Steller sea lions and Pacific cod in the BSAI and GOA and provided several specific recommendations for additions and clarifications in the report. Please see the AP Minutes, Appendix III to these minutes, for the entire set of comments.

DISCUSSION/ACTION

In addition to the staff reports on the discussion paper provided by NMFS, the Council received a presentation on the status of the Steller sea lion in Russian waters provided by Tom Loughlin, NMFS-Marine Mammal Laboratory, and Vladimir Burkano of the Alaska SeaLife Center.

Regarding Steller sea lion/Pacific cod interaction in the Bering Sea/Aleutian Islands and the Gulf of Alaska, NMFS suggested that the Council may need to schedule a meeting between now and the October meeting to review a preliminary analysis so public comment can be solicited before the Council considers action at the October Council meeting.

Linda Behnken moved to approve the recommendations of the Advisory Panel for revisions to the discussion paper. In addition, NMFS staff was asked to include discussion of the cumulative impact of Council management actions on the fisheries and how that may have changed the distribution and concentrations of the fisheries (with regard to Steller sea lion protective measures in the pollock fisheries and whether that has changed food availability for sea lions). Also, staff was asked to separate bycatch from directed fisheries in the fisheries to determine which fisheries are taking cod and where. The motion was seconded by Dave Benton and carried without objection.

C-5 Staff Tasking

ACTION REQUIRED

- (a) Review current tasking and 1999 proposals.
- (b) Identify next steps in GOA Pacific cod rationalization.
- (c) Provide direction on GOA co-op development.
- (d) Task next steps in EFH stakeholder process, and necessary revisions to crab FMP and halibut regulations to protect corals and sponges

BACKGROUND

(a) Current Tasking

The Council last reviewed staff tasking in February, including proposals from the 1999 groundfish and IFQ cycle. It was apparent then, that current projects would fully occupy available staff through at least the June meeting. The Council reviewed tasking priorities recommended by the Advisory Panel and directed staff to work on those marked as required tasks or high priority. Those tasks (along with groundfish overfishing revisions tasked earlier) are shown in the accompanying table under "Existing Projects." They reflect only analytical tasks, not processing and rulemaking by NMFS of those and previous actions.

There will be considerable additional work needed on the groundfish SEIS and FMP updates, the AFA EIS, and the AFA performance report to Congress. Regarding the report to Congress, portions of that project will be contracted, but a majority of that effort is expected to be done by Council staff, with assistance from NMFS. Our expectation is to have a draft by the October deadline, and then a much more complete report by March 2001 which will allow us to compile relevant information from the 2000 fisheries, the first full year of AFA implementation.

NMFS is also now compiling a comprehensive biological opinion on the 2001 groundfish fisheries relevant to Steller sea lion issues, which will require some assistance from Council staff. Another major project between now and October is the IFQ program for the halibut charter fleet initiated by the Council in conjunction with the GHL decision in April. And, the second phase of the EFH/HAPC

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amendment package is still pending (see further discussion under C-5(d)). Those projects will keep the majority of our staff largely subscribed between now and October.

The second section of the tasking table shows projects previously tasked and their status. Many were on the AP's list in February, but had no star or dot. The Council indicated then that those projects would become priority items when staff time becomes available.

Other major potential projects recently discussed by the Council are shown in the table under "Potential New Tasking." A summary of proposals received in last year's groundfish cycle, and a list of sablefish/halibut IFQ program proposals, are included under Item C-5(a), along with the report from the IFQ Implementation Team.

Depending on projects initiated by the Council at this meeting, we may want to reconsider whether to solicit additional proposals in this summer's annual groundfish cycle (next IFQ proposal cycle is 2001 already). I also believe it will be necessary for the Council to prioritize the items listed above, as well as any new projects initiated at this meeting.

(b) Next steps in GOA P. cod rationalization

In April the Council noticed that they would be considering rationalization options for the GOA cod fisheries at this meeting, and noticed that landings after April 16, 2000 may not count in any such program. While broad co-op type programs are being discussed by industry and the Council for the GOA (see further discussion under C-5(c)), it is likely that such a program would take considerable time to develop and implement. It may be that the Council wishes to initiate more near-term rationalization options for the cod fisheries specifically. Staff was able to compile some information on the GOA cod fisheries for consideration by the Council at this time. This is included under Item C-5(b). It is unlikely that anything will be in place for 2001, unless we slip some other projects from the existing list. Even so, it would likely be December before final action could occur, making implementation before mid-2001 unlikely. We also have to recognize that NMFS is trying to move several previous Council amendments through the rulemaking process, and will have several more, including AFA adjustments and the long-term AFA rulemaking, from the next few Council meetings.

(c) Gulf cooperatives

During final action on AFA sideboard measures in December 1998, the Council added a framework proposal submitted by Alaska Groundfish Databank for pollock co-ops in the Gulf of Alaska to staff tasking, noting that this task would not be started by staff until the Committee formed to study this issue has completed its work. The Council announced its intent to disband the Western and Central GOA committee and reform it as the GOA Sideboard Committee.

A ten member Gulf of Alaska Co-op Committee convened in April, June, and October, 1999 and April 2000. A comprehensive amendment proposal was prepared in June 1999. A problem statement was approved in October 1999. A new draft proposal for cooperatives in Regulatory Areas 620-640 was discussed in April 2000 and a revised draft was posted on the Council website in May with a call for counter-proposals and comments. The minutes from these meetings and the March 16 and May 9 draft proposals and public comments are attached as Items C-5(c)(1) and (2). The committee is scheduled to convene on June 8 to provide recommendations to the Council on the draft proposal and comments. Those minutes will be provided to you during the Council meeting.

(d) EFH/HAPC process

In February 2000, the Council reviewed an initial draft of a proposed amendment that would consider identifying additional HAPC, and two management measures to protect HAPC from fishing effects.

The first measure considered was to prohibit directed fishing for certain HAPC biota (corals, sponges, kelp, rockweed, and mussels). The second measure was to establish several marine protected areas where Gorgonian corals are found in abundance. Gorgonian corals have been shown to be important shelter for rockfish and other fish species, are very long lived, easily damaged by fishing gear, and slow to recover from damage. The amendment and associated analysis were divided into two parts: prohibiting a commercial fishery for HAPC biota (part 1, for which final action was taken in April under Amendments 65/65), and protection of Gorgonian corals (part 2).

To get the ball rolling on part 2, staff prepared a discussion paper for review by the Ecosystem Committee. The discussion paper fleshes out additional information on the stakeholder process and provides a proposed framework for future identification and evaluation of HAPC types and areas. Once this framework is adopted, the stakeholder process would be initiated to better define high density Gorgonian coral areas and develop appropriate management alternatives. Staff will provide a summary of the Ecosystem Committee's review and recommendations regarding the HAPC framework initiative.

During adoption of Amendments 65/65 the Council was interested in examining other FMPs and halibut regulations to see if further changes were needed to prevent commercial harvesting of sponges and corals. Initial discussions with agency staff suggest that gear used in these fisheries would not be able to capture corals and sponges in commercial quantities, so regulations may not be needed at this time. However, there may be enforcement concerns (e.g., retention of bycaught corals for commercial purposes allowed onboard during the halibut fishery but not the sablefish fishery), so the enforcement committee may want to discuss this issue.

The Scientific and Statistical Committee did not address this issue.

Report of the Advisory Panel

With regard to C-5(b), "Next steps for GOA Pacific cod rationalization," the AP recommended the Council begin an initiative to implement further LLP endorsements for the GOA Pacific cod and BSAI trawl Pacific cod fisheries. The AP stressed that it felt that the GOA is a clear priority and in need of immediate attention. The AP provided detailed recommendations for elements and options to be considered (see AP Minutes, Appendix III to these minutes).

DISCUSSION/ACTION

Staff provided the Council with a matrix of existing and previously tasked projects as well as potential new tasking along with estimates of staff time required for each (see Appendix IV to these minutes).

Dave Benton moved to ask staff to attempt to contract out the analysis of three previously tasked projects, as funds become available: (1) the three separate sideboard pools; (2) Bering Sea Pacific cod split; and (3) two Pacific cod regulatory. In addition, place the shark/skate, demersal shelf rockfish, and the Cook Inlet trawl ban amendments on the tasks to be completed by October. Under potential new tasking, high priority would be given to crab processor sideboards and the groundfish processor sideboard analysis (as identified by the AP). The motion was seconded by Linda Behnken. Mr. Benton clarified that his motion dealt with projects that could be done between now and the October Council meeting.

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Through discussion, suggestions, and friendly amendments tasking was amended as follows:

- With regard to the groundfish processor sideboard analysis, Mr. Benton clarified that he did not intend for staff to undertake major additional analysis at this time, but that the public should be notified that the Council may consider other measures in addition or in place of the current measures being considered (i.e., Advisory Panel recommendations and proposals made during public comment).
- The shark/skate analysis would be removed from current tasking to alleviate the workload of staff who will be working on the halibut charter IFQ analysis.
- The Council would accept the offer of the North Pacific Longline Association to do preliminary work on the issue of bycatch of albatross and fishery starting dates.
- With regard to the analysis of the three separate sideboard pools (one of the projects to be contracted), Sue Salveson pointed out that the interco-op groups have dealt with many of the concerns and suggested that before attempting to contract the project at this time, that industry be contacted to determine whether further measures are required. Council members agreed with this suggestion.
- With regard to observer issues, Council members instructed staff to continue to work with the Observer Committee to review the MRAG report.
- With regard to the Industry Crab Co-op Committee, staff was instructed to continue to provide support, including generation of data.
- Responding to a recommendation from the SSC, staff was asked to work with Dennis Austin to set up a meeting of the Socioeconomic Data Committee to help facilitate discussions between industry and NMFS economists regarding the recent costs survey developed by NMFS. Mr. Austin offered to take the minutes of the meeting; staff would only need to help set it up and notify appropriate parties.

The motion, as amended and clarified carried without objection.

There was discussion regarding the annual call for groundfish proposals considering the current tasking load. The proposals submitted for the current cycle will still have to be dealt with, probably at the October meeting. The consensus was that there would be no call for new proposals because of the numerous issues already before the Council.

Robin Samuelsen moved to request that NMFS proceed with development of a regulatory amendment for changes to the CDQ program as recommended by the State of Alaska. The Council also requests that NMFS clarify in this regulatory amendment that CDQ projects include investments. The motion was seconded by Joe Kyle and carried without objection, with Mr. Bundy abstaining from the vote.

Sue Salveson pointed out that NMFS needs an opinion from NOAA General Counsel with regard to what constitutes a "project" under the CDQ program before they can proceed with an amendment. The amendment would be considered a priority, but NMFS may not be able to address it by the October meeting.

For the purpose of rationalization of the Gulf of Alaska groundfish fisheries, Linda Behnken moved to approve the following draft problem statement for public comment:

**DRAFT GULF RATIONALIZATION
DRAFT PROBLEM STATEMENT**

The Gulf of Alaska ecosystem is complex and productive, supporting diverse communities of fish, seabirds, marine mammals and fisherman. The Magnuson-Stevens Act (MSA) charges the Council with minimizing bycatch, protecting habitat, preventing overfishing, promoting safety of life at sea and enhancing, opportunities for fishery dependent communities.

Increasing participation of Gulf of Alaska fisheries as well as increasing catch capacity and efficiency have intensified the race for fish with the attendant problems of high bycatch, decreased safety, and reduced product value. In addition there are concerns about sea lion recovery, consequences of Bering Sea crab reductions, spillover effects from the American Fisheries Act, and habitat conservation requirements. All of these factors have made achieving MSA goals difficult and force re-evaluation of the status quo.

Some additional problems which have been identified include:

- *The trawl, hook-and-line and pot fisheries in the Gulf of Alaska federal fisheries are fully utilized. Competition for this resource has increased for a variety of reasons, including additional recent fishing effort due to declines in non-groundfish fisheries and increased effort by traditional, long-term fishermen.*
- *Fishermen who have made significant long-term investments and have long catch histories in the Gulf fisheries need protection from others who have little or limited history and wish to increase their participation in the fisheries. At the same time, the economic and social interests of communities must be addressed, and provisions need to be included to provide opportunities for new entrants and small-boat fishermen.*
- *The race for fish has negative impacts on:*
 - *Efficient utilization*
 - *The ability of the fleet to make spatial and temporal adjustments necessary to comply with the sea lion RPAs*
 - *Bycatch*
 - *Safety*
 - *The ability of the fleet to avoid further over-capitalization, or to find a way to de-capitalize.*
- *With the advent of the AFA and the subsequent formation of a co-op management structure in the Bering Sea pollock fishery, the potential exists for increase in effort into the Gulf fisheries. AFA sideboards address this problem to some extent. However, sideboard restrictions placed on AFA qualified vessels:*
 - *Do not deal with the race for fish amongst non-AFA vessels,*
 - *Can become more punitive rather than restrictive, and possibly do not provide adequate protection for all participants in Gulf fisheries.*

- *Can have allocative impacts within the AFA fleet that negatively impact GOA dependent AFA vessels.*

Consequently, a new strategy for fisheries management in the Gulf is needed to address these problems and ensure the MSA goals are achieved. This strategy must be developed in an open and generally accessible public process.

The objective of Gulf rationalization must be to ensure fisheries, ecosystem, and community sustainability by achieving MSA requirements and promoting stewardship of marine resources. Specific objectives for rationalization include:

- *Meeting MSA conservation requirements (bycatch avoidance, habitat conservation, prevention of overfishing)*
- *Improved ability for industry to adjust to ecosystem measures such as spatial and temporal management for sea lion protection*
- *Promotion of safety of life at sea*
- *Increased utilization and improved product quality*
- *Community stability*
- *Preservation of the independent harvester fleet*
- *Fostering of a healthy, competitive processing environment*
- *Recognize historic and recent participation*
- *Accountability through performance reviews*

With regard to the draft problem statement, Ms. Behnken said the intent would be to circulate it to solicit comments and suggestions in order to get the process of rationalization started although staff will not be working on this issue between now and October. She also pointed out that comments and suggestions would be helpful for the Gulf Co-op Committee.

The motion was seconded by Kevin O’Leary and carried without objection.

The Council did not take action on the second discussion paper of the Gulf of Alaska Coalition regarding a community set-aside of halibut charter IFQs, however staff was asked to ensure that the subject of possible concentration of quota share in larger communities be addressed in the halibut charter IFQ analysis as the Council will review the analysis with that in mind.

Dave Benton moved to request that the GCCC include in their revised discussion paper, under use provisions, the potential for using quota share purchased by a community from a commercial operator to be used in a charterboat operation. The motion was seconded by Robin Samuelson and carried without objection.

Linda Behnken brought up the draft analytical design for the halibut charter IFQ analysis that staff provided to the SSC for comments earlier in the week. Ms. Behnken felt that there was some misunderstanding regarding what the Council had intended to be analyzed under allocation of initial quota share.

Dave Benton moved to instruct staff that the analysis should be more reflective of the GHL expressed as a ratio and should maintain the ratio between charter and commercial sectors as developed under the GHL allocation scheme. The motion was seconded by Joe Kyle and carried without objection.

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Linda Behnken moved to send a letter to NMFS stating that the Council would appreciate its assistance with the effort to obtain funding for contracting help on the halibut charter IFQ analysis, indicating that assistance is needed quickly in order to keep to the schedule for getting a program in place. The motion was seconded by Robin Samuelsen and carried without objection (Sue Salveson abstained from the vote).

The Council was provided a tasking list for CDQ amendments and priorities by NMFS staff. Council concurred with the priorities established by NMFS.

Staff was directed to continue to work on materials in preparation for stakeholder meetings to exchange information on Gorgonian corals. The workshops will most likely be held in the fall in several Alaska locations.

C-6 Magnuson-Stevens Act Reauthorization Issues

ACTION REQUIRED

Status report on reauthorization.

BACKGROUND

In April I gave you a marked up version of the Magnuson-Stevens Act that incorporated Congressman Gilchrist's bill, HR 4046, which would add many new provisions proposed by the environmental community. No additional legislative proposals have been submitted, though apparently House and Senate staffs are preparing separate versions of reauthorization bills to be submitted in the next few weeks. It is not anticipated that Congress will be able to process those proposals until next year, though there may be short term action to extend the moratorium on IFQs, which otherwise would lapse on October 1, 2000.

There have been eight hearings beginning last July:

July 22, 1999	Washington, D.C.	House Subcommittee
July 29, 1999	Washington, D.C.	Senate Subcommittee
September 25, 1999	Portland, ME	Senate Subcommittee
December 14, 1999	New Orleans, LA	Senate Subcommittee
January 18, 2000	Anchorage, AK	Senate Subcommittee
January 19, 2000	Seattle, WA	Senate Subcommittee
March 9, 2000	Washington, D.C.	House Subcommittee (mainly EFH focus)
April 10, 2000	Boston, MA	Senate Subcommittee

I have reviewed most written testimony provided at the hearings and developed the list of issues shown in item C-6(a). Inserted in that list are recommendations from the Regional Council Chairmen's 1999 meeting and issues raised by NMFS in testimony before the subcommittees. A more complete listing of the chairmen's recommendations from last year is under item C-6(b). The most recent proposals offered by NMFS at our chairmen's meeting this May are under item C-6(c). NMFS's only new proposal since the last hearing is the addition of seabirds to the definition of bycatch.

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The regional council chairmen emphasized the following seven points at their recent meeting in Charleston on May 22-24:

- 1. More funds are needed to carry out current mandates already added to the Act by the SFA in 1996.**
- 2. Sweeping changes should not be made to the Act now, though minor technical changes to improve the process would be acceptable.**
- 3. Most of the new provisions proposed by HR 4046 are opposed by the chairmen. The provisions far outrun our current available information on and understanding of ecosystems, and will just open NMFS up for more litigation.**
- 4. Concerning EFH, the Council chairmen maintained their previous position that either the definition should be modified, or guidance should be more specific on how to use different types of data to identify and describe EFH.**
- 5. The basis for closed meetings needs to be expanded to include evaluation of research proposals.**
- 6. If Congress adds any new members to any of the Councils, then additional funding needs to be granted also.**
- 7. Concerning the collection of social and economic data, labor data need to be collected routinely. Current databases do not cover people that harvest fish for a living because they are considered self-employed and are not counted in current surveys.**

The Alaska Marine Conservation Council has submitted a written comment on reauthorization (item C-6(d)). Changes proposed by the National Fisheries Institute are under item C-6(e).

Neither the SSC nor the AP addressed this agenda subject.

DISCUSSION/ACTION

The Executive Director briefly reviewed the issues noted in the Action Memo. There was no Council discussion or action on this agenda subject.

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D. FISHERY MANAGEMENT PLANS

D-1 Groundfish Management

ACTION REQUIRED

Initial review to amend the TAC specification process.

BACKGROUND

In May 1998, the Council submitted the analyses for Amendments 48/48 to the groundfish fishery management plans for Secretarial review. The intent of these amendments was to streamline the Council's annual groundfish harvest specification process by: (1) rolling over final harvest specifications established for one year into the following year to serve as preliminary specifications and eliminate the need to publish interim specifications; and (2) issuing annual specifications through a single Federal Register document which would be published after the December Council meeting. NMFS subsequently identified legal and technical problems with amendments 48/48. These problems stemmed largely from compliance issues with National Environmental Policy Act (NEPA), the Administrative Procedure Act (APA), Regulatory Flexibility Act, and Endangered Species Act associated with "rolling over" TAC amounts from one year to the next, as well as the recent development of more rigorous agency guidelines for compliance with these statutes. As a result, the original concept for amendments 48/48 was tabled in mid-1999.

NMFS again is attempting to develop options for revising the existing TAC specification process to respond more effectively to the following objectives:

1. Manage fisheries based on the best available information;
2. Respond to new information or conservation concerns;
3. Comply with NEPA, ESA, and RFA provisions while minimizing unnecessary disruption to fisheries;
4. Provide adequate opportunity for public review and comment; and
5. Promote administrative efficiency, while minimizing public confusion.

NMFS staff will present an analysis for revising the annual TAC setting process for initial review. The EA/RIR/IRFA was mailed last week to you by NMFS. Final action is scheduled for the October meeting. The executive summary, containing the proposed alternatives, is attached as Item D-1(a).

Report of the Scientific and Statistical Committee

The SSC stated that the current TAC specification process is grossly inefficient and changes need to be made. They had extensive comments to the analysts for revisions to the document before releasing it for public comment. Please see the SSC Minutes (Appendix II to these minutes) for specific recommendations.

Report of the Advisory Panel

The AP recommended sending the analysis out for public comment.

DISCUSSION/ACTION

Because of the extensive comments of the SSC, Sue Salvesson suggested that the analysis should be referred to the plan teams for comments on the impacts of the alternatives and the document revised before further Council consideration.

Linda Behnken moved to refer the analysis to the groundfish plan teams for review and comment before a revised analysis is submitted to the Council for initial review in October. The motion was seconded by Joe Kyle and carried without objection.

D-2 Crab Management

ACTION REQUIRED

- (a) Final review of rebuilding plans for opilio and St. Matthew blue king crab.
- (b) Receive status report on crab co-ops and permit buyback program.

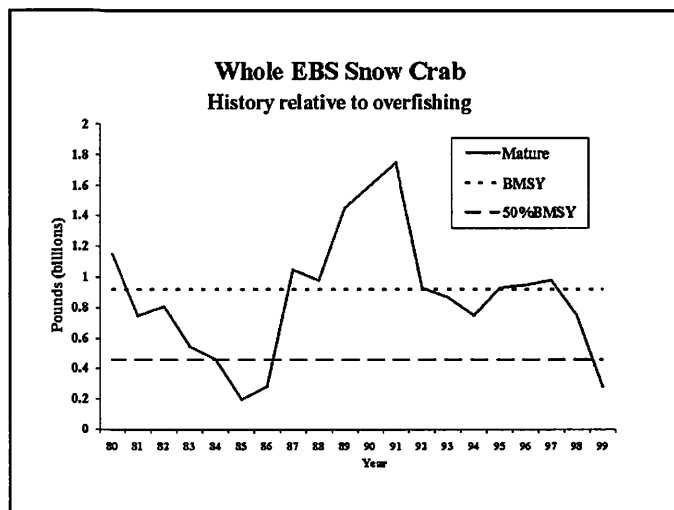
BACKGROUND

(a) Crab Rebuilding Plans

Opilio Rebuilding Plan - Proposed Amendment 14

Amendment 7 to the BSAI King and Tanner Crab FMP redefined overfishing, OY, and MSY, and updated the FMP with new information. The amendment established MSY point estimates, along with minimum stock size thresholds (MSST) for individual crab stocks based on prevailing environmental conditions (1983-1997 period). Overfishing is now defined as a fishing mortality rate in excess of natural mortality ($M=0.2$ for king crabs, $M=0.3$ for Tanner and snow crabs) and overfished is defined as a biomass that falls below MSST.

The 1999 NMFS Bering Sea survey indicated that the snow crab stock was below the minimum stock size threshold (MSST) established for this stock. Abundance of snow crab (*C. opilio*) declined sharply this year, resulting in a spawning biomass value (283.3 million pounds) below the MSST (460.8 million pounds), which precipitated a severe curtailment of the fishery in the 2000 season. On September 24, 1999, NMFS informed the Council that this stock was declared "overfished" pursuant to the Magnuson Act guidelines, which require a rebuilding plan to be developed within one year.



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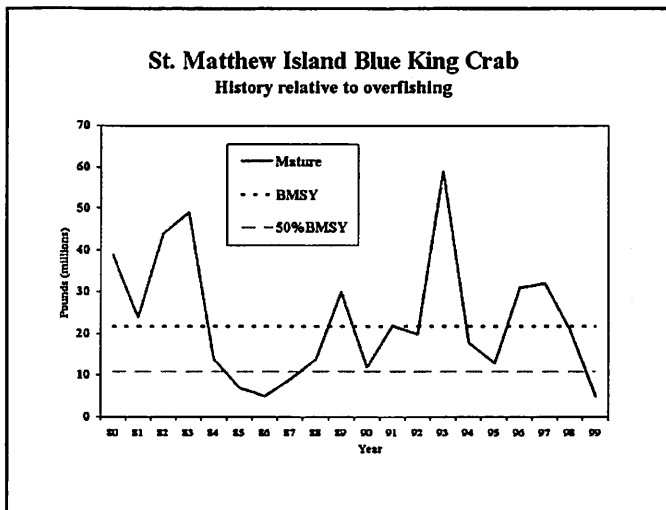
A draft rebuilding plan for this stock was mailed to the public on May 5, 2000. An executive summary of the plan is attached as [Agenda Item D-2\(a\)\(1\)](#). Staff will provide additional details of their analysis. The BSAI Crab Plan Team recommendations are contained in their minutes, attached as [Agenda Item D-2\(a\)\(2\)](#). At this meeting, the Council is scheduled to take final action on the rebuilding plan.

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St. Matthew Blue King Crab - Proposed Amendment 15

The 1999 NMFS Bering Sea survey indicated that the St. Matthew blue king crab stock was below the minimum stock size threshold (MSST) established for this stock. Abundance declined sharply this year, resulting in a spawning biomass value (4.8 million pounds) below the MSST (11.0 million pounds). On September 24, 1999, NMFS informed the Council that this stock was declared "overfished" pursuant to the Magnuson Act guidelines, which require a rebuilding plan to be developed within one year.

A draft rebuilding plan for this stock was mailed out to the public on May 5, 2000. The revised analysis addressed as many of the issues identified by the Advisory Panel in April as possible. An executive summary of the plan is attached as Agenda Item D-2(a)(3). Staff will provide additional details of their analysis. At this meeting, the Council is scheduled to take final action on the rebuilding plan.



Comments received on the rebuilding analyses are under Item D-2(a)(4).

(b) Crab Co-ops and Permit Buyback Program

The industry buyback/co-op committees met on April 26, May 18 (co-op subcommittee only), and again earlier this week in Portland. The minutes from the April and May meetings are included in your notebook under Item D-2(b)(1), and a report from this week's meeting will be distributed. Regarding the buyback initiative, it appears there is support for some type of congressional assistance, though a big issue remains: the amount of an appropriation vs the amount that would be funded through a loan to industry. On May 18, NMFS published an interim final rule with guidelines for development and submission of buyback plans (Item D-2(b)(2)). A congressional fix may result in a different, more expedited process for the BSAI crab fisheries specifically. Regardless of how a crab license buyback is implemented, it will be sometime next year before the final LLP actions of the Council are implemented, including the application and appeals process to reflect the recency requirements approved by the Council in the fall of 1998 (assuming Secretarial approval of that amendment). That process must be completed before any buyback plan could be effected. More information on the buyback process may be available at meeting time. In a related action, on May 16 the Secretary of Commerce approved a declaration of commercial fisheries failure relative to the opilio fisheries, which will open the door for congressional appropriations to assist in (unspecified) relief.

Regarding the development of crab co-ops, progress has been made by the co-op subcommittee, most notably in the establishment of catch history alternatives to determine individual percentages relative to co-op (or IFQ) allocations. The subcommittee came to initial agreement for harvest sector alternatives for BBRKC and opilio, as shown in the May 18 minutes, and will be addressing alternatives for other crab fisheries at this meeting. They also continued to review and discuss options for processor inclusion (including two-pie co-op or IFQ options), community consideration, and treatment of hired skippers, though no resolution of those issues was attained. Some proposals would require legislative change, possibly through the Magnuson-Stevens reauthorization process. Note that written proposals submitted to the committee are attached to the meeting minutes, along with the full set of initial alternatives and options from March.

The committee also discussed the need for at least some initial analysis of catch history options, to allow industry members to better assess the relative impacts of the various options. While such analysis could be provided by staff, it should be recognized that individual data could not be released, and any numbers (even aggregations) would be very preliminary pending resolution of the aforementioned LLP qualification. The committee may have additional reports or recommendations from the meeting earlier this week. At some point, barring Congressional action, the Council will have to formally approve alternatives, options, and other aspects

of an amendment analysis for the crab co-op initiative to proceed. This needs to be weighed against other Council priorities, considering the Congressional moratorium, the overall timing relative to LLP resolution, and further committee work to resolve the major outstanding issues.

Additional comments received on this issue are under Item D-2(b)(3).

The Scientific and Statistical Committee did not address this agenda issue at this meeting (they commented on the rebuilding plans during the April 2000 meeting).

Report of the Advisory Panel

Opilio Rebuilding Plan

The AP recommended the Council adopt the Crab Plan Teams recommendations:

Alternative 2. Establish a comprehensive rebuilding plan for BS snow crab.

A. Harvest Strategy

Option 2: Adopt a new harvest strategy for Bering Sea snow crab. The strategy, as detailed in Section 1.6.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 1. Status quo - no action. Maintain existing snow crab bycatch control measures in the BSAI groundfish fisheries. The snow crab PSC limit would be set at 0.1133% of total survey abundance (minus 150,000 crabs) with a maximum of 2.85 million crabs, and a minimum of 4,350,000 crabs.

Option 3. Request the Board of Fisheries and the Alaska Department of Fish and Game to consider additional measures (such as gear modifications and area closures) to reduce bycatch of snow crab in crab fisheries.

C. Habitat Protection

Option 2: Expand the EFH definition for snow crabs to include all habitats used by opilio crab, based on both historic and current data. The importance of snow crab EFH in maintaining stock productivity would be noted in consultations. To the extent feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

St. Matthew Blue King Crab Rebuilding Plan

The AP recommended the Council adopt the Crab Plan Team's recommendation:

Alternative 2: Establish a rebuilding plan for St. Matthew Blue King Crab

A. Harvest Strategy

Option 2: Adopt the Alaska Board of Fisheries new harvest strategy for St. Matthew blue king crab. The strategy, as detailed in Section 5.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 2: Adopt the Board of Fisheries gear modifications measures and area closure to reduce bycatch of blue king crabs in crab fisheries.

C. Habitat Protection

Option 2: For agency consultation purposes, highlight the importance of blue king crab EFH in maintaining stock productivity. To the extent feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

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Option 3: Adopt the Alaska Board of Fisheries State Waters Habitat Protection Areas for egg bearing female blue king crab around St. Matthew Island, Hall Island, and Pinnacles Island.

DISCUSSION/ACTION

Bering Sea/Aleutian Islands *C. Opilio* Rebuilding Plan

Earl Krygier moved to approve the recommendations of the Advisory Panel with regard to the rebuilding plan for *C. Opilio* crab. The motion was seconded by Linda Behnken.

Linda Behnken moved to amend the habitat portion of the plan to task the Crab Plan Team with providing an annual report on crab bycatch and survey data on maps of the same scale so that habitat areas needing additional protection can be more easily identified. This was considered a friendly amendment by the maker of the main motion.

Linda Behnken moved to amend to substitute Option 2 for Option 1 under Bycatch Controls. The motion was seconded and failed, 6 to 5, with Behnken, Kyle, O'Leary, Samuelsen and Lauber voting in favor.

Sue Salvesson suggested editorial changes under Option 3, to remove reference to a request of the Alaska Board of Fisheries to adopt additional rebuilding measures since this has already been accomplished.

Mr. O'Leary pointed out that in Appendix I of the industry agreement on snow crab PSC limits (dated 1996) in the caveats and recommendations, specifically with regard to habitat protection, it states that if Area 517 bycatch exceeds 500,000 snow crab in any year the Council should consider moving the southern boundary of the snow crab bycatch limitation zone from 56'30" to 56'. Mr. O'Leary noted that the Council has already indicated that they will be revisiting that issue in the future.

The main motion carried, 9 to 2, with Kyle and Mace voting against. Both members voting no indicated they don't feel that the action does not go far enough and that data is scarce.

Dennis Austin moved to direct the Plan Team to provide AMCC the opportunity to make the same presentation as they did before the Council and to ask the Plan Team to critique AMCC's conclusions, and report back to the Council in order to determine whether additional measures should be implemented. Additionally, the Plan Team will be tasked with reviewing the issue brought up by Mr. O'Leary regarding the southern boundary for the snow crab bycatch limitation zone and to also give the Council its evaluation of the alternatives provided by AMCC. Appropriate upper bounds as well as the appropriate lower bounds should also be reviewed and commented on by the Plan Team. The motion was seconded by Earl Krygier and carried without objection.

St. Matthew Blue King Crab Rebuilding Plan

Linda Behnken moved to approve the recommendations of the Advisory Panel with regard to the St. Matthew blue King crab rebuilding plan. The motion was seconded by Earl Krygier and carried without objection.

Earl Krygier reviewed the complementary actions taken by the Alaska Board of Fisheries with regard to this fishery.

E. ADJOURNMENT

Chairman Lauber adjourned the meeting at approximately 10:51 a.m. on Monday, June 12, 2000.

Persons Giving Public Comment

B-1 Executive Directors Report (Eiders)

Paul MacGregor, At-sea Processors Assn.
Glenn Merrill, Aleutians East Borough

B-2 ADFG Report - CDQ Report

Larry Cotter, Aleutians-Pribilof Islands Community Development Corp.
Eugene Asicksick, Norton Sound Economic Development Corp.
Don Mitchell/Steve Reiger, NESDC

C-1 Halibut Management

Jack Crowley, Fishing Vessel Owners Assn
Joe Sullivan, Northwest Food Strategies
John Crowley, FVOA
Shari Gross, Halibut Assn of North America

C-2 Observer Program

Chris Blackburn, Alaska Groundfish Data Bank

C-3 American Fisheries Act

Scott Matulich
Rebecca Baldwin, EEA
Terry Leitzell, Icicle Seafoods
Glenn Reed, Pacific Seafood Processors Assn
Ken Tippett, Alaska Boat Co.
John Young/John Dooley, Independent Catcher Vessels
Brent Paine, United Catcher Boats
Fred Yeck, Midwater Trawlers Cooperative
Margaret Hall/David Stanchfield
Bob Desautel, Nina Fisheries
Walter Kerr, Nina Fisheries
Gregg Baker, Westward Seafoods
Dave Fraser, F/V Muir Milach
Doug Forsyth, Phoenix Partnership
Bill Hayes, F/V Jubilee
Paul Eisen/Kim Hampton
Garry Longon, Royal Aleutian Seafoods
Gary Painter
Rick Mezich, Mezich Allegiance
Susan Robinson, Fishermen's Finest
John Iani, Unisea

Frank Kelty, Unalaska/Dutch Harbor
John Henderschedt, Groundfish Forum
Donna Parker, Arctic Storm
Simeon Swetzoff, City of St. Paul
Edward Poulsen
Ralph Hoard, Icicile Seafoods
Trevor McCabe, At-Sea Processors Assn
John Gruver, UCB
Steve Aarvik/Charles Burrece/Omar Allinson

C-4 Steller Sea Lions

Beth Stewart, Aleutians East Borough
Dave Fraser, High Seas Catcher's Co-op
Charles Burrell

C-5 Staff Tasking

Tom Maloney/Paul Fuhs, Yakutat
Beth Stewart, AEB
Jeff Stephan, United Fishermen's Marketing Assn.
Chris Blackburn/Joe Childers
Thorn Smith, North Pacific Longline Assn.
Dorothy Childers, Alaska Marine Conservation Council
Brent Paine, UCB/MTC

C-6 MFCMA

Stephen Taufen, Groundswell

D-2 Crab Management

Fran Bennis, AMCC
Gary Painter
Arni Thomson, Alaska Crab Coalition
John Gauvin, Groundfish Forum
Gordon Blue
Michelle Ridgway, Oceanus Alaska

North Pacific Fishery Management Council

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



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Certified: Paul Bendyke
Date: 8/28/02

MINUTES Scientific Statistical Committee June 5-7, 2000

The Scientific Statistical Committee met June 5-7, 2000 at the Doubletree Hotel in Portland, Oregon. All members were present except Sue Hills, Terry Quinn, Richard Marasco, and Al Tyler:

Jack Tagart, Vice Chair
Steve Hare
Doug Larson

Keith Criddle
Jeff Hartman
Seth Macinko

Doug Eggers
Dan Kimura

C-3(a) Inshore Co-op Structure, Definition of Qualified Catcher Vessel, and Calculation of the Open Access/Co-op Pollock Allocations

Inshore Co-op Structure

The SSC heard a presentation by Robert Halvorsen (University of Washington) on a "Discussion Paper on Inshore Sector Catcher Vessel Cooperatives in the Bering Sea/Aleutian Islands Pollock Fisheries." Public testimony was provided by Joe Plesha (Trident Seafoods), Scott Matulich (Washington State University), Rebecca Baldwin (Economic and Environmental Analysis), John Young (Independent Catcher Vessels Association), Greg Baker (Westward Seafoods), Donna Parker (Arctic Storm), and Brent Paine (United Catcher Boats).

The paper by Halvorsen, Khalil and Lawarée has undergone minor revision from the version first presented in October 1999. The revisions include an expanded discussion of the potential distribution of benefits under the American Fisheries Act (AFA), discussion of additional options that the Council is considering that could affect the relative bargaining strength of catcher vessels *vis a vis* processors, and three alternative specifications of the benchmarks to use for comparison of the various options. While the discussion paper is an interesting analysis, it lacks the broader consideration of environmental and regulatory impacts that characterize an EA/RIR/IRFA. That is, it is but one piece of analytical information that normally would be used in the drafting of such a document. The lack of a full analysis is problematic because of the potential breadth and severity of the impacts involved. For example, it was suggested in public testimony that there could be profound impacts on selected catcher vessels, processing plants, and by extension, communities. The current document does not describe these types of potential impacts or address the likelihood of their occurrence. The last draft of an EA/RIR that the SSC has seen on this subject was presented in June 1999, well before Halvorsen and colleagues were contracted to do their report.

The paper by Halvorsen *et al.* provides a useful game-theoretic treatment of the potential distribution of gains and losses relative to three benchmark situations: pre-AFA, AFA without cooperatives, and the actual AFA. The choice of game theory as a modeling framework is reasonable. The author's assumptions with respect to the intensity of cooperative and competitive behaviors among and between catcher vessels and processors are based on discussions with industry participants, the authors' understanding of legal provisions for and barriers to cooperation, and their interpretation of the professional literature on cooperative bargaining theory. The conclusions drawn are plausible. However, because data are unavailable, the correctness of their assumptions cannot be unambiguously established. Moreover, there is little apparent agreement among the industry about some of the key assumptions made in the analysis, and there is little empirical evidence to judge the accuracy of the assumptions. This is important because assumptions usually have a strong influence on the conclusions.

While there is broad support for the conclusion that measures such as the Dooley-Hall proposal will improve the relative bargaining position of catcher vessels *vis a vis* processors, public testimony suggested that there is considerable disagreement about the absolute bargaining power of individual processors, harvesters, and harvester cooperatives. Again, there is general agreement about institutional structures and legal conditions that contribute to the strength of bargaining positions, but not about the actual bargaining strength of the various entities. For example, the legal authority of harvesters to form cooperative bargaining units increases their strength in negotiations, but the absolute level of that bargaining strength depends on how much of the harvest is controlled by the bargaining association and whether the association is cohesive or easily fractured into individual negotiations. The presence of processor-controlled vessels reduces the strength of a catcher vessel bargaining unit. In the absence of data, weighing the relative importance of factors that contribute to the bargaining strength of catcher vessels and processors is subjective and reasonable people may reasonably arrive at divergent conclusions regarding the absolute bargaining strength of the protagonists.

Some of the key assumptions in the Halvorsen *et al.* paper are (a) that the processors have strong bargaining advantages due to their greater knowledge about costs and demand and due to their ownership/control of some harvesting vessels; (b) that the market interaction is best described by moderate competition rather than monopsony (sole buyer facing many sellers), monopoly (sole seller facing many buyers) or bilateral monopoly (sole buyer facing a sole seller); (c) that the strategic interaction is characterized as a repeated game; (d) that the degree of price competition will be moderate and processors will refrain from aggressive non-price competition; (e) that the cost of switching co-ops will be high; and (f) that there is a significant amount of "under-vested" fishing effort, i.e., boats whose qualifying catch history in 1995-97 is lower than their fishing power. Individual interactions between groups of catcher vessels and processors will differ due to variations in their individual circumstances.

In evaluating the conclusions of the discussion paper, the key points to keep in mind are that the assumptions used and the benchmarks chosen directly affect the conclusions; there is little quantitative evidence to either support or refute the assumptions; and there is considerable disagreement among knowledgeable people in the industry about the "truth" of the assumptions.

In addition, we note that

1. While game theory is a reasonable tool for use in this analysis it is not, as Halvorsen *et al.* suggest, "the only" tool that could have been used. Each tool has advantages and disadvantages. Game theory is a mathematical model that can be useful for exploring certain hypothetical properties of stylistic models of interactions among economic agents.
2. Some of the characterizations in the text are too extreme. For example, while cooperatives may share a number of the attributes of IFQs, cooperatives are not "equivalent" to IFQs. For example in contrast to IFQs, while co-op members contribute their catch history to the co-op, the sub-allocation of catches

within a co-op may be more reflective of the relative bargaining strength of co-op members than of the catch history they contribute.

3. While the decision to model the industrial organization of processors as one of moderate competition is not unreasonable, alternative arguably reasonable assumptions could lead to the adoption of alternative specifications (e.g., monopsony, bilateral monopoly) that might result in different conclusions about the ultimate bargaining strength of processors and catcher vessels.
4. In understanding the exvessel prices for pollock sales to processors, it is important to understand that distribution of the tax burden associated with the \$0.006/lb tax on landings intended to offset the \$75 million AFA buyout of 9 catcher-processors will depend on the relative bargaining strength of the processors and catcher vessels. If processors could exert monopsony power, the entire tax burden would be borne by catcher vessels. If catcher vessels could exercise monopoly power, the tax burden would be entirely transferred to the processors. In an intermediate case, the tax burden will be shared among catcher vessels and processors.
5. The analysis focused largely on price competition among processors. However, there are many avenues for competition, and the presence or absence of price competition may not adequately reflect the overall degree of competitive behavior
6. Anecdotal observations presented in public testimony suggest that the level of competition among processors may be fairly intense. For example, it was reported that some processors have offered to offset a portion of the transition costs for catcher vessels to move through the open access fishery into a new cooperative. Similarly, public testimony suggested that some processors have offered bonuses for catcher vessels that have agreed to remain in the co-op associated with their plant.

Definition of a Qualified Catcher Vessel

The SSC heard staff presentation from Kent Lind. Public testimony was provided by some of the individuals who addressed the SSC on the inshore co-op structure.

The rules for determining how a vessel qualifies for a co-op are one factor that influence how costly it is to maintain membership in the co-op. Present interpretation of provisions of the AFA serves as a disincentive to the retirement of excess harvesting capacity.

Open Access Quota Share Pool

The SSC heard staff presentation from Kent Lind. Public testimony was provided by some of the individuals who addressed the SSC on the inshore co-op structure.

The size of the open access quota share pool affects the cost incurred by catcher vessels that transition from one co-op to another. A large quota share pool, particularly one that is larger than the combined catch history of the vessels that choose to participate in it, improves the outside option for co-op members by increasing the credibility of their threat to move from one co-op to another. However, catch is allocated within the open access fishery through the race for fish. Consequently, a large open access quota share pool reduces the degree to which rationalization gains can be achieved and potentially attracts so-called "under-vested" vessels. The presence of these under-vested vessels could serve as a deterrent for fully vested vessels to switch co-ops. Moreover, the current formula could lead to the odd result that a portion of the TAC could be left unfished in the unlikely event that no vessels choose to participate in the open access fishery.

Moreover, it should be noted that to the extent that the open access pool is large and attractive to catcher vessels, the size of the open access pool may deter the development and continuation of co-ops.

C-3(b) Groundfish Processing Sideboards/Pollock Processing Excessive Share Caps

The SSC heard presentations by Darrell Brannan and Marcus Hartley (Northern Economics). Public testimony was given by John Gauvin (Groundfish Forum) and Ed Richardson (At Sea Processors Association). The SSC reviewed this analysis in detail in February, and requested that a number of changes be made. The authors were responsive to these concerns in their revisions.

The SSC recommends that the draft EA/RIR/IRFA be released for public review after the following issues have been addressed:

1. The SSC concurs with the analysts' suggestion that the matrix of effects on different industry groups (presented in the previous draft) be included in the package sent to reviewers (in blank form), with the request that reviewers fill out their best assessment of how the alternatives would affect them if they wish to, along with any other comments they might provide. This could be a useful way of focusing and directing commentors to provide information that would be of use to the Council.
2. The SSC requests an elaboration of the potential effects on rate of harvest and other consequences if the excess catcher processor capacity in the pollock fishery were to enter the flatfish fishery (e.g., a mothership operation).

Finally, as noted in our February 2000 minutes: "the Council is likely to face a continuing stream of AFA mitigation measures. In essence the Council is progressing down a path of piecemeal modification of the structure of North Pacific groundfish fisheries. A piecemeal approach may or may not be preferred to a comprehensive approach; nevertheless, caution is warranted to ensure that undesirable consequences are avoided."

Socioeconomic (Cost/Earnings) Data Collection

The SSC heard a presentation from Dan Holland and Todd Lee of the (NMFS AFSC), who are implementing the a cost/earnings survey of the pollock industry. Public testimony was provided by Glenn Reed (Pacific Seafood Processors Association) and Ed Richardson (At-Sea Processors Association).

The cost/earnings survey instrument developed by NMFS is an attempt to gather data that could contribute to analyses that would provide the Council with better information about the potential economic consequences of alternative management actions. The lack of such data has often been identified as a limitation in RIR/IRFA analyses that have been conducted in support of Council actions. While NMFS has worked closely with industry to develop an instrument that closely mirrors the form in which industry currently retains information, some of the information is potentially confusing or sensitive and industry has instead proposed providing aggregate values for some of the requested individual values. The SSC is sympathetic with the industry's major concerns that certain questions seem intrusive, that the purpose for requesting certain information is unclear, and that confidentiality cannot be absolutely assured.

However, it is likely that highly aggregated economic data will limit the Council's ability to fulfill the statutory and regulatory requirements (MSFCMA, RFA, etc.) to analyze the economic consequences of Council actions. For such analyses, models predicting economic behavior are needed, and aggregation to the sector level loses the critical detail on individual actions, which is required to estimate such models. While aggregate values may provide useful information and may be sufficient for certain analyses, other types of analyses require disaggregate information. As presently envisioned, the NMFS cost/earnings survey is voluntary. Consequently, it will be ineffective without strong industry support. Even if the survey were mandatory, industry support would be necessary to ensure accuracy and timeliness.

The SSC recommends that the Council's Socioeconomic Data Committee be asked to meet this summer to review progress and industry concerns. The review should revisit data needs in the context of the types of analyses that could be supported by various levels of data; specifically the differences between analyses supportable with aggregate vs. disaggregate data.

C-4 STELLER SEA LION PROTECTION

NMFS PRD staff made a brief presentation of a "Discussion paper on potential interactions between Steller sea lions in the BSA and GOA Pacific cod fisheries".

The discussion paper was not provided in advance of the presentation and was not reviewed by the SSC.

D-1 AMEND THE TAC SETTING PROCESS

The SSC reviewed the draft EA/RIR for Amending the Process by Which TAC Specifications are Established for Alaska Groundfish. The draft EA/RIR was presented to the SSC by Sue Salveson and Jill Stevenson (NMFS). Public testimony was provided by Glenn Merrill (Aleutians East Borough) and Ed Richardson (At Sea Processors).

The current TAC specification procedure is grossly inefficient. The public is asked to comment on interim specifications that are published as a proposed rule and eventually published as a final rule, even though it is known that this information will be outdated by the time it is published. Therefore, the TAC setting procedure needs to be changed. The alternative TAC setting procedures offered by this EA/RIR balance the needs of fulfilling administrative requirements under NEPA, ESA, APA, and RFA with the desire to base TAC's under current survey and biological information. Alternatives 2-4 eliminate problems associated with reporting on interim TAC. The SSC questioned whether Alternatives 3 and 4 will provide sufficient "extra" time to allow the fulfillment of administrative requirements.

The SSC believes that there are several aspects of the alternatives that need to be addressed in a revised document. The SSC recommends the analysis be revised to address the following comments. The revised document should be reviewed at the October meeting.

Alternative 2A (Issue proposed and final specifications based on previous year's stock assessment surveys) has associated benefits to the stock assessment process. The alternative has the "downside" of not utilizing the most current survey information in the stock assessment process. In terms of meeting the public review requirement and relaxing the often-harried pace at which the annual stocks assessments take place, this Alternative solves certain problems associated with the status quo. Under this alternative, stock assessments – based on the previous year's survey and catch-age data – could be prepared earlier in the calendar year. Conceivably, the assessments could be ready for SSC review by the April meeting, Council review by the June meeting, with recommended TACs, public review and comment, and publication of final TACs occurring before January 1.

While it is generally preferable to utilize the most current survey data, there are a number of reasons why it is not necessarily disadvantageous to shift the stock assessment process as noted above and restrict the analysis to the previous year's data. Technically, the stock assessments would still be based on the most recently available data since the assessments would be conducted in the spring through summer and survey results not available until fall. The expanded timeline would allow for thorough review by all parties and a more complete comment and response interaction between analysts and commentators than is currently practical.

Given the current timeline, survey biomass estimates are not available until October, shortly before stock assessment results and preliminary ABCs are given to the SSC for review. There are legitimate questions whether this rushed use of data is warranted and whether the process would benefit from a lengthier review and validation period. There is also a tendency to place a disproportionate amount of weight on the most recent data points. In particular, much attention is paid to the newest recruitment estimate, which is possibly the most poorly estimated parameter in the stock assessment model. The utility of these data increases with time and the addition of auxiliary data. Finally, in the Gulf of Alaska and the West Coast, where surveys are conducted biennially or triennially, assessments have long been based on survey data collected 18-30 months previously.

Alternative 2B (Issue proposed and final specifications based on an alternative fishing year schedule) appears to both take advantage of the most recent survey data and relieve many of the problems currently associated with the TAC specification process. The SSC, however, would like to see a more complete discussion about the expected consequences of this alternative. In particular, the SSC is concerned about the following issues:

1. The impact of a revised fishing season on the stock assessment process. Presumably, the assessments would be modified to provide biomass estimates in April or May rather than December. There is some question as to how the models would be adapted and whether the data are amenable to this change.
2. How would these new fishing years interact with the January-December managed fisheries that impact the groundfish fisheries such as Pacific halibut, sablefish, ADF&G managed fisheries including crab and salmon.
3. The implications of having the high value/high volume fisheries at the end of the fishing calendar, furthest removed from the biomass surveys.

Analysts ranked alternative 2c high in its ability to use current survey data. However, the technical feasibility of a late-winter survey is questionable, and must be addressed in the revised document. Specific issues include:

1. The ability to conduct a consistent and comprehensive stock assessment surveys in the Bering Sea during the late winter months due to presence of ice and hazardous inclement weather, and;
2. The consistency of the late-winter and conventionally timed stock assessment surveys.

Here the stock's spatial distribution and availability to a late winter surveys would be different from the distribution and availability during historically timed stock assessment surveys. Some period of concurrent late-winter and conventional surveys would be required to calibrate the late-winter survey in order to maintain continuity of the stock assessment data

The SSC notes that the proposed non-discretionary procedure for determining interim TAC's under Alternative 3 (Interim specifications calculated from ABC, followed by proposed and final specifications) depends on the ABC's and TAC's (where Council-recommended TAC's are lower than calculated TAC's) set at the December Council meeting, and may not satisfy APA standards for public review and input. It was noted in public testimony that there could be problems with area apportionments under this alternative. The SSC suggests this be clarified in the revised document.

HALIBUT CHARTER IFQ – ANALYTICAL DESIGN

The SSC received a presentation of the documents, Analytical Design of the Halibut charter IFQ Analysis, for SSC Review, and Supplemental to Analytical /Design of the Halibut Charter IFQ Analysis for SSC Review by Council staff members Jane DiCosimo and Chuck Hamel. Public testimony was received from Sheri Gross (Halibut Association of North America), and Bob Ward (Homer Charter Vessel Owners Association). The Council has directed staff to prepare a “preliminary analysis of Charter IFQ issues for the October meeting, initial review for the December meeting, and final review at the February 2001 meeting.

The Charter IFQ analysis is on a very tight schedule. Council staff noted that there was a possibility of an additional amendment involving a set aside for communities. This proposed amendment might be added on to the Charter IFQ analysis, further burdening the analysts.

Some problems with the proposed Analytical Design document follow:

1. The problem statement expresses some potentially overly optimistic results for the charter IFQ program, including; “Extending the existing halibut quota share program to include the guided sport sector, with provisions to recognize the unique nature of the guided sport sector, *will resolve future allocation conflicts between the commercial and guided sport sectors*, and provide access opportunities for halibut fishermen, processors and consumers. “ While halibut IFQ’s provide promise for reduction of some allocation conflict, it may not fully extinguish regional conflict over halibut allocation.
2. We note that datasets on personal identifiers and data on potentially qualified IFQ recipients are incomplete. These data problems could create a significant obstacle to identifying the population of participants and associated history in the fishery. It was noted in the Analytical Design document that:

“While a definitive count of vessels and owners can be produced from available data, it will not be possible to match these data to the options under Issue 4. Further, it will not be possible to match those missing records to harvest history qualification criteria for the options under Issue 3.”

These data shortcomings will handicap the analysis in terms of identifying appropriate strata for the population, impacts on quota price and rents, and in determining the probable outcomes of the distributional effects on various groups in the recreational sector, other fishing sectors, and localities.
3. Without substantial additional resources, Council staff indicated that it would be unlikely that the charter IFQ analysis would be as detailed as the halibut GHL analysis. The SSC encourages the Council to consider the use of additional technical assistance through contracts or other means to increase the probability of developing an analysis that will withstand scrutiny.

DRAFT AP MINUTES

ADVISORY PANEL MINUTES
June 7-10, 2000
The Doubletree Downtown, Portland, Oregon

Advisory Panel members in attendance:

Alstrom, Ragnar	Jordan, Melody
Benson, Dave	Kandianis, Teressa
Boisseau, Dave	Madsen, Stephanie (Vice-Chair)
Bruce, John (Chair)	Nelson, Hazel
Burch, Alvin	Ridgway, Michelle
Cross, Craig	Steele, Jeff
Falvey, Dan	Stephan, Jeff
Fuglvog, Arne	Ward, Robert
Fraser, Dave	Yeck, Lyle
Jones, Spike	

C-1 Halibut Management

(a) Review Gulf Coastal Communities Coalition (GOACCC) Halibut IFQ discussion papers:

The AP recommends the elements and options included in the GOACCC paper and the revised elements and options below to be distributed for additional public comment. Comments would be reviewed at the Council's October meeting in Sitka. We further request the GOACCC discussion paper be made available as an attachment. Recommended additions follow:

Community IFQ Purchase - elements and options:

Element 2. Ownership Entity - Clarify that there can only be one entity/community and include GOA communities only.

Element 4. Purchase, sale and use restrictions:

a. Add a definition for residency requiring a physical presence in the community of

1. 180 days/year
2. 270 days/year

Element 7. Add an option creating a drop through system with use privileges subject to voluntary change in year 5 and mandated change in year 10

Suboption: Accompany mandated change in year 10 with

1. 10% loss of QS
2. 15% loss of QS
3. 20% loss of QS

Motion passed 18-0-1.

The AP recommends the Council include the elements and options identified in the Community 'set aside' of halibut charter IFQ GOACCC discussion paper with the addition of a new alternative that would allow qualified communities to buy charter QS.

DRAFT AP MINUTES

Further, the AP is aware of Council staff time constraints and understands it may be necessary to complete work through a contract.

The above motion failed 9-9 but passed 10-8 upon reconsideration.

C-1 (b) Halibut Donation Program

The AP recommends the Council adopt Alternative 2 with the understanding the Council, in consultation with IPHC and NMFS, commit to a periodic review every three years.

Motion passed 17-0.

C-2 Observer Program

The AP recommends the Council adopt the following:

Proposed Action 1 - Alternative D with the modification allowing an increase in observer coverage when processor wishes to exceed the 250 mt capacity/week.

Proposed Action 2 - Alternative A

Proposed Action 3 - Alternative A

Proposed Action 4 - Alternative A - status quo

Proposed Action 5 --Alternative B excluding observer evaluations and deployment ratings.

Motion passed 19-0.

Minority Report

The following motion failed 14-3.

We, the undersigned members of the AP, believe that Proposed Action 4, Alternative B, Option 1 more adequately meets the mandated fishing effort coverage objective than does the current practice of observing 30% of "days fished." This Action may also provide the following benefits:

- increase accuracy, precision and overall confidence of data obtained by observers*
- improve efficiency of observer time on vessels (which may yield cost savings to vessel owners)*
- provide a more realistic basis for analyzing what level of observer coverage is actually required to obtain statistically significant data on stock, recruitment, CPUE, and bycatch.*

Hazel Nelson

Michelle Ridgway

Dan Falvey

DRAFT AP MINUTES

C-3 American Fisheries Act

(Motion to bifurcate the following motion failed 15-3).

Pursuant to Section 213 of the AFA, the AP recommends that regulations implementing Section 210b of the AFA be modified to allow inshore catcher vessels to change cooperatives without going through an open access year based on the following language:

1. Accepted catcher vessel: In addition to the rights of those catcher vessels defined as Qualified Catcher Vessels, all 208(a) inshore catcher vessels, (whether such vessels harvested pollock in the directed pollock fishery in the previous year or not, and if the vessel did harvest pollock in the previous year, regardless of to whom it delivered) shall be eligible to join any existing AFA onshore cooperative provided:

- a. The processor purchasing pollock from the inshore cooperative which the vessel wishes to join has agreed to purchase the pollock caught by the vessel; and
- b. Prior to the calendar year in which the vessel participates in the inshore cooperative, which shall not be before the year 2001, the owner of the vessel becomes a party to the contract which implemented the inshore cooperative under the same terms and conditions as were accepted by the owners of "qualified catcher vessels which are members of that inshore cooperative."

2. 80% rule: In the case of inshore cooperatives which have a term of more than one year, the requirement that the contract implementing the cooperative be signed by the owners of 80% or more of the qualified catcher vessels that delivered pollock for processing by a shoreside processor in the directed pollock fishing in the year prior to the year in which the fishing cooperative will be in effect will only apply in the first calendar year of the term and in the first calendar year of any renewal term.

3. Inactive Vessel Issue: A qualified vessel shall not be required to make a delivery in each calendar year so as to continue to be qualified in the following year. While on inactive status, that vessel cannot fish more than 2 seasons annually in the GOA directed pollock fishery.

4. LLP Issue: Prohibit any transfers of LLP licenses from inactive AFA vessels to non-AFA catcher vessels except to designated replacement vessels. (Under this option, all transfers of LLP licenses from AFA vessels would be prohibited unless the transfer was to a replacement vessel designated under subsection 208 (g) of the AFA. This would effectively prevent vessels from retiring AFA vessels and then transferring the LLP license to a new vessel for re-entry into Alaska fisheries free of sideboard restrictions and would affect all sectors of the AFA fleet.)

Motion passed 14-3-1.

The AP recommends the Council revise the BSAI pollock quota issued to each inshore co-op and the open access fishery to be equal to the aggregate official catch history¹ of the member vessels in each co-op or open access sector divided by the aggregate official catch histories of all inshore-qualified AFA catcher vessels.

Motion passed 19-0.

¹1995 -1997 best 2 out 3 years plus offshore compensation for vessels with more than 500 mt of offshore landings.

DRAFT AP MINUTES

Minority Report - AFA Inshore Co-op Structure

The undersigned oppose the inshore co-op structure as proposed by the modified Dooley-Hall plan. The AFA's purpose was to rationalize the inshore pollock fishery in a way that equally benefitted investors in both harvesting and processing capacity.

The AFA limits the Council's authority to modify the inshore co-op structure only when adverse effects on owners of fewer than three vessels caused by the AFA itself or fishery cooperatives can be demonstrated. We believe the proponents of the modified Dooley-Hall proposal have failed to demonstrate any adverse effect.

No vessel owner presented testimony supporting elimination of the inshore co-op structure and return to open access. Testimony given reported that fishermen received the highest ex-vessel price ever this 2000 A/B pollock season.

Additionally, public testimony received alerted the AP to the concern that, in fact, the modified Dooley-Hall proposal represents a grave danger to non-vertically integrated processors and may accelerate the purchase of ICV's by processors. Preventing the loss of ICV's is a stated core motive of the modified Dooley-Hall proposal.

Finally, the AFA requires that any modification of the co-op structure be "imposed fairly and equitably to the extent practicable among and within the sectors in the directed pollock fishery." Allocating all of the rights to the fish exclusively to vessel owners and excluding inshore pollock processors, is not equitable within the inshore sector. It will also cause the inshore processing sector to be greatly destabilized in relationship to the factory trawler, the offshore catcher vessel and the mothership sectors.

We believe the fundamental co-op structure should be maintained and if changes are necessary in the future, a proposal which equally benefits investors in both harvesting and processing capacity should be developed. We do, however, support the AP's actions:

- Changing the definition of "qualified catcher vessel" to allow vessels to retire from the fishery*
- Applying the 80% rule to only the first year a co-op is formed*
- Prohibiting the transfer of LLP licenses from inactive AFA vessels to non-AFA vessels except to designated replacement vessels*
- Recalculation of the open access/inshore co-op pollock allocations*

*Dave Benson
Stephanie Madsen
David Boisseau*

C-3 (b) Pollock excessive share caps and groundfish processing sideboards

The AP recommends the Council bifurcate the document and release the Excessive Share Portion for public review. Motion passed 19-0.

The following motion failed 9/10 and no further action was taken on this issue.

DRAFT AP MINUTES

The AP recommends to send the groundfish processing sideboard portion of the document out for public review with the following changes:

1. Attempt to balance the analysis by ground-truthing existing hypothetical scenarios - replace those that are not found to be true or likely with hypothetical scenarios that are reality-based.
2. Add a bycatch section that looks at processing of bycatch when sideboards for that species are reached. In that section, the analysis should look at the potential of processing caps that might result in the discards of bycatch. It should also identify an option that would allow AFA processors to accept bycatch above their processing caps.
3. The IR/IU section of the analysis should examine the potential role of processor sideboards in mitigating additional operating advantages to AFA processors (such as fishing cooperatives and additional investment capital) in competing with non-AFA processors under IR/IU.
4. Ask staff to include in the analysis an evaluation of the option of allowing the Council to pick different sets of processing sideboard limits for the GOA and BSAI fisheries.
5. Ask staff to include in the analysis a discussion of the consequences or impacts that would result from setting catcher processor processing sideboards lower than the harvesting sideboards that apply to the catcher processor sector and its catcher vessel fleet.

C-3 (c) Crab processing caps

The AP recommends that the Council exercise its authority under Section 213 of the AFA to lift the crab processing caps contained in Section 211 of the AFA. The AP understands this would be by emergency action in order to be in place for the Bristol Bay Red King Crab season.

Motion passed unanimously 19-0.

C-3 (d) Methods for calculating P.cod sideboards

The AP recommends the Council encourage the inter co-op group work with the affected P.cod catcher vessels to develop appropriate alternatives/solutions and report back to the Council at the September meeting. Additionally, due to the success of the inter-co-op efforts with the P.cod sideboard sub-allocations, the AP recommends no further Council action is necessary.

Motion passed unanimously 19-0.

Crab harvest vessel exemption

The AP recommends the Council exempt AFA crossover vessels from crab sideboards that can demonstrate participation in all opilio, bairdi, and BBRKC fisheries during 1991 through 1997 and that have AFA qualifying pollock catch histories of less than 5000mt (as calculated on the 1995-1997 best of 2 year average.)

Motion passed 17-1-1.

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C-4 Steller Sea Lion Protection

The AP recommends that the council make the following comments on The Discussion Paper on Cod and Sea Lions:

The discussion paper needs to be enhanced with the following information necessary to better evaluate the question of competition between the fishery and the sea lions. Because any necessary restrictions ultimately apply at the level of the resolution of the data, more specific the area resolution will provide the public a better opportunity make the most appropriate recommendations. Therefore the AP recommends the following:

Prey Competition

1. Use fishery management area definitions where ever possible to avoid confusion (especially regarding the conflicting definitions of Aleutian area definitions.)

2. Enhance Figure 11 to provide length and weight frequency distributions (showing N) for the commercial fishery by:

a) 3 digit stat area resolution (at a minimum)

b) quarter (at a minimum - monthly if possible for the BSAI, and weekly for the GOA)

c) by gear

The graphs should provide cumulative catch by both numbers and weight by size interval.

3. Provide length and weight frequency distributions (showing N) for the trawl survey by 3 digit stat area resolution.

4. Sub-divide the 35-60 cm bin of length and weight frequency distributions (showing N) from the seal lion scat analysis (Tables 2 & 3, Figure 7).

5. Use consistent definitions of "seasons" (quarters rather than trimesters – Figure 10, 15, etc.)

6. Provide better area resolution of the percentages of the directed commercial harvests within each 3 digit stat area (i.e.: enhance Table 6) by gear and season with the sub-percentages taken in:

a) rookeries

b) haulouts

c) balance of critical habitat

7. Enhance Figure 12 & 16 to provide parts C & D, showing harvest within critical habitat over both total survey biomass and exploitable biomass.

8. Enhance Figure 8 to provide total GOA and BSAI catch over both total survey biomass and exploitable biomass.

Localized Depletion

The other part of the evaluation is the question of localized depletion. An analysis of CPUE will likely show an increase from the beginning of the season up to a peak and then a decline over the course of the traditional cod trawl season from Feb-May. in the GOA, Unimak Pass, and the AI.

However:

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1. The summer trawl survey distribution for cod is no more relevant to the winter spawning distribution, than the summer trawl survey distribution for herring is to the spring spawning distribution.
2. A localized depletion analysis based on CPUE changes through the spawning season, is no more relevant for cod than it would be for herring. Request NMFS scientists review the appropriateness of CPUE/depletion models for evaluating potential localized depletion in light of the findings of academic peer reviews of the models developed during the Atka mackerel plan amendment.
3. Include a description of the rationale for using East of 170° and West of 170° when describing harvest rates and distribution, and evaluate other means or areas of distribution and harvest.

The AP supports the conclusion on page 55 that lack of information about cod stock distribution through the years is a significant impediment to understand and resolve potential interaction and “strongly argues for more seasonal stock assessment surveys.” As such we encourage the Council and NMFS to seek funding for such surveys.

4. The AP would like a description of the formula used for back casting biomass distribution and harvest as much of the paper uses back casting to develop the tables and figures.
5. Include discussion of the interaction of collection of data on rookeries and haulouts in BSAI and GOA.

Additionally, the AP recommends that the paper include information on the history of cod fisheries in both the BSAI and GOA from the 1800's to present, along with cod and sea lion population data to the extent that such information is available. Understanding that this data will not be strictly comparable with current data, the AP believes that the historical relationship between these species may provide insights that will be useful.

Motion passed 17-0.

C-5 Staff Tasking (b) Next steps on GOA P.cod rationalization

The AP recommends that the Council begin an initiative to implement further LLP endorsements for GOA P.cod and BSAI trawl P.cod. If an initiative for further LLP endorsements in the BSAI P.cod trawl fisheries is supported by the AP, it is with the clear intent that the GOA is a clear priority and in great need of immediate attention. It is noted that the endorsements may be different for the different areas of the GOA (WGOA, CGOA, etc.)

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, 1997, 1998, 1999
- Option 4: Any three years of 1995, 1996, 1997, 1998
- Option 5: Any three years of 1995, 1996, 1997, 1998, 1999

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.

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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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999

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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 5: Any four years of 1995, 1996, 1997, 1998,
- Option 6: Any four years of 1995, 1996, 1997, 1998, 1999

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 three years of 1995, 1996, 1997, 1998
- Option 4: Any three years of 1995, 1996, 1997, 1998, 1999
- Option 5: Any four years of 1995, 1996, 1997, 1998,
- Option 6: Any four years of 1995, 1996, 1997, 1998, 1999

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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 1996, 1997, 1998, 1999

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

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

Option 6: Any four years of 1995, 1996, 1997, 1998

Option 7: Any four years of 1995, 1996, 1997, 1998, 1999

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

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

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

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

Option 6: Any three years of 1995, 1996, 1997, 1998

Option 7: 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: 100,001 lbs. - 300,000 lbs.

Option 2: > 300,000 lbs.

Jig Gear Vessels:

Qualification Years:

Option 1: Anyone year of 1995, 1996, 1997, 1998

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

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

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- Option 4: Any two years of 1995, 1996, 1997, 1998, 1999
- Option 5: Any three years of 1995, 1996, 1997, 1998
- Option 6: 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'

The AP also requests the following:

1. Information on catch history by sector using the years 1995-April 16, 2000
2. Information on points of delivery

Motion passed unanimously 17-0.

C-5 (d) EFH Stakeholder process

The AP recommends that the Council endorse and begin the stakeholder process frameworked in the discussion paper. The AP further recommends the Council initiate formation of the working group described in Option 4 to guide in refinement of the process, identify stakeholders and examine the most efficient means of working with stakeholders.

The working group will be charged with developing a prototype stakeholder meeting format that will include going to at least 3 communities in the fall of 2000. These meetings would discuss the stakeholder process in addition to information gathering on Gorgonian corals.

Motion passed 15-0.

D-1 Groundfish Management

The AP recommends the Council release for public review the EA/RIR/IRFA, "Amending the process by which TAC specifications are established for Alaska Groundfish Fisheries."

Motion passed 12-0.

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D-2 Crab Management

Opilio Rebuilding Plan

The AP recommends the Council adopt the Crab Plan Teams recommendations:

Alternative 2. Establish a comprehensive rebuilding plan for BS snow crab.

A. Harvest Strategy

Option 2: Adopt a new harvest strategy for Bering Sea snow crab. The strategy, as detailed in Section 1.6.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 1. Status quo - no action. Maintain existing snow crab bycatch control measures in the BSAI groundfish fisheries. The snow crab PSC limit would be set at 0.1133% of total survey abundance (minus 150,000 crabs) with a maximum of 2.85 million crabs, and a minimum of 4,350,000 crabs.

Option 3. Request the Board of Fisheries and the Alaska Department of Fish and Game to consider additional measures (such as gear modifications and area closures) to reduce bycatch of snow crab in crab fisheries.

C. Habitat Protection

Option 2: Expand the EFH definition for snow crabs to include all habitats used by opilio crab, based on both historic and current data. The importance of show crab EFH in maintaining stock productivity would be noted in consultations. To the extend feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

Motion passed 14-2.

The following substitute motion failed 4/10.

The AP recommends the Council delay final action on the Opilio rebuilding plan harvest strategy until the September meeting.

Minority Report - Opilio Rebuilding Plan

We recommend the Council delay the approval of the Opilio rebuilding plan - harvest strategy, until the September or October meeting. We feel that we would benefit from the information from the committee to be convened by NMFS to review the overfishing definition. Additionally, we would potentially have the summer crab surveys.

It is our understanding that a delay in approval would not delay implementation of the harvest strategy because the Board of Fisheries has already adopted the Alaska Department of Fish and Game's recommended harvest strategy.

Spike Jones

Dave Benson

Stephanie Madesen

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St. Matthew Blue King Crab Rebuilding Plan

The AP recommends the Council adopt the Crab Plan Team's recommendation:

Alternative 2: Establish a rebuilding plan for St. Matthew Blue King Crab

A. Harvest Strategy

Option 2: Adopt the Alaska Board of Fisheries new harvest strategy for St. Matthew blue king crab. The strategy, as detailed in Section 5.1 includes lower harvest rates at low biomass levels, and incorporates a threshold biomass.

B. Bycatch Controls

Option 2: Adopt the Board of Fisheries gear modifications measures and area closure to reduce bycatch of blue king crabs in crab fisheries.

C. Habitat Protection

Option 2: For agency consultation purposes, highlight the importance of blue king crab EFH in maintaining stock productivity. To the extent feasible and practicable, this area should be protected from adverse impacts due to non-fishing activities.

Option 3: Adopt the Alaska Board of Fisheries State Waters Habitat Protection Areas for egg bearing female blue king crab around St. Matthew Island, Hall Island, and Pinnacles Island.

Motion passed 17-0.

The AP, by unanimous consent, approved the minutes of their April 2000 Council meeting,

Existing Projects (stars and dots from February meeting)	Ref No.	Analytical Weeks		A/E%	Comments
		Previous	Projected		
SEIS Completion	17	14	3	20/80	Primarily NMFS with Council Input
FMP Updates	18	2	6	100/0	Council Staff - by October
AFA EIS/Proposed Rule	1,3,4	56	4	40/60	Primarily NMFS with Council Input
AFA Report to Congress (preliminary)			3	50/50	Preliminary Report by October (contract help)
SSL Comprehensive Biop			2	50/50	Primarily NMFS with Council Input
EFH/HAPC	24	9	5	90/10	Need direction on stakeholder process
Halibut Charter IFQ	6	10	15	40/60	Major Workload through October
Halibut Subsistence	7	1	1	100/0	
BSAI P.cod LLP	21	12	2	50/50	Needs final analysis for SOC review
Crab rebuilding amendments	22,23	13	1	10/90	Needs final analysis for SOC review
Observer Program Reg amendments	27	2	-	-	Scheduled for Council action in June
Inshore co-op structure			-	-	Scheduled for Council action in June
Observer Program (Extension and ATLAS)			-	-	Council action complete - NMFS processing
Processor sideboard and Excessive Shares	2,5	15	-	-	Initial review in June
MSST/OF Definitions			-	-	Primarily NMFS with Council Input
Total			42	56/45	

Previously Tasked Projects

49 (available weeks)

3 Separate sideboard pools			3	35/65	Possible contract candidate (not started)
BSAI pot cod split			3	35/65	Possible contract candidate (not started)
P.cod reg. Amendments (2)			3	35/65	Possible contract candidate (not started)
SR/RE retention			2.5	65/35	Not started
Shark/Skate FMP amendments			2.5	65/35	Could be delayed beyond October
DSR Submittal			0.5	100/0	Minor additional work required
Cook Inlet bottom trawl ban			1	50/50	Minor additional work required
Observer Program (long-term changes)			3	35/65	Pending further Committee work/Council direction
CDQ Reg amendments			?		Primarily NMFS with Council Input
HMAP			?		Pending Council direction

Potential New Tasking

Crab processing Sideboards (additional analysis)			1		Pending Council Direction
Groundfish processor sideboards (additional analysis)			1-6		Pending Council Direction
Community based QS			?		Pending Council Direction
GOA P. cod measures			10-12		Pending Council Direction
GOA co-ops			?		Pending Council Direction (major analysis)
BSAI crab co-ops (database)			1		Pending Council Direction (major analysis)
P.cod / SSL analysis			?		Primarily NMFS with Council Input
IFQ Amendments			?		Pending Council Direction

Table 1. Staff Involvement in Council Projects from January 1, 1999 through May 31, 2000.

Project	Principle Staff						Analytical Time					
	Type	co	db	jdc	dw	ch	1999	2000	TotHrs	Weeks		%
1 AFA General	Reg Amd	X		X	X	X	200	614	814	20	9	
2 AFA Excessive Shares	Reg Amd	X	X			X	77	17	94	2	1	
3 AFA GOA Program	Reg Amd					X	39	1	40	1	1	
4 AFA Harvester Sideboards	Reg Amd	X	X			X	32	1,298	1,330	33	14	
5 AFA Processor Sideboards	Reg Amd	X	X				320	215	535	13	6	30%
6 Halibut Charter IFQs	Reg Amd			X		X	0	380	380	10	4	
7 Halibut Subsistence	Reg Amd			X			0	57	57	1	1	
8 GHL Analysis	Reg Amd	X	X	X		X	1,450	215	1,665	42	18	23%
9 AKFIN	Committee	X	X				97	89	186	5	2	
10 Board of Fish-Council Joint	Committee	X		X			155	86	241	6	3	
11 Enforcement IFQ Joint	Committee			X			13	1	14	0	1	
12 Essential Fish Habitat	Committee				X		90	4	94	2	1	
13 Ecosystems	Committee				X		277	7	284	7	3	
14 Social Economic Data Committee	Committee	X	X				99	30	129	3	1	
15 VBA-HMAP-IVCP	Committee				X		75	0	75	2	1	11%
16 PCOD Split	Plan Amd	X	X		X	X	699	28	727	18	8	8%
17 SEIS	Plan Amd	X		X	X		1	558	559	14	6	
18 FMP Update	Plan Amd				X		28	48	76	2	1	7%
19 LLP General	Plan Amd	X	X		X		92	42	134	3	1	
20 LLP Crab Issues	Plan Amd	X	X			X	96	9	105	3	1	
21 LLP Species Endorsements	Plan Amd		X				156	201	357	9	4	6%
22 Bairdi Rebuilding Plan	Plan Amd				X		248	20	268	7	3	
23 Opilio/St. Matthew Crab Rebuilding Plan	Plan Amd				X		43	194	237	6	3	5%
24 Habitat Areas of Particular Concern	Plan Amd				X		267	98	365	9	4	4%
25 Shark Management	Plan Amd			X			207	2	209	5	2	2%
26 Sea Lion Protection	Reg Amd	X			X		81	20	101	3	1	1%
27 Observer Program	Reg Amd	X					9	77	86	2	1	1%
28 CDQ Regulation Changes	Reg Amd			X			67	17	84	2	1	1%
29 DSR Rockfish Retention	Reg Amd			X			55	1	56	1	1	1%
						Subtotals:	4,973	4,329	9,302	233		100%

NPFMC Three Meeting Outlook

June 5, 2000 Portland	October 2, 2000 Sitka	December 6, 2000 Anchorage
Review MSA re-authorization issues		
Inshore Co-op structure: Final Action		
Groundfish Processor Sideboard Caps/Excess Share Analysis: Initial Review	Groundfish Processor Sideboard Caps/Excess Share Analysis: Final Action	
Review crab processing sideboards under AFA		
Review adjustments to catcher vessel sideboards/exemptions/pollock calculations		
TAC setting process: Initial Review	AFA Proposed Rule/ EIS: Review and comment TAC setting process: Final Action Groundfish SEIS/FMP Updates	
Observer Regulatory Amendments: Final Action	IFQ Program for Charter fleet: Preliminary Review	IFQ Program for Charter fleet: Initial Review
Review MRAG and Observer Committee Reports		
St. Matthew Blue and Opilio Crab Rebuilding Plan: Final Action		
Review GOA P.cod measures/rationalization		
Discussion Paper of GCCC proposal: Review and comment (T)		
Halibut Donation Program: Review		
Review Steller Sea Lion/P.cod Interactions	Final action on SSL/P.cod measures (T)	
Review Pollock RPA's effects on small vessels		
Review Russian marine mammal research		
CIAC Report on Opilio appeal	Groundfish specifications/SAFE: Initial Review Halibut subsistence: Final Action	Groundfish specifications/SAFE: Final Action
Review Proposals and Staff Tasking	Groundfish overfishing definitions (MSST): Initial Review (T) Cook Inlet Non-Pelagic Trawl Ban: Final Action (T) P. cod bycatch and PSC reg. Amendments: Initial Review (T) CDQ Program Reg Amendments: Initial Review (T) P. cod pot split CV/CP: Initial Review (T) Separate sideboards for CV's: Initial Review (T)	P. cod bycatch and PSC reg. Amendments: Final Action (T) CDQ Program Reg Amendments: Final Action (T) P. cod pot split CV/CP: Final Action (T) Separate sideboards for CV's: Final Action (T)

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

TAC - Total Allowable Catch
 IFQ - Individual Fishing Quota
 AFA - American Fisheries Act
 HAPC - Habitat Areas of Particular Concern
 LLP - License Limitation Program
 PSC - Prohibited Species Catch

SSL - Steller Sea Lion
 GHL - Guideline Harvest Level
 SEIS - Supplemental Environmental Impact Statement
 CDQ - Community Development Quota
 GCCC - Gulf Coastal Communities Coalition
 MSA - Magnuson-Stevens Act

SAFE - Stock Assessment and Fishery Evaluation
 (T)-Tentatively scheduled
 CV - Catcher Vessel CP- Catcher Processor
 SR/RE - Shortraker/Rougheye
 MSST - Minimum Stock Size Threshold
 FMP - Fishery Management Plan

North Pacific Fishery Management Council

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Chris Oliver, Acting Executive Director

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MEMORANDUM

TO: Council Members

FROM: Helen Allen *hla*
Executive Assistant

DATE: November 7, 2000

SUBJECT: Meeting Minutes

Enclosed for your files are the finalized minutes for the June 2000 meeting of the North Pacific Fishery Management Council.

Also enclosed, for your review, are the DRAFT minutes for the September 2000 meeting. Please review and provide any comments you may have to me by November 30. These minutes will be available for approval at the December meeting.

Enclosures

North Pacific Fishery Management Council

David Benton, Chairman
Chris Oliver, Acting Executive Director



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MEMORANDUM

TO: Distribution

FROM: Helen Allen *hlu*
Executive Assistant

DATE: November 7, 2000

SUBJECT: Approved Minutes for the June 2000 Meeting of the North Pacific Fishery Management Council

Enclosed for your files are the above-referenced minutes.

Enclosure

(d) EFH/HAPC process

In February 2000, the Council reviewed an initial draft of a proposed amendment that would consider identifying additional HAPC, and two management measures to protect HAPC from fishing effects. The first measure considered was to prohibit directed fishing for certain HAPC biota (corals, sponges, kelp, rockweed, and mussels). The second measure was to establish several marine protected areas where Gorgonian corals are found in abundance. Gorgonian corals have been shown to be important shelter for rockfish and other fish species, are very long lived, easily damaged by fishing gear, and slow to recover from damage. The amendment and associated analysis were divided into two parts: prohibiting a commercial fishery for HAPC biota (part 1, for which final action was taken in April under Amendments 65/65), and protection of Gorgonian corals (part 2).

To get the ball rolling on part 2, staff prepared a discussion paper for review by the Ecosystem Committee. The discussion paper fleshes out additional information on the stakeholder process and provides a proposed framework for future identification and evaluation of HAPC types and areas. Once this framework is adopted, the stakeholder process would be initiated to better define high density Gorgonian coral areas and develop appropriate management alternatives. Staff will provide a summary of the Ecosystem Committee's review and recommendations regarding the HAPC framework initiative.

During adoption of Amendments 65/65 the Council was interested in examining other FMPs and halibut regulations to see if further changes were needed to prevent commercial harvesting of sponges and corals. Initial discussions with agency staff suggest that gear used in these fisheries would not be able to capture corals and sponges in commercial quantities, so regulations may not be needed at this time. However, there may be enforcement concerns (e.g., retention of bycaught corals for commercial purposes allowed onboard during the halibut fishery but not the sablefish fishery), so the enforcement committee may want to discuss this issue.

Tasking Outline (June 2000)

Existing Projects (stars and dots from February meeting)

Status

SEIS and FMP Updates	In Progress - additional work necessary, particularly on FMP's
AFA EIS/Proposed Rule	In Progress - additional work necessary, contract help possible
AFA Report to Congress (preliminary)	Not Started - plan is for prelim in Oct, final next March - contract help expected
SSL Biop	In Progress - may require some input from Council staff
EFH/HAPC	Part I Complete - Part 2 and stakeholder process pending over summer
Halibut Charter IFQ	Alternatives defined in April - Analysis between now and Oct - contract help possible
Halibut Subsistence	Some additional work required before public release
BSAI P.cod LLP	Final action in April - some work required for SOC review document
Crab rebuilding amendments	Analysis Complete - Final action at this meeting - some work required for SOC review
Observer Program Reg amendments	Analysis Complete - Final action at this meeting
Inshore co-op structure	Analysis Complete - Final action at this meeting
Observer Program (Extension and ATLAS)	NMFS Processing - Council action complete
Processor sideboard and Excessive Shares	Analysis Complete - Initial review at this meeting
MSST/OF Definitions	NMFS/SSC work to be completed this summer

Previously Tasked Projects

3 Separate sideboard pools	Not started
BSAI pot cod split	Not started
P.cod reg. Amendments (2)	Not started
SR/RE retention	Not started
Shark/Skate FMP amendments	Additional work required but could be after October
DSR Submittal	Minor additional work required prior to SOC review
Cook Inlet bottom trawl ban	Analysis Complete - minor additions required
Observer Program (long-term changes)	Additional work required by Observer Committee and Council/NMFS staff
CDQ Reg amendments	Analysis in Progress - Review in October
HMAP	Preliminary Analysis previously - requires additional analysis

Potential New Tasking

Crab processing Sideboards	Preliminary Analysis at this meeting - may require additional analysis
Additional processor sideboard analysis	Depending on Council initial review at this meeting
Community based QS	Pending Council direction
GOA P. cod measures	Pending Council direction
GOA co-ops	Pending Council direction (more committee work?)
BSAI crab co-ops	Pending Council direction (more committee work?)
P.cod / SSL analysis	Pending Council direction

1999 GROUND FISH AND CRAB PROPOSALS

The Council received 14 plan and regulatory amendment proposals in the 1999 amendment cycle. The following section summarizes these proposals and incorporates comments from the Groundfish and Crab Plan Teams. These proposals are in addition to 10 IFQ proposals that were submitted in the biennial call for IFQ proposals. The halibut and sablefish IFQ proposals will be reviewed by the Council for staff tasking at the December Council meeting.

Overfishing

#1&2 A lengthy three-part proposal by the Center for Marine Conservation identified the need to: 1) establish explicit and precautionary minimum stock size thresholds (MSSTs) for each of the groundfish stocks in the BSAI and GOA; 2) increase the default target stock size to 50% of the pristine stock size; and 3) adopt more conservative harvest control rules. Alaska Marine Conservation Council (AMCC) also submitted a proposal to add MSSTs to the BSAI and GOA FMPs overfishing definitions. The Groundfish Plan Teams ranked these proposals for plan amendments as having the highest priority of all submitted in 1999. NMFS AFSC has already identified the need to calculate MSSTs (see Balsiger letter dated August 5 under Supplemental). The Groundfish Plan Teams discussed the need to include status determination criteria (for each stock presently in tiers 1-3). MSSTs will be provided by stock assessment authors beginning in November. Grant Thompson, AFSC, would likely take the lead in preparing the analysis. Initial and final review could be scheduled for April and June 2000.

Bycatch

- #3** Dave Fraser submitted a proposal to begin analysis of a comprehensive individual fishing quota program for these fisheries. This proposal was ranked high by the Groundfish Plan Teams, recognizing the overcapitalized state of the fisheries, the race for fish, National Research Council support for lifting the Congressional prohibition on development of additional IFQ programs, and crashed *opilio* crab stocks. The Groundfish Plan Teams noted that a comprehensive IFQ program would address many of the problems raised by other groundfish proposals submitted this cycle. The Crab Plan Team also noted that the Board of Fisheries and ADF&G have management difficulties due to high fishing effort on crab stocks. As noted in previous team minutes, analysis should examine other options (such as individual pot quotas, co-ops, restrictive LLP) to address overcapacity, the race for fish, and associated problems. In 1998, the Groundfish Plan Teams also ranked this proposal as a high priority. Analysis of this proposal would require significant staff time and would not likely be scheduled for initial review before April 2001, given previously assigned analyses.
- #4** AMCC submitted a proposal to allow public disclosure of catch and bycatch data. The Groundfish Plan Teams noted this proposal is not a plan or regulatory proposal, but ranked it as high priority for development into the discussion paper to describe the legal issues and public interest in describing bycatch. The Groundfish Plan Teams further noted that it may more appropriately be submitted to Congress as an MSFCMA amendment or to NMFS and the state of Alaska to develop a data request protocol for public acquisition of currently confidential data. This would not require a significant amount of staff time.
- #5** AMCC also submitted a proposal to establish "true" PSC limits for the Bering Sea pollock fishery, requiring a BSAI regulatory amendment to separate pollock from the pollock/Atka mackerel/"other species" category and to account for pollock bycatch separately. The Groundfish Plan Teams ranked

this proposal as having medium priority because regulations are currently in place to prevent exceeding overall PSCs. The Groundfish Plan Teams noted that PSCs have not been exceeded by the trawl fleet in recent years. Further discussion can be found on a related issue under proposal #7. The Crab Plan Team noted that the midwater pollock fishery generally catches very few crabs. The team would like more research on unobserved mortality of crabs due to pelagic and bottom trawl gear. This analysis would likely require a low to moderate amount of staff time.

- #6** United Catcher Boats submitted a BSAI plan amendment to: 1) rescind the mandatory August trawl closure and to 2) allow for a chum salmon cap of 42,000 to be managed under the co-op system. The Groundfish Plan Teams ranked this proposal as low, noting that the Council is examining an individual bycatch accounting program. This would require a reasonably significant amount of staff time.
- #7** Groundfish Forum submitted a BSAI and GOA regulatory amendment to allow PSC limits to be reapportioned from one fishery category to another within the same gear group during a fishing year, thus providing flexibility to adjust to unforeseen market and fishery conditions. The Groundfish Plan Teams gave a high ranking to development of a discussion paper of this proposed change. The Crab Plan Team noted that flexibility could potentially result in crab bycatch limits reaching the caps. The team was particularly concerned that the bairdi caps not be allowed to be adjusted between zones. It was noted that the flexibility may be more important for halibut than crab, and the team suggested that this first be tried with halibut only, if the proposal is recommended for analysis. This analysis would likely require a low to moderate amount of staff time.

GOA management

- #8** Alaska Dragger Association submitted a placeholder proposal for a GOA plan amendment to split the Pacific cod quota by gear (mobile vs fixed) based on the 1995-97 average. The Groundfish Plan Teams noted that this proposal addresses a longstanding problem in the GOA between trawl and fixed gear fisheries and provides greater access for all fishing sectors. This fishery may also see additional effort as a result of the opilio crab situation (see recommendations under #11 and 12). The Groundfish Plan Teams ranked this as medium priority. This would likely require a significant investment of staff time, as seen by the work required to develop the BSAI cod split (BSAI Amendment #64).
- #9&10** Alaska Groundfish Databank submitted a GOA plan amendment proposal to: 1) create a 14-day advance registration program for rockfish fisheries; 2) apportion Central GOA rockfish fisheries into several short openings; and 3) allocate rockfish between at-sea and catcher vessels. Groundfish Forum also submitted a GOA plan amendment proposal to create an advance registration program for rockfish fisheries in the Central GOA to prevent TAC shortages/overages and to minimize preemption of shore-based catcher vessels and processors. Its intent is similar to #9, except for designating the advance notice. The Groundfish Plan Teams supported such a registration program, and noted that the Council already recommended a preseason registration program for Western/Central GOA pollock and cod that has not yet been implemented. These proposal would create two additional TACs, but would provide a benefit to the fleet. Industry noted that these proposals are placeholders while industry attempts to resolve quota overages for GOA rockfish and that LLP will impact participation in 2000 and beyond. The Groundfish Plan Teams recommend a staff review panel (Council, NMFS Regional Office, NMFS AFSC, and ADF&G) for management of GOA rockfish and ranked this proposal as medium priority (see related discussion under #10).
- #11** Robert Filiatraut submitted a GOA plan amendment to open the October 1 Pacific cod fishery to the longline fleet instead of trawl fleet and increase the halibut PSC limits for longliners. The Groundfish

Plan teams suggested that a direct solution to the lack of halibut PSC later in the fishing year could be addressed under the specifications by shifting more halibut PSC on October 1, but would need the gear split as proposed under proposal #8. This proposal was ranked as moderate priority (see related discussion under #8). This would require a low investment of staff time, because the Council can effect a change during final specifications.

#12 Alaska Druggers Association submitted a GOA plan amendment for a buy-back program for GOA trawlers. This proposal by itself does not reduce the race for fish but should be included for analysis as one tool to reduce overcapitalization. It received a high ranking (#3 would address this problem). A buy-back program could require a significant amount of staff time.

LATE Ocean Beauty submitted a GOA groundfish proposal to: 1) change the season start date for the Central Gulf pollock "C" season from August 20 to September 1; and 2) to release the 4th quarter halibut PSC limit on October 15 to provide equal access to all fishing sectors. The August 20 start date was selected in 1999 as part of the overall Steller sea lion RPA action. Alternative dates were included as part of that recent analysis. While one outcome of the new date may be increased salmon bycatch, there are obvious legal issues related to the proposed action. The second part of the proposal addresses the impacts on catcher vessels of halibut PSC preemption by catcher processors. This was submitted after the committees had met; therefore, there are no ranking or comments. Part 1 would require minimal staff workload since the RPA analysis is only months old and halibut PSCs can be adjusted during the final specification process for Part 2.

Other

#13 Scott Jacobsen et al. submitted a BSAI regulatory amendment to allow a 24 inch tunnel in fish pots to allow the use of the gear in the Greenland turbot fishery due to high predation on fish from killer whales. The Groundfish Plan Teams assigned this proposal a high ranking as an experimental fishing permit proposal. It would increase the tunnel opening from 9 to 24 inches; the 9 inch size was originally chosen to avoid halibut bycatch and allowed a pot exemption for halibut PSCs. Benefits to this change include: 1) allowing participation by pot vessels in the turbot fishery; 2) providing a better estimate of fishing mortality for Greenland turbot due to orca predation; and 3) allowing the TAC to be taken. Negative impacts include: 1) the possibility of increased bycatch of crab and halibut with this gear configuration; and 2) enforcement problems resulting from the difficulty of determining the actual depth the gear is fished. This may not require a significant amount of staff time, but all EFPs now require a regulatory amendment.

#14 North Pacific Longlining Association resubmitted this proposal from 1998 as a late proposal in this cycle. The proposed BSAI cod split may mitigate the need for this action, but inseason frameworking of season start dates would enhance efficiency. It was ranked low in 1998, but received a medium ranking in 1999. Given when shorttail albatross leave the fishing grounds, a delayed start date could further minimize seabird interactions; however using seabird interactions as a sole justification for this action would make an earlier start date (back to October 1 through frameworking) would be harder to justify. Frameworking this change may not require a significant initial staff investment, but the potential for annual changes may affect staffing.

IFQ Proposals (as of 8/23/99)							
No.	Proposal	Proposer	Species	Area	Amendment	Comments	Rank
1	inc. # blocks to 3 or 4 in Areas 3B and 4	Mack	halibut	both	regulatory	Block program	1
2	unblock portion of blocked halibut quota > 20,000 lb	Whitmire	halibut	both	regulatory	Block program	1
3	inc. # blocks + eliminate B & C Class in Areas 4B,C,D & BS & AI	Dierking	both	both	plan	Block program/vessel class	1
4	inc. # blocks to 4 in Area 4 or increase sweep-up to 10,000 lb per block	Schrader	halibut	BSAI	plan	Block program/sweep-up	1
5	allow hired skippers for medical emergencies	Schrader	halibut	BSAI	plan	transfer provisions	2
6	emergency medical transfer for B-D Class QS	PVOA	both	both	regulatory	transfer provisions	2
7	fish up D Class shares on C Class vessels in Areas 3B and 4A	Wagner	halibut	both	regulatory	Vessel class	1
8	allow vessel cap overage of 10% of remaining poundage before last trip	Lundsten	both	both	plan	Vessel cap overage	3
9	change IFQ meeting cycle	Lundsten	both	both	neither	administration	4
10	allow community-based non-profit regs. to acquire QS	GCCC	both	both	plan	Ownership criteria	not approved

IFQ IMPLEMENTATION TEAM MEETING OCTOBER 10, 1999

The IFQ Implementation Team convened at approximately 1 pm on Sunday, October 10, 1999. Committee members in attendance were Jeff Stephan, chairman, Arne Fuglvog, John Woodruff, Dennis Hicks, Don Iverson, Jack Knutsen, John Bruce, Norman Cohen. Drew Scalzi did not attend. Staff in attendance were: Jane DiCosimo, Steve Meyer, Phil Smith, Jim Hale, John Kingeter, Heather Gilroy. Thirteen members of the public attended.

Phil Smith provided an administrative update on the IFQ program. Jim Hale reported on the status of the omnibus amendment package for IFQ changes, Amendments 54/54 (hired skipper) with anticipation for implementation for the 2000 IFQ season. Jane DiCosimo provided a brief summary of the IFQ weighmaster subcommittee findings. Steve Meyer presented two reports on IFQ enforcement and continued cases of serious violations. A USCG enforcement report was also distributed to committee members.

The main purpose of the meeting was for the committee to review ten IFQ proposals submitted in the 1999 biennial call for IFQ proposals. Committee recommendations on which proposals should be approved for analysis will be reported to the Council at its December meeting. A summary sheet is attached to the minutes.

Westward area

The committee combined its review of proposals 1, 2, 3, 4, and 7 because they address similar problems in the IFQ fisheries in westward areas (Areas 3B, 4A, and 4B). The Team identified the following problem statement for westward IFQ fisheries:

Five years into the halibut and sablefish IFQ program, a reexamination of the needs of the block program because it appears that it does not protect small boat fishermen in Western Alaska for halibut as originally intended.

The committee recommended that the Council, as its highest priority for IFQ changes, initiate an analysis of the following alternatives for the IFQ halibut fisheries in Areas 3B, 4A, and 4B that were proposed under #1, 2, 3, 4, and 7. The committee noted there may be some merit in combining B and C category QS with A category QS for sablefish only, they did not recommend this for analysis.

Alternative 1: Status quo.

Alternative 2: Block program:

- Option 1: Increase number of blocks from 2 to 4
- Option 2: Unblock all quota shares >20,000 lb
- Option 3: Allow quota shares >20,000 lb to be divided into smaller blocks

Alternative 3: Quota share categories:

- Option 1. Allow D category quota shares to be fished as C category shares.
- Option 2: Allow D category shares to be fished as C or B category quota shares
- Option 3: Combine B, C, and D category quota shares
- Option 4: Combine C and D category quota shares

The issues to be addressed in the analysis include:

- the limit of two quota share blocks has created economic hindrances to catching the entire subarea quotas
- travel to/from fishing grounds resulting in subarea quotas not being reached
- transferring quota shares has resulted in economic hindrances because blocks are now so big due to increases in quotas that cost is too high for resale
- fish down has rendered resale of D class shares boats untenable and safety issue

#5 Part 1 leasing/hired skippers

The committee recognized the merit of addressing fairness issues, and recommended that leasing restrictions are fundamental to the IFQ program and recommended no change to expanding leasing/hired skipper allowances.

#5 Part 2 and #6 medical transfers

The committee noted that while the issue of medical emergency transfers was worthy for Council review, injured QS holders had could transfer their QS to others who could fish them. The committee ranked these proposals as #2 in priority.

#8 overage on vessel cap

The committee supported this proposal to allow an overage on the vessel cap as #3 ranking.

#9 adjust annual cycle

The committee modified proposal #9 to recommend that the Council adjust its biennial IFQ amendment cycle so that IFQ final action occurs in December when IFQ fishermen can attend the Council meeting. The dates for the Council call for IFQ proposals and initial review also would be adjusted as appropriate. This is a policy change by the Council and requires no staff analysis.

#10 community-based non-profit entity as QS holder

A motion to recommend a proposal to allow a community-based non-profit entity to hold quota share failed on a tie vote (4:4). The committee was split on whether to involve the Council in the design of a program to provide access to GOA communities as a QS holding entity or to not create another category of QS holder that would compete with fishermen who are currently eligible to be QS holders.

The overall ranking of proposals grouped into analytical packages by the committee was:

<u>Proposals</u>	<u>Rank</u>
1-4 & 7	#1
5 & 6	#2
8	#3
9	#4

The meeting adjourned at 5:45 pm.

May 11, 2000

Dr. Clarence Pautzke, Executive Director
North Pacific Fisheries Management Council
605 W. 4th Ave., Suite 306
Anchorage, AK.
99501-2252

RECEIVED
MAY 15 2000
N.P.F.M.C.

Dear Dr. Pautzke:

As a small-boat halibut fisherman, I was dismayed that the proposals for IFQ changes that were 100% approved by the Advisory Panel were delayed. I would like to see these proposals fast-tracked for possible implementation in 2001 for the following reasons:

1) There is no mechanism in place for emergency transfers or transfers between family members. A lot of us have quota share in family members' names. An example from last year was that a wife couldn't go fish her quota because there was no one available to watch the two children. Many of us are families trying to make this system work for us, and a mechanism that would allow transfers between family members in a situation such as the one above, would be very helpful.

We need something in place to allow for an emergency transfer. If something were to happen to me where I could not physically be on a boat, I would be in a double-bind; financially, as well as physically. I have quota to pay for, and having an emergency transfer in place would be beneficial if I were to become incapacitated. These are only intended for special cases.

2) Increases in Western Alaska harvests since the beginning of the IFQ program have resulted in some large blocks of quota. These blocks are unwieldy and cumbersome to sell because there is a very limited market for them. First-time entry people don't usually have access to the large amounts of capital required to purchase these. By letting these large blocks become unblocked, it can potentially open up more quota for sale.

3) The current block program in Area 4 places an undue burden on the small boat fleet. It is not economically viable to run to Area 4 to harvest small blocks of quota. We are restricted by our size, and the amount of crew we have on the boat, and, subsequently, the amount of available blocks we can have. By either changing the number of blocks that an individual may hold from two to four, or by increasing the sweep-up limit to 10,000 lbs. per block, we can enable the small boat fleet to harvest more quota without undue burden.

We are actively fishing and want to make this program better for the small boat fleet. To delay acting on these proposals just increases the time that we have to jump through hoops. We are asking to streamline the program after five years of working with it. As small-boat fishermen, we have a small voice. We are working within the confines of a very small groove, and seek only to make it a little easier to operate within our small niche. These proposals have been 100% approved by the Advisory Panel. Please don't make us wait while larger interest groups shove our interests aside.

Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Tamara L. Shrader". The signature is written in black ink and is positioned below the word "Sincerely,".

Tamara L. Shrader
P.O. Box 2601
Homer, AK. 99603
(907)-235-7670

Summary of GOA Pacific Cod Fishery

Several tables have been developed to help describe the GOA Pacific cod fishery. This information was developed at the request of the Council, to aid them when they discuss potential measures to further rationalize the GOA Pacific cod fishery.

The tables fall into two general categories. The first category (Tables 1 and 2) reports information on vessels that currently hold LLP endorsements to fish in the GOA. Information compiled in those tables was taken from the NMFS AKR LLP data base (available on their web site) and data from the NMFS "Official Record" data base. Data on the number of licenses issued and the length categories was taken from the data on the NMFS web site, and data used to estimate the gear type that is expected to be added to a license in future years was taken from the NMFS "Official Record" data base.

Table 1: Number of LLP Area Endorsements Expected to be Issued and Whether the Permit is Under Appeal

Endorsement Area	Length Class	Licenses Under Appeal			Interim Total	Permanent Permits			Permanent Total	Grand Total
		Both	Fixed	Trawl		Both	Fixed	Trawl		
Western GOA	<60'	17	101	3	121	32	72	5	109	230
	60-124	16	77	25	118	28	52	33	113	231
	125+	9	20	21	50	8	8	20	36	86
Central GOA	<60'	23	300	3	326	46	453	5	504	830
	60-124	26	104	20	150	44	81	26	151	301
	125+	7	12	18	37	8	7	9	24	61
Southeast GOA	<60'	2	274	0	276	5	488	0	493	769
	60-124	2	29	2	33	2	16	0	18	51
	125+	2	5	2	9	0	0	0	0	9
Total Western GOA		42	198	49	289	68	132	58	258	547
Total Central GOA		56	416	41	513	98	541	40	679	1,192
Total Southeast GOA		6	308	4	318	7	504	0	511	829

Source: NMFS AKR LLP data publicly available on their web site as of 4/20/2000, and expected gear endorsement information from the NMFS "Official Record Database"

Note: The "Licenses Under Appeal" section includes specific endorsements that are not under appeal. However, they are included in this section because the overall license to which they are attached is being appealed, and we are unable to determine from the data which endorsements on the general license are under appeal.

Table 2: Endorsement suites (including those under appeal) issued to persons earning a GOA license

Endorsement Suites	<60' LOA			60-124' LOA			125+' LOA			GOA Licenses			
	Both	Fixed	Trawl Total	Both	Fixed	Trawl Total	Both	Fixed	Trawl Total				
-AI--CG-	1	3	4							4			
-AI--CG-SE		1	1							1			
-AI-WG--		1	1		1	1				2			
-AI-WG-CG-		6	6	2	3	5				11			
-AI-WG-CG-SE		2	2							2			
BS-AI--CG-		5	5	4	13	17	4	4	8	30			
BS-AI--CG-SE		2	2		1	1			1	4			
BS-AI-WG--		4	4	4	10	11	25	6	8	15	29		
BS-AI-WG-CG-	4	11	15	8	47	12	67	9	8	20	37		
BS-AI-WG-CG-SE		14	14	3	14	2	19	1	5	6	39		
BS---CG-	1	14	15	11	13	3	27			1	1	43	
BS---CG-SE		5	5							1	1	6	
BS--WG--	4	17	21	4	16	6	26		5	1	6	53	
BS--WG-CG-	10	15	3	28	20	14	23	57	1	4	5	90	
BS--WG-CG-SE	2	9	11		3	3		1		1	15		
BS--WG--SE		2	2								2		
---CG-	23	450	1	474	19	51	3	73				547	
---CG-SE		163		163		11		11				174	
----SE	2	540		542	1	11		12				554	
--WG--	1	37	1	39		6	1	7		1	1	47	
--WG-CG-	25	31	4	60	3	10	3	16	1		1	77	
--WG-CG-SE	3	22		25		5		5				30	
--WG--SE		2		2								2	
Grand Total	76	1,356	9	1,441	79	229	64	372	21	32	44	97	1,910

Source: NMFS AKR LLP data publicly available on their web site as of 4/20/2000, and expected gear endorsement information from the NMFS "Official Record Database"

The second section (Tables 3-10) reports information on retained catch of GOA Pacific cod and number of vessels that actually made landings during the 1995-99 time period. That information was derived from ADF&G fish ticket data. Therefore, information reported by at-sea processors is excluded. Recall that under the Inshore/Offshore program in the GOA, only 10% of the Pacific cod may be processed by processors defined as "offshore". Given these I/O regulations, fish ticket data should provide a fairly good estimate of harvest and participation in the directed GOA cod fishery. In these tables, a directed fishery was assumed to be when Pacific cod accounted for at least 50% of the day's landings.

Tables 3 through 5 report the retained catch by all vessels, the catch by LLP qualified vessels in the GOA, and the catch by vessels not GOA qualified. The analysts did not determine if the vessel was endorsed to fish in the GOA area where they made the harvest, only whether the vessel held a general license for the GOA.

Tables 6 and 7 report the number of vessels that made landings in the GOA between 1995-99. Table 6 lists the number of vessels that are LLP qualified and made landings. Table 7 lists those that did not appear on the NMFS LLP qualification list, but made landings under the Moratorium program.

Table 8 reports the retained catch by Federal management zone and the gear type that is projected to appear on the license (if the Secretary of Commerce Approves that provision of the LLP). If the gear type is listed as "blank", it means that the vessel is not LLP qualified.

Tables 9 and 10 report retained catch by Federal management zone and by the suite of area endorsements on the license expected to be attached to the vessel. Using Table 9 the reader can compare where the harvests were made and whether the vessels making the landings could fish there in the future. It also provides information on what other areas the vessel may fish in the future.

Table 10 also is broken down by endorsement suite. However, it reports information by the vessel's length and the gear endorsement expected to be attached to the license. The table indicates that smaller vessels with the most catch tend to hold endorsements for only the Central and/or Western GOA. Larger vessels also hold those endorsements, but often they hold an endorsement for the BS as well.

Table 3: Retained Catch (mt) of Pacific cod¹ from both LLP qualified and non-LLP qualified vessels, 1995-99

Year	Vessel Length	Federal Zone								Total
		610	620	630	640	649	650	659	(blank)	
1995	<60'	7,060	5,126	12,507	13	272	8	133	conf.	25,120
	60'-124'	10,235	2,625	19,271	125	439	conf.	conf.	conf.	32,709
	125'+	1,336	1,961	-	-	-	-	-	-	3,298
1995 Total		18,632	9,712	31,778	138	712	conf.	conf.	conf.	61,127
1996	<60'	12,490	7,839	10,613	33	101	14	269	-	31,360
	60'-124'	7,908	5,639	13,730	43	204	conf.	conf.	-	27,534
	125'+	conf.	1,182	-	-	-	-	-	-	1,550
1996 Total		20,766	14,660	24,343	76	305	15	279	-	60,444
1997	<60'	17,321	5,975	14,141	13	201	31	327	-	38,009
	60'-124'	8,544	3,831	18,968	conf.	conf.	conf.	conf.	-	31,639
	125'+	1,379	312	-	-	-	-	-	-	1,692
1997 Total		27,245	10,118	33,109	conf.	conf.	conf.	conf.	-	71,340
1998	<60'	17,078	7,180	11,948	4	249	17	269	conf.	36,744
	60'-124'	7,689	4,321	16,477	87	236	conf.	conf.	-	28,814
	125'+	conf.	conf.	conf.	-	-	-	-	-	1,757
1998 Total		24,960	11,824	29,667	91	485	conf.	conf.	conf.	67,315
1999	<60'	17,351	6,053	13,135	2	383	10	240	-	37,174
	60'-124'	8,436	4,727	14,999	conf.	conf.	-	conf.	-	28,486
	125'+	conf.	conf.	conf.	-	-	-	-	-	294
1999 Total		25,884	10,864	28,247	conf.	conf.	10	conf.	-	65,954
Grand Total		117,486	57,178	147,144	365	2,650	82	1,274	conf.	326,179

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Table 4: Retained Catch (mt) of Pacific cod¹ from only LLP qualified vessels, 1995-99

Year	Vessel Length	Federal Zone								Total
		610	620	630	640	649	650	659	(blank)	
1995	<60'	6,958	5,082	11,866	13	247	7	92	-	24,266
	60'-124'	10,199	2,616	18,575	125	300	conf.	conf.	-	31,815
	125'+	1,273	1,955	-	-	-	-	-	-	3,229
1995 Total		18,431	9,653	30,441	137	547	conf.	conf.	-	59,310
1996	<60'	12,130	7,700	10,056	33	84	13	205	-	30,221
	60'-124'	7,718	5,613	13,102	42	175	conf.	conf.	-	26,656
	125'+	conf.	1,182	-	-	-	-	-	-	1,550
1996 Total		20,216	14,495	23,158	75	259	13	211	-	58,427
1997	<60'	16,531	5,668	11,933	12	184	23	176	-	34,526
	60'-124'	8,316	3,719	16,974	conf.	conf.	conf.	conf.	-	29,279
	125'+	1,379	312	-	-	-	-	-	-	1,692
1997 Total		26,226	9,700	28,907	conf.	conf.	conf.	conf.	-	65,497
1998	<60'	16,036	6,270	9,281	3	222	11	124	conf.	31,948
	60'-124'	7,474	4,109	14,743	87	236	conf.	conf.	-	26,652
	125'+	conf.	conf.	conf.	-	-	-	-	-	1,756
1998 Total		23,703	10,701	25,266	90	458	conf.	conf.	conf.	60,356
1999	<60'	16,497	5,316	9,624	1	332	8	129	-	31,908
	60'-124'	8,052	3,958	13,045	0	319	-	conf.	-	25,375
	125'+	conf.	conf.	conf.	-	-	-	-	-	conf.
1999 Total		24,644	9,358	22,781	1	651	8	conf.	-	57,574
Grand Total		113,220	53,907	130,553	362	2,319	63	738	conf.	301,164

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Note: A vessel's catch for all zones is included if it held a GOA license. If it does not hold an endorsement for that area it

Table 5: Retained Catch (mt) of Pacific cod¹ from vessels that do not hold a license, 1995-99

Year	Vessel Length	Federal Zone								Total
		610	620	630	640	649	650	659	(blank)	
1995	<60'	102	44	641	conf.	25	conf	41	conf.	854
	60'-124'	36	9	697	-	139	-	conf.	conf.	894
	125'+	63	6	-	-	-	-	-	-	69
1995 Total		201	59	1,338	conf.	164	conf	conf.	conf.	1,817
1996	<60'	360	139	557	conf.	17	conf	65	-	1,140
	60'-124'	190	27	628	conf.	29	-	conf.	-	877
	125'+									
1996 Total		550	165	1,185	conf.	46	conf	68	-	2,017
1997	<60'	791	307	2,208	conf.	18	8	151	-	3,483
	60'-124'	228	111	1,994	-	25	-	conf.	-	2,360
	125'+									
1997 Total		1,018	418	4,202	conf.	43	8	154	-	5,843
1998	<60'	1,042	910	2,667	conf.	27	5	144	-	4,796
	60'-124'	215	212	1,734	-	0	-	conf.	-	2,162
	125'+	-	-	0	-	-	-	-	-	0
1998 Total		1,257	1,122	4,401	conf.	27	5	145	-	6,959
1999	<60'	853	737	3,512	conf.	50	conf	111	-	5,266
	60'-124'	384	769	1,954	-	-	-	conf.	-	3,112
	125'+	conf.	-	-	-	-	-	-	-	2
1999 Total		1,239	1,506	5,466	conf.	50	conf	conf.	-	8,379
Grand Total		4,265	3,271	16,591	3	330	19	535	conf.	25,015

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Table 6: Number of LLP qualified vessels fishing for Pacific cod¹, 1995-99

Year	Vessel Length	Federal Zone											Total		
		610	620	630	640	649	650	659	(blank)						
1995	<60'	69	64	246	8	34	28	91							440
	60'-124'	64	37	96	5	5	2	1							159
	125'+	7	6												10
1995 Total		140	107	342	13	39	30	92							609
1996	<60'	64	57	162	11	14	30	96							345
	60'-124'	27	38	67	5	3	2	3							112
	125'+	1	5												6
1996 Total		92	100	229	16	17	32	99							463
1997	<60'	71	78	222	5	22	41	91							428
	60'-124'	39	33	79	1	2	1	2							124
	125'+	6	4												8
1997 Total		116	115	301	6	24	42	93							560
1998	<60'	73	88	196	3	21	23	68	2						368
	60'-124'	40	43	83	5	4	2	3							128
	125'+		2												2
1998 Total		113	133	279	8	25	25	71	2						498
1999	<60'	73	77	187	6	20	20	70							364
	60'-124'	30	39	85	2	3	1	1							120
	125'+	2	1	3											4
1999 Total		105	117	275	8	23	20	71							488
Grand Total		236	272	502	40	67	105	213	2						966

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Note: A vessel's catch for all zones is included if it held a GOA license. If it does not hold an endorsement for that area it

Table 7: Number of vessels not LLP qualified in GOA fishing for Pacific cod¹, 1995-99

Year	Vessel Length	Federal Zone								Total
		610	620	630	640	649	650	659	(blank)	
1995	<60'									
	60'-124'	2	2	5						8
	125'+	3								3
1995 Total		5	2	5						11
1996	<60'	2								2
	60'-124'	7	1							8
	125'+	2	1							3
1996 Total		11	2							13
1997	<60'									
	60'-124'	12	1	2						8
	125'+	1								1
1997 Total		13	1	2						1
1998	<60'									
	60'-124'	8	2	2						12
	125'+	4		1						5
1998 Total		12	2	3						17
1999	<60'									
	60'-124'	3	1	1						4
	125'+	1	1							1
1999 Total		4	2	1						5
Grand Total		31	9	8						39

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Table 8: Retained Catch (mt) of Pacific cod¹ by gear type projected to be on license, 1995-99

Year	LLP Gear ²	Federal Zone								Total
		610	620	630	640	649	650	659	(blank)	
1995	Both	9,785	3,991	11,471	116	-	0	0	-	25,363
	Fixed	3,805	2,920	14,590	21	537	8	92	-	21,973
	Trawl	4,841	2,742	4,380	-	10	-	-	-	11,974
	(blank) ³	201	59	1,338	0	164	1	53	1	1,817
1995 Total		18,632	9,712	31,778	138	712	9	146	1	61,127
1996	Both	12,852	7,699	8,540	1	17	1	5	-	29,116
	Fixed	4,736	3,149	10,647	74	165	11	206	-	18,989
	Trawl	2,629	3,647	3,970	-	76	-	-	-	10,322
	(blank)	550	165	1,185	1	46	2	68	-	2,017
1996 Total		20,766	14,660	24,343	76	305	15	279	-	60,444
1997	Both	16,692	3,776	11,197	46	-	-	0	-	31,712
	Fixed	5,294	3,345	12,648	12	403	23	179	-	21,905
	Trawl	4,240	2,579	5,062	-	-	-	-	-	11,881
	(blank)	1,018	418	4,202	0	43	8	154	-	5,843
1997 Total		27,245	10,118	33,109	59	446	31	333	-	71,340
1998	Both	15,259	3,294	8,113	58	-	0	-	-	26,723
	Fixed	5,442	5,764	12,654	3	458	12	126	0	24,459
	Trawl	3,002	1,643	4,500	30	-	-	-	-	9,174
	(blank)	1,257	1,122	4,401	1	27	5	145	-	6,959
1998 Total		24,960	11,824	29,667	91	485	17	271	0	67,315
1999	Both	16,552	1,727	8,151	0	2	-	0	-	26,432
	Fixed	4,618	7,389	12,134	1	650	8	130	-	24,929
	Trawl	3,475	242	2,496	-	-	-	-	-	6,213
	(blank)	1,239	1,506	5,466	1	50	2	115	-	8,379
1999 Total		25,884	10,864	28,247	2	702	10	245	-	65,954
Grand Total		117,486	57,178	147,144	365	2,650	82	1,274	1	326,179

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

2/ LLP gear represents the gear endorsement that is expected to be attached to the license in future years

3/ A blank gear means the vessel is not LLP qualified in the GOA

Table 9: Retained Catch (mt) of Pacific cod¹ by harvest zone and area endorsements on the vessel's license, 1995-99

Endorsement Suite	Federal Zone								Total
	610	620	630	640	649	650	659	(blank)	
-AI-CG-	4	35	1,476	-	-	-	-	-	1,515
-AI-WG-CG-	0	1	3	-	-	-	-	-	4
BS----	1,685	538	102	-	-	-	-	-	2,325
BS-AI---	332	263	1,249	-	-	-	-	-	1,843
BS-AI-CG-	205	264	1,879	115	-	-	-	-	2,463
BS-AI-WG--	2,241	494	-	-	-	-	-	-	2,735
BS-AI-WG-CG-	23,755	6,568	2,729	0	30	0	1	-	33,083
BS-AI-WG-CG-SE	246	1,628	2,140	-	-	0	2	-	4,017
BS---CG-	1,397	2,164	16,800	114	27	-	-	-	20,501
BS---CG-SE	-	45	60	-	-	2	6	-	113
BS--WG--	6,793	96	631	-	-	-	-	-	7,520
BS--WG-CG-	32,995	14,154	25,319	19	87	0	0	-	72,575
BS--WG-CG-SE	779	200	819	-	19	0	3	-	1,821
BS--WG--SE	-	-	-	-	-	2	52	-	54
---CG-	273	12,143	64,003	113	2,153	-	5	-	78,691
---CG-SE	492	2,893	1,633	1	2	21	100	-	5,141
----SE	-	56	258	-	-	31	560	0	905
--WG--	5,270	65	4	-	-	-	-	-	5,339
--WG-CG-	36,753	11,691	8,410	0	1	2	5	-	56,862
--WG-CG-SE	-	608	3,039	0	-	5	2	-	3,654
--WG--SE	-	-	-	-	-	-	3	-	3
(blank)	4,265	3,271	16,591	3	330	19	535	1	25,015
Grand Total	117,486	57,178	147,144	365	2,650	82	1,274	1	326,179

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

Table 10: Retained Catch (mt) of Pacific cod¹ by gear type projected to be on license, 1995-99

Endorsement Suite	<60'				<60' Total	60'-124'				60'-124' Total	125'+				125'+ Total	Total
	Both	Fixed	Trawl	(blank)		Both	Fixed	Trawl	(blank)		Both	Fixed	Trawl	(blank)		
-AI--CG-	1,380	135	-	-	1,515	-	-	-	-	-	-	-	-	-	-	1,515
-AI-WG-CG-	-	3	-	-	3	1	0	-	-	1	-	-	-	-	-	4
BS----	-	2	-	-	2	67	1,389	286	-	1,742	-	580	-	-	580	2,325
BS-AI--	-	-	-	-	-	7	214	38	-	259	-	77	1,507	-	1,584	1,843
BS-AI--CG-	-	171	-	-	171	1,775	498	-	-	2,274	18	-	-	-	18	2,463
BS-AI-WG--	-	1	-	-	1	299	547	1,754	-	2,599	-	66	69	-	135	2,735
BS-AI-WG-CG-	3,279	1,158	-	-	4,438	9,673	10,619	3,070	-	23,363	385	207	4,691	-	5,283	33,083
BS-AI-WG-CG-SE	-	1,950	-	-	1,950	131	3	1,838	-	1,972	95	-	-	-	95	4,017
BS---CG-	1,037	2,589	-	-	3,626	8,883	5,527	2,466	-	16,875	-	-	-	-	-	20,501
BS---CG-SE	-	113	-	-	113	-	-	-	-	-	-	-	-	-	-	113
BS--WG--	1,960	3,076	-	-	5,036	190	1,102	1,133	-	2,424	-	59	-	-	59	7,520
BS--WG-CG-	14,551	2,914	6,367	-	23,832	22,011	10,002	15,984	-	47,997	-	-	746	-	746	72,575
BS--WG-CG-SE	958	863	-	-	1,821	-	0	-	-	0	-	-	-	-	-	1,821
BS--WG--SE	-	54	-	-	54	-	-	-	-	-	-	-	-	-	-	54
---CG-	6,906	36,063	-	-	42,969	17,359	16,504	1,859	-	35,722	-	-	-	-	-	78,691
---CG-SE	-	5,097	-	-	5,097	-	45	-	-	45	-	-	-	-	-	5,141
----SE	0	644	-	-	645	-	261	-	-	261	-	-	-	-	-	905
--WG--	2,384	2,873	-	-	5,257	-	63	-	-	63	-	-	20	-	20	5,339
--WG-CG-	41,609	5,510	5,565	-	52,683	2,000	7	2,171	-	4,179	-	-	-	-	-	56,862
--WG-CG-SE	2,388	1,265	-	-	3,654	-	0	-	-	0	-	-	-	-	-	3,654
--WG--SE	-	3	-	-	3	-	-	-	-	-	-	-	-	-	-	3
(blank)	-	-	-	15,539	15,539	-	-	-	9,406	9,406	-	-	-	71	71	25,015
Grand Total	76,453	64,484	11,932	15,539	168,407	62,396	46,781	30,599	9,406	149,182	498	989	7,032	71	8,589	326,179

Source: ADF&G Fish ticket data, 1995-99.

1/ Includes only landings when Pacific cod accounted for at least 50% of a vessel's catch in a day

United Fishermen's Marketing Association, Inc

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453



May 29, 2000

Mr. Richard Lauber, Chairman
North Pacific Fishery Management Council

Re: C-5 Staff Tasking; (b) Next steps on GOA Pacific cod rationalization

Dear Chairman Lauber,

The United Fishermen's Marketing Association, Inc. (UFMA) respectfully requests the Council to actively pursue further rationalization in the GOA p. cod fishery as a high priority for management of the GOA groundfish fisheries. UFMA believes that addressing rationalization (e.g., endorsements, IFQs, etc.), specifically in the GOA p. cod fishery, is a critical and priority issue that should have preference over any other initiative for GOA groundfish management. At the very least, UFMA believes that the adoption of endorsements in the GOA p. cod fishery, similar in design and function to those endorsements that were adopted by the Council during the April, 2000, Council meeting for the BSAI fixed gear p. cod fishery, should be adopted for implementation in the GOA p. cod fishery at the earliest possible date.

The Council recognized the need at the April, 2000, Council meeting for prompt action to adopt further rationalization for the GOA p. cod fishery when they decided to notice the public that they will begin to consider rationalization options for the GOA p. cod fishery at the June Council meeting. The critical need for rationalization in the GOA p. cod fishery is evident as a result of many factors, including, 1) the October, 1999, Council action with respect to the allocation of the BSAI fixed gear p. cod TAC among fixed gear types, and 2) the April, 2000, Council action to implement vessel endorsements in the BSAI p. cod fixed gear fishery; both actions cause dislocation and destabilization for harvesters who have an established economic dependence and harvesting history in the GOA p. cod fishery. Harvesters of GOA p. cod are now put at economic risk because of the expected migration into the GOA p. cod fishery by those vessels which have been dislocated from the BSAI fixed gear p. cod fishery. We respectfully submit that rationalization of the GOA p. cod fishery is the highest priority for management of the GOA groundfish fishery.

Thank you for your consideration of our interest in this matter.

Sincerely,

Jeffrey R. Stephan

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**GOA Co-ops Committee
Minutes
April 22, 1999**

The GOA Co-ops Committee convened on April 22, 1999 at approximately 5:45 PM. Members in attendance were Dave Hanson (Chairman), Chris Blackburn, Duncan Fields, Ken Helligso, John Iani, Dick Jacobsen, Brent Paine, Joe Plesha, Ken Roemhildt, and Mike Simpson. Staff in attendance were: Jane DiCosimo, Chris Oliver, Darrel Brannan, and Chuck Hamel. Eleven members of the public were in attendance.

The February 11, 1999 memo to Chairman Lauber requesting the formation of the committee from Chris Blackburn was used to start the discussion to identify the problem in the GOA fisheries and the purpose of the committee. Ms. Blackburn informed the committee that AGDB had submitted a legal brief to NOAA GC, stipulating that the Council has the ability administratively under the AFA to name and limit GOA processors.

Earl Comstock, representing the Fair Fisheries Coalition, distributed a legal brief to the committee that the coalition had submitted to NOAA GC, stipulating that the Council had no authority for developing co-ops under the AFA.

The committee decided to limit its current focus to a review the applicability of fishery cooperatives in the GOA, but noted that other options may be considered by the committee if it determines it is appropriate to do so. It will provide a preliminary report to the Council at the October 1999 meeting. The committee noted that the Council is scheduled to receive a NMFS discussion paper on co-ops at its October meeting. Further details of BSAI and GOA sideboard issues will have also been decided by the June 1999 meeting. The committee report is timed to take into consideration the unanticipated linkages between these other Council activities.

The committee has tentatively scheduled its next meeting for the afternoon of Sunday, June 6, or the evening of Monday, June 7, during the next Council meeting week. In preparation for that meeting, committee members will provide their views on problems in Gulf of Alaska fisheries for distribution to the full committee to develop a problem statement. Council staff will provide a summary of catch histories of pollock by catcher vessels for 1995-97 by vessel size category, regulatory area, and onshore processor.

The committee adjourned at approximately 6:45 p.m.

**GOA CO-OP COMMITTEE
MINUTES
JUNE 6, 1999**

The GOA Co-op Committee convened on June 6, 1999 at approximately 6 pm in Kodiak, Alaska. Members in attendance were Dave Hanson (Chairman), Chris Blackburn, Duncan Fields, Ken Helligso, Joe Plesha, Mike Simpson, Dave Fraser for Brent Paine, Matthew Moir for Ken Roemhildt, Beth Stewart for Dick Jacobsen. John Iani was absent. Staff included Jane DiCosimo, Darrel Brannan, Chuck Hamel, Sue Salvesson, Jay Ginter. Others in attendance included Al Burch, Earl Comstock, Kris Norosz, Jim McManus, John Dooley, Angelique Iankov, Craig Cross, and Carl Haflinger.

The committee briefly discussed the letter sent to the committee by Lisa Lindeman, NOAA General Counsel, which answered a number of questions submitted to her by Dave Hanson on behalf of the committee related to Council authority under the Magnuson-Stevens Act for implementing fishery cooperatives in the GOA. Her letter opined that the MSA: 1) does not authorize limits on the number of GOA shoreside processors, but does authorize limits on the number of catcher vessels and catcher/processors and 2) the Council could allocate a percentage of the GOA pollock TAC to a fishery cooperative after October 1, 2001.

The committee discussed reviewing the possibility of single or multi-species IFQs and/or single or multi-species cooperatives as alternatives for managing groundfish in the GOA. They decided that if all species and areas were managed under cooperatives, sideboards would be unnecessary. A subcommittee was appointed to prepare a draft statement for the GOA groundfish fisheries. Pending identification of the problem statement, the committee recommended that the Council could consider an analysis of:

Fisheries

- 1) pollock only, with sideboards
- 2) pollock and cod, with sideboards
- 3) all groundfish, with no sideboards

Participation, assuming moratorium and LLP qualified)

- 1) co-op with plant where most of previous year's fish was processed (BSAI cooperative model)
- 2) Dooley-Hall model
- 3) co-op with processor to whom 1995-97 deliveries were made (UCB model)

Sideboards are needed unless all fisheries and areas have co-ops

- 1) non-trawl fisheries
- 2) crab fisheries

The committee requested additional guidance from Lisa Lindeman on the degree of latitude to which the Council could apply sideboards between processors.

The committee identified the lack of participation in GOA rockfish and flatfish fisheries by the Sand Point and King Cove fleet as a future agenda item.

The committee tentatively set September 20 in Seattle as the date and location of its next meeting.

The meeting adjourned at approximately 7:30 pm.

**GOA CO-OP COMMITTEE
MINUTES
OCTOBER 17, 1999**

The GOA Co-op Committee convened briefly on October 17, 1999 at approximately noon in Seattle, Washington. Members in attendance were Dave Hanson (Chairman), Chris Blackburn, Joe Childers, Brent Paine, and Beth Stewart for Dick Jacobsen. Duncan Fields, Ken Helligso, Joe Plesha, Ken Roemhildt, Mike Simpson, and John Iani did not attend. Jane DiCosimo, and four members of the public also attended.

The committee approved a problem statement drafted by Brent Paine that was requested by the committee during its June 1999 meeting. The chairman noted that a number of committee members were absent at this meeting, including two representatives of shoreside processing. The committee could reconvene at a future Council meeting to address any concerns about the proposed problem statement and options from absent committee members.

**Problem Statement
Cooperative Management of Gulf of Alaska Fisheries**

Problems:

- ◆ The trawl, hook-and-line and pot fisheries in the Gulf of Alaska federal fisheries are fully utilized. Competition for this resource has increased for a variety of reasons, including additional recent fishing effort due to declines in non-groundfish fisheries and increased effort by traditional, long-term fishermen.
- ◆ Fishermen who have made significant long-term investments and have long catch histories in the Gulf fisheries need protection from others who have little or limited history and wish to increase their participation in the fisheries.
- ◆ The race for fish has negative impacts on:
 - ◆ Efficient utilization
 - ◆ The ability of the fleet to make spatial and temporal adjustments necessary to comply with the sea lion RPAs
 - ◆ Bycatch
 - ◆ Safety
 - ◆ The ability of the fleet to avoid further over-capitalization, or to find a way to de-capitalize.
- ◆ With the advent of the AFA and the subsequent formation of a coop management structure in the Bering Sea Pollock fishery, the potential exists for increase in effort into the Gulf fisheries.
- ◆ Sideboard restrictions placed on AFA qualified vessels:
 - ◆ Do not deal with the race for fish amongst non-AFA vessels,
 - ◆ Can become more punitive rather than restrictive, and possibly do not provide adequate protection.
 - ◆ Can have allocative impacts within the AFA fleet that negatively impact GOA dependent AFA vessels.

- ◆ Ending the race for fish through coops in only one sector creates a market disadvantage for those harvesters and the processors with whom they contract, relative to those who operate in a coop based system.

Objectives:

- ◆ Allow participants in the fishery to catch up to their proportionate share of the harvest based upon a uniform catch history time window.
- ◆ End the race for fish through coops or other means of assigning shares to each vessel.
- ◆ Maintain the viability and vitality of the independent harvesters.
- ◆ Foster a healthy competitive market.
- ◆ Maintain the viability and vitality of the processing sector.
- ◆ Maintain the viability and vitality of fishing dependent communities.

Options:

- ◆ One form of protection is the formation of cooperatives. Proper development of fishermen's coop management structure can stop the problems associated with the current Olympic style fisheries, including: super short seasons, harvest of small fish, increased waste, lower quality product and allocation battles between users.
- ◆ Reduce latent licenses through a "prove up" requirement of minimum landings/tonnage.
- ◆ Subdivide quotas by vessel class grouping.
- ◆ Develop an ITQ system.

GOA Cooperative Committee Meeting
Draft Minutes
April 10, 2000

Committee members Dave Hanson (chairman), Joe Childers, Ken Helligso, Beth Stewart, Chris Blackburn, Duncan Fields, John Iani, Brent Paine, Matt Moyer for Ken Roemhildt, and Mike Simpson. Joe Plesha was absent. Agency staff attending the meeting included Jane DiCosimo, Chris Oliver, Sue Salveson, Earl Krygier, and Jeff Hartman. Council member Dave Benton and more than forty members of the public attended.

Mike Martin presented the draft Gulf Rationalization document submitted by Groundfish Data Bank to the committee (see attached). The proposal was clarified as being not severable for catcher and processor sectors. Beth Stewart asked about latent licenses and recommended an increased number of landings under Harvesters. Dave Fraser suggested that a paper by Bruce Turis, B.C. Department of Fisheries and Oceanography regarding B.C. groundfish rationalization of fishing rights was relevant to the committee discussion for Gulf groundfish fisheries.

Committee recommendations:

- The Council chairman is requested to consider changing the focus of the committee from developing cooperatives to rationalizing the Western/Central Gulf groundfish and crab fisheries using an IFQ-like concept.
- Distribute a cover letter from the Council along with the draft AGD proposal (as revised), which has not yet been endorsed by the committee, to the public to solicit comments and additional proposals. The proposal could be posted on the Council website and mailed to other interested Gulf groups.
- The committee seeks clarification from NOAA GC regarding Council limitations on developing amendments to 1) limit effort and 2) Gulf LLP qualification criteria (eliminate latent permits); and 3) processor regulation considerations.
- The Chairman is requested to schedule an agenda item under Staff Tasking at the June meeting to consider initiating an analysis to reduce latent effort in the W/C GOA groundfish and crab fisheries. Industry members will bring information for the committee and Council to review in June.

The committee adjourned at approximately 7:30 pm.

From JUNE 2000
MTG NOTEBOOK

RECEIVED

N.P.F.M.C.
605 W. Fourth Ave. Suite 306
Anchorage, Alaska
Chairman Richard Lauber
Ex. Director Clarence Pautzke

MAY 30 2000

Joe Macinko
2625 Spruce Cape
Kodiak, Ak. 99615

N.P.F.M.C

Chairman Lauber,

My comments will apply to Gulf Co-op's/ Rationalization.

I am not sure I understand the way this issue is proceeding. I do not recall ever seeing proposals, with disclaimers that they were not council generated, being posted on the council web site and thus being given the implied consent of the council. Why has there not been the usual cycle call for proposals on this issue? An issue that will impact all fishermen and coastal communities in the gulf surely deserves adherence to the Councils standard process? Even when the Council follows its standard procedure; call for proposals, analysis, public comment, final action, it is often criticized as being inaccessible and hard to follow. What will the public reaction be to a less accessible process on an issue of more far reaching impacts? This is absolutely the worst issue to change to a "make it up as you go" process.

Comments on the A.G.D.B. Gulf So-op strawman proposal;

Nowhere in the problem statement or any of the co-op committee minutes can I find justification or even discussion of some of the changes this proposal would make if adopted. For instance, what goal is attained by allowing consolidation within the processing sector down to one processor per port while requiring vessels to sell to only that processor if they wish to fish their quota share? Could this pass the red face test if brought out in public? Should we doom rationalization by including such fatal flaws?

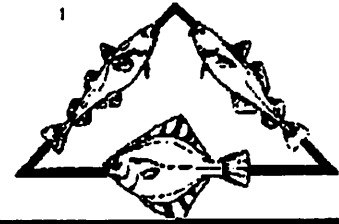
The proposals faults stem from the nature of its origin. Lack of input from all stakeholders has made this a lopsided attempt. The only way to get a rational "rationalization" product is to do it right the first time. Short cuts won't work. The A.G.D.B. "proposal" is nothing more than a "back of the bar napkin wish list" from a portion of industry. This issue deserves the full Council process and participation by all stakeholders, as defined by "Sharing the Fish".

Thank you for your consideration.

Joe Macinko

Groundfish Data Bank

P.O. BOX 948 - KODIAK, AK. 99615

**Alaska**

PH: 907-486-3033

Chris Blackburn, Director

Julie Bonney, Executive Assistant

FAX: 907-486-3461

7353974@mcimail.com

jbonney@esgls.ptialaska.net

SENT BY FAX MAY 30, 2000

TO: RICK LAUBER, CHAIRMAN
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL

RE: GULF RATIONALIZATION

SENT BY FAX: MAY 30, 2000

RECEIVED

MAY 30 2000

N.P.F.M.C


GULF RATIONALIZATION AGENDA ITEM D-1(c)

Most, if not all, the Gulf processors request that the "two-pie" system be included for consideration and analysis along with the many other options submitted by the fishermen from the different Gulf communities.

The processors also wish it made clear that none of the proposals submitted as of March 30 seem inadequate to protect Gulf processors, their investments and the Gulf communities. There is considerable concern that the traditional groundfish communities will lose product and income under an AFA style rationalization due to the ease with which product can be moved from one area to another.

Without a greater stake and greater consideration of the investment of processors and the impact on communities there is some sense that open access is the only equitable option.

This note is to be sure that the position and concerns of processors is clearly on the record.


Chris Blackburn, Proprietor
Alaska Groundfish Data Bank

May 11, 2000

RECEIVED
MAY 15 2000
N.P.F.M.C

Chairman Richard Lauber
North Pacific Fishery Management Council
605 W. 4th Ave., Suite 306
Anchorage, AK. 99501-2252

Dear Chairman Lauber:


I am writing to oppose formation of coops in the Gulf of Alaska. As they are currently being presented, Kodiak has everything to gain, and the other Gulf communities will be effectively locked out of volume of any type of groundfish. This initially started just for pollock, but has now grown to encompass all groundfish. This is a pretty broad mandate that would include fisheries that are not as yet completely utilized, such as arrowtooth. I think that it would be a very bad precedent to set.

I am adamant that there be no fixed percentages allocated to communities based on historic catches/delivery records. Twnty-five years ago, no one knew what a pollock looked like in Kodiak, and a cod that was caught was a rarity. The ocean has regime shifts, and taking a snapshot of a community in 2000 to regulate industry in 2003 and on, is a mistake, because things will have changed by then. New processors trying to enter the game in Homer and Seward, to name a couple of Kodiak's competitors, will be locked out of access to large volumes of fish. This is not a fair plan, and essentially gives Kodiak processors a monopoly on groundfish. Plus, a rather large hammer to hang over a fisherman's head who has other species of fish beyond groundfish to sell. Not to mention the potential for price-fixing.

I agree that there needs to be something done in the race for fish. I would like to see a program based on historic catch records from the previous five years, for harvestors only. This can slow down the fishery, and allow for delivery of good quality fish, and a better price to all.

Thank you.

Sincerely,



Tamara Shrader
P.O. Box 2601
Homer, AK. 99603
(907)-235-7670

Groundfish Forum

4215 21st Avenue West, Suite 201
Seattle, WA 98199
(206) 301-9504 Fax (206) 301-9508
www.groundfishforum.org

RECEIVED
MAY 15 2000
N.P.F.M.C.

May 12, 2000

Mr. Richard Lauber, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AK 99501

Re: Gulf Co-op Committee's Draft Gulf Rationalization Document

Dear Chairman Lauber,

I am writing in response to the request for comments on the Gulf Co-op Committee's Draft Gulf Rationalization Document as posted on the Council's web site. Groundfish Forum does not have comments regarding the specific provisions in the draft document at this time. Rather, we are writing to request that the Gulf Co-op Committee and industry further clarify the intent of the document vis-a-vis the at-sea sector, and include a representative of that sector on the committee.

Upon review of the draft rationalization document, Groundfish Forum was unable to determine how the Gulf of Alaska at-sea sector fits into these plans. Despite the head and gut (h&g) fleet's long, substantial and on-going dependence on GOA groundfish fisheries including deep and shallow water flatfish, rockfish, and Pacific cod, there is no mention of the sector (either as harvesters or processors) in the draft document. Without knowledge of exactly how our sector fits into the GOA co-op concept, Groundfish Forum is unable to comment on the details of the draft.

Absent additional information, we assume that the authors intended that either the plan is to apply only to the inshore pollock and cod fisheries, that the co-op include all species but the at-sea sector would harvest its historical share of GOA groundfish outside the structure of the proposed cooperative, or that the at-sea sector is to be included in a co-op for all species in some yet-to-be-defined manner.

The actual intent of the proposal would obviously determine the appropriate level of Groundfish Forum's involvement in the committee process. Our primary interest is to insure that Groundfish Forum member vessels are able to continue their participation in the GOA groundfish fisheries at their historical levels. Achieving this result could require very limited input or total involvement in the development process, depending on the ultimate scope of the rationalization plan.

It is clear, in any case, that as the committee moves forward in developing rationalization options for the GOA fisheries, Groundfish Forum needs to be a part of the dialogue. To

this end, we request that Groundfish Forum be given standing on the committee so that we can participate in the process more directly. The at-sea sector has a considerable presence in many GOA fisheries, and it is certainly appropriate that we become an active participant in the rationalization discussions. Groundfish Forum therefore suggests that John Henderschedt be appointed to the Council's Gulf Co-op Committee.

Thank you for receiving our comments on this matter. Please don't hesitate to call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Gauvin", with a long horizontal flourish extending to the right.

John R. Gauvin
Director

United Fishermen's Marketing Association, Inc.

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453



Mr. Richard Lauber, Chairman
North Pacific Fishery Management Council

May 29, 2000

RECEIVED
MAY 30 2000

Re: C-5 Staff Tasking; (c) GOA co-ops; provide direction

Dear Chairman Lauber,

The United Fishermen's Marketing Association, Inc. (UFMA) respectfully requests the Council to consider whether it means to address the rationalization of all Gulf of Alaska (GOA) groundfish. If so, we suggest that the Council consider issuing a specific Call for Proposals for such an initiative as part of this year's proposal cycle, that the public be given an opportunity to submit specific proposals that address this issue, and that the customary Council protocol be applied with respect to all such submitted proposals. Notwithstanding the foregoing comments, UFMA believes that addressing rationalization (e.g., endorsements, IFQs, etc.) specifically in the GOA p. cod fishery is a critical and priority issue that should have preference over any other initiative for GOA groundfish rationalization.

We respectfully request that the Council clarify their intent with respect to whether and how they intend to proceed with any initiative that addresses rationalization for all GOA groundfish. If the Council proceeds with such an initiative, we request that they adopt a problem statement for this initiative, and that they not preselect Co-ops as the predetermined vehicle for rationalization of all GOA groundfish. If the Council proceeds with such an initiative, we believe that several options should be analyzed to achieve this objective. Currently, the Council has 2 GOA groundfish Co-op proposals posted on the website that were submitted by an industry group. One of these proposals was submitted to the Council GOA Co-op Committee on April 10. The GOA Co-op Committee decided to distribute the subject Co-op proposal to the public as a "strawman" for comment. The other GOA Co-op proposal that is posted on the Council website is a 5/8/00 Draft revision by the same industry group of their original proposal. These proposals proffer a significant and major revision of the GOA Groundfish FMP. We respectfully request, for the benefit of a more informed public understanding, that the Council clarify the standards for these proposals with respect to Council intent for the rationalization of all GOA groundfish.

UFMA believes that the Council should continue to actively pursue further rationalization (e.g., endorsements) in the GOA p. cod fishery as the highest priority for GOA groundfish rationalization. Indeed, the Council recognized this need at the April, 2000, Council meeting when they decided to notify the public that they will begin to consider rationalization options for the GOA p. cod fishery at the June Council meeting. The critical need for rationalization in the GOA p. cod fishery is evident as a result of many factors, including, 1) the October, 1999, Council action with respect to the allocation of the BSAI fixed gear p. cod TAC among fixed gear types, and 2) the April, 2000, Council action to implement vessel endorsements in the BSAI p. cod fixed gear fishery; both actions cause dislocation and destabilization for harvesters who have an established economic dependence and harvesting history in the GOA p. cod fishery. Addressing rationalization for all GOA groundfish is a much larger and more complex endeavor that will consume significant time, energy and attention of the Council, and of its advisory bodies and staff. We respectfully submit that rationalization of the GOA p. cod fishery is the highest priority for rationalization in the GOA groundfish fishery.

Sincerely,

Jeffrey R. Stephan

May 30, 2000

Mr. Richard Lauber, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, AK 99501-2253
Sent via telefax to 907-271-2817



RECEIVED

MAY 30 2000

Re: Agenda items C-5

N.P.F.M.C

Dear Mr. Lauber:

My name is Dan Macdonald. I have owned the 58' fishing vessel EXCELLER since 1985.

In 1987, I was recruited by a Kodiak processor to convert my boat to become a groundfish trawler, and it has since that time participated continuously in the groundfish fisheries.

I am writing you today to express my support for Comprehensive Rationalization in GOA groundfish. You should know that I have not been an advocate for Co-ops or IFQ's until recently, however, recent events have demonstrated to me the immediate urgency for regulatory change. Those events include;

- the Sea Lion problem which could close down the fisheries upon which I depend.
- Changes in the Bering Sea (AFA) have allowed trawl vessels to enter the Gulf fisheries when they would previously have been fishing in the Bering Sea.
- Moving the Opilio season back to April also allowed a number of large, efficient, pot vessels to enter the GOA cod fishery and contributed to a shortened season for the boats like mine who have historically depended upon this fishery.

It is time for the Council to move to protect the interests of the Gulf of Alaska. Boats that have a history in groundfish have a right to continue to fish, and those who recently jumped into our fisheries should not. Proposals are circulating around which would include almost everyone who has delivered fish in any year including this year (vessels under 60'), or in any two years (vessels over 60'). Such a plan would not recognize the effort of boats like mine that invested and gambled in groundfish when processors needed the support of a local small boat fleet to keep the plants going at a time when crab stocks were dwindling, and groundfish ex-vessel prices were low.

Therefore, I urge the Council to immediately adopt a Co-op or IFQ program using the years 1995-1999, and allow participants to pick their *three* best years during that period. This would be the most equitable way to include the boats that have a legitimate claim to the fisheries, and not over-inflate the quota share pool with the speculators who have only recently rushed in.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Macdonald", written over a horizontal line.

Dan Macdonald

907-486-3068
P.O. Box 2269
Kodiak, AK 99615

360-671-2530
FAX 360-671-2068
P.O. Box 5993
Bellingham, WA 98227



May 29, 2000

Jane DiCosimo
North Pacific Fishery Management Council
605 West 4th Ave., Suite 306
Anchorage, Alaska 99501-2252

RECEIVED

MAY 30 2000

Re: GOA Coop Committee

N.P.F.M.C

Dear Ms. DiCosimo,

I believe that the GOA Coop Committee needs to give formal consideration to a "no cooperatives" alternative. Although the option of "no action" is clearly one available to the Council if and when it takes up this issue, the Coop Committee will not provide the Council with specific analysis and public comment on the status quo as an alternative to the proposal to implement cooperative harvesting and processing systems for GOA groundfish unless it is a clear option available for analysis throughout the Committee process.

The Committee has heard many comments about the serious implications of the proposal to implement coops in the Gulf. These implications for all harvesters and processors, including those not involved directly in the groundfish fisheries, need to be assessed and understood. Communities clearly also have a stake in this process. "Sideboards" to protect the interests of these other stakeholders create their own set of issues and problems that need to be weighed against the perceived benefits to the GOA groundfish industry by establishing cooperative systems. The controversy over the AFA mandated sideboards show that it is difficult to grant an exclusive benefit to some without also establishing strong protections for those impacted, and that those protections themselves may create significant disruption within the fishery community.

It is also important to understand the difference between rationalizing the Bering Sea fisheries and the Gulf of Alaska. The federally managed Bering Sea stocks are mostly harvested by large catcher and catcher processor vessels, delivering to a small number of processors. There are no significant State Water fisheries on the same stocks as those under the federal authority. In the Gulf, harvesters and processors tend to be multi-species oriented, smaller and more numerous in number, and prosecuting the fishery out of many more communities than the Bering Sea federal fisheries. Groundfish are harvested under both federal and state authority, and rationalization in federal but not state waters may be pointless.

In order for the Council to move forward on the GOA coop proposal, it would be wise for some consideration of a hearing process outside the normal council system. Hearings in the GOA communities on any proposal is essential for the communities to have an

NorQuest Seafoods, Inc.

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Crusader Fisheries • Lafayette Fisheries • Silver Lining Seafoods

opportunity to understand the short and long term implications of rationalization. The Council should not proceed without a thorough series of hearings in the effected areas. It is unreasonable to expect that the normal Council hearing process would result in adequate input for deciding such far reaching issues. Those most impacted by a cooperative system include many who would never think to attend a Council hearing, unaware of what the Council might do to the fundamental structure of the industry. For example, it is unlikely that there will be any meaningful attendance at a Gulf Coop meeting held in June in Portland by the salmon or herring fishermen who might be adversely impacted by rationalization of the Gulf groundfish fisheries.

Thank you for the opportunity to comment.

Sincerely,


John Garner
Vice President

Cordova District Fishermen United

Celebrating 65 Years of Service to Commercial Fishermen in Cordova, Alaska
P.O. Box 939 Cordova, Alaska 99574 / Telephone (907) 424-3447 / Fax (907) 424-3430

May 30, 2000

Jane DiCosimo
North Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, AK 99501-2252

RECEIVED
MAY 30 2000
N.P.F.M.C

SENT VIA FACSIMILE TO 907.271.2817

RE: GOA Co-op Committee

Dear Ms. DiCosimo,

Cordova District Fishermen United (CDFU) represents the commercial fishing fleets of Area E - Prince William Sound and the Copper River. We recently formed a Groundfish Division to more actively responds to the needs of that harvesting group. These comments, however, are being submitted on behalf of both the Groundfish Division and the CDFU membership as whole, who are primarily salmon and herring harvesters.

CDFU believes that an option that should be considered by the Council's GOA Co-op Committee is the "No Co-op" option. After investigating the AGDB proposal, CDFU is convinced that the no co-op option must be seriously considered, at least until such time as a federally-funded socio-economic impact study of impacts to stakeholders can be conducted and evaluated. Comments presented to the GOA Co-op Committee, as well as those described at a March hearing on the issue by the Alaska Legislature's House Special Committee on Fisheries, have led CDFU to determine that further consideration must take place in order to evaluate the potential ramifications of any proposed rationalization scheme in the GOA.

Trying to apply a rationalization scheme appropriate to the Bering Sea pollock fishery is not appropriate in the Gulf of Alaska. A larger number of communities dependent upon year-round harvesting and processing activities (primarily shore-based), a myriad of small owner/operated family fishing businesses and coastal

resident crew members, State and Federal water fisheries on the same stocks, and a wide variety of gear groups fishing a wide variety of species, all contrast extremely with the Bering Sea pollock fishery. Each of these characteristics must be considered in developing an appropriate rationalization scheme for the Gulf. In addition, it behooves the industry to be extremely cautious in attempting to grant an exclusive benefit to some due to the fact that those negatively impacted will seek mitigating protections. As seen with AFA, this can lead to an endless cycle of mitigation attempts.

CDFU does not believe that the normal Council process is adequate for notifying those potentially impacted by its decisions in this matter, nor for addressing them. CDFU will recommend to Governor Knowles that perhaps an appropriate role for the State of Alaska to play would be to host GOA coastal community meetings to bring the discussion to the fore, and then provide information to the Committee and the Council detailing those discussions.

CDFU is not opposed to fisheries rationalization. We do not, however, believe that a closed processor class as proposed by AGDB accomplishes the elements that should be responsibly addressed in an acceptable rationalization plan. Those elements could include such issues as community economic diversity, entry level access to the fisheries, impacts to processors, environmental protections, bycatch reduction and reduction of bycatch mortality, safety, overfishing prevention, high product quality and diversity, maintenance of fleet diversity, ensurance of effective enforcement and monitoring, and periodic performance review of the program. We believe that consideration of any rationalization option must necessarily include thorough discussion of the above issues--and more--and encourage the Committee to do so. Further, we believe that any GOA rationalization plan must consider the Gulf as a whole so as to eliminate potential sideboard issues.

We appreciate this opportunity to comment.

Respectfully Submitted,

Sue Aspelund

Sue Aspelund
Executive Director

Kachemak Bay Committee on
Gulf of Alaska Groundfish Rationalization
Chairman Alan J. Parks
P.O. Box 3339
Homer Alaska 99603
(907) 235-5680

RECEIVED
MAY 30 2000
N.P.F.M.C

May 30, 2000

North Pacific Fisheries Management Council
Chairman Richard Lauber
605 West 4th Avenue
Suite 306
Anchorage, Alaska 99501

Dear Chairman Lauber,

Enclosed you will find a proposal for rationalization of the groundfish resource in the Gulf of Alaska, developed by the Kachemak Bay Committee on Gulf of Alaska Groundfish Rationalization, a group of dedicated coastal community members living in the Kachemak Bay area.

Also enclosed are copies of resolutions adopted by the City of Homer and the City of Seldovia. The resolutions are requesting that the North Pacific Fishery Management Council incorporate the elements of the Kachemak Bay Committee on Gulf of Alaska Groundfish Rationalization proposal into any rationalization plan of the groundfish resource in the Gulf of Alaska.

On April 20, 2000 the North Pacific Fisheries Association (NPFA) and the Alaska Marine Conservation Council (AMCC) co-sponsored a forum in Homer on the privatization of the ground fish resource in the Gulf of Alaska. The sponsors invited representatives of the Alaska Ground Fish Data Bank (AGDB) to participate in a panel discussion on the privatization of the GOA Groundfish resource. The panel consisted of Don Lane president of NPFA, Chris Blackburn Director of AGDB, Dorothy Childers Executive Director of AMCC and Mike Martin member of AGDB. Forty individuals attended the forum from the Kachemak Bay region.

The forum generated a constructive dialog with all participants involved. One of the positive outcomes of the forum was the formation of the Kachamak Bay Committee on Rationalization of the Groundfish resource in the Gulf of Alaska.

The committee defined the meaning of rationalization and in doing so defined what the GOA groundfish fisheries would look like. We reviewed National standard number eight of the Magnuson Stevens Act and reviewed the recommendations of "Sharing the Fish" to help develop the elements of our proposal.

The elements contained in our proposal gives incentives and rewards that promote "responsible stewardship" and "community longevity" with flexibility to independent fisherman. It gives an allocation to independent fisherman from a "broad base of professional historic participants" and a seed amount of the resource to retain or attract fisherman to live in those "communities that are adjacent to the resource".

We would also like for you to take attention to the "Special Note on an Unique Circumstance" on the last page of our proposal. The committee wanted to address this unique circumstance in the GOA groundfish fisheries.

Thank you for taking the time to consider this proposal,

Sincerely



Alan J. Parks

Chairman Kachamak Bay Committee

KACHEMAK BAY COMMITTEE ON
GULF OF ALASKA GROUND FISH RATIONALIZATION
PARTICIPANTS

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HOMER, AK 99603
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BARBARA AND
PAT McBRIDE
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(907) 235-5581

**KACHEMAK BAY, GULF OF ALASKA GROUND FISH
RATIONALIZATION PROPOSAL**

RATIONALIZATION DEFINED

Rationalization is the modification of a fishery to promote a selective, safe, high value sustainable fishery with minimal adverse sea floor impact, and involves a large number of participants over a flexible harvest season, which supports the economic and social structure of fishing communities adjacent to the resource

Elements of a Gulf of Alaska Groundfish Rationalization Plan

1. Area

This plan covers all areas of the GOA (Having some areas under LLP alone would create a new set of sideboard issues)

2. Independent Fisherman Allocation (refer to "Sharing the Fish" page 203)

Allocation of ITQs will be to individuals to include vessel owners and hired operators based on their percentage of ownership of the harvested catch during the qualifying years.

An allocation to independent crewmembers with a professional, historic participation in the fisheries, based on their ownership of the harvested catch during the qualifying years (Refer to "Sharing the Fish" page 204)

Initial allocation will be unblocked and can be sold and consolidated. Leasing would be restricted to prevent absentee ownership of shares without substantial ownership of the vessel (refer to "Sharing the Fish" page 208)

3. Ownership

Ownership and vessel caps X % (refer to "Sharing the Fish" page 210)

*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****

4. Gear Type Allocation

Weighted allocation by gear type that will be used for future harvest. for example in Pacific Cod; 80 % times average history for trawl, 80% for longline or 100 % if season is simultaneous with halibut/sablefish IFQ season, and 120 % times average catch history for pot and jig.

This gives a reward to fisherman who will use gear types with minimal by-catch and habitat impact and an incentive for fisherman to convert to cleaner gear types. ITQs will be identified for specific gear types

5. Qualifying Years

A vessel must be LLP qualified, January 1, 1992 to April 16, 2000

Note: This is an extension of the LLP and those qualifying catches should be included with recent catches. By using all years, a vessel or persons history is their true history.

6. Qualifying Landings

Landings from vessels that were LLP qualified and were harvested during any federal opening. This includes poundage from state or federal waters during concurrent openings where such landings come off the federal TAC. This does not include landings from the exclusive State water fisheries with separate TAC or guideline harvest.

*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****

7. Communities (refer to "Sharing the Fish" page 206)

A. Historic Port of landing requirement

As example for Pacific Cod;

ITQ owners with 300,000 pounds or less of ITQs will be allowed to deliver to their port of choice.

ITQ owners with more than 300,000 pounds of ITQs will be required to deliver 60 percent of their ITQs to their historic port of landing. The remaining 40 percent can be delivered to their port of choice.

Periodic reviews specific to this element should be incorporated into the plan, to address concerns such as lack of processing facilities and processor consolidation with in a port.

B. Community Utilization Program Shares (CUPS)

The intent of CUPS is to provide a seed amount of the resource to retain or attract fishermen to live in those communities adjacent to the resource. Additional "credit" would be given to those communities (that wish to participate) for those fish processed in that community. The communities would have to apply on a per specie basis for fish they wish to harvest under the GOA allocated percentages. This federal fishery management plan could meet National Standard # 8 by supplying enough fish to stimulate private enterprise for harvest of other IFQ amounts and State water fish, which in the aggregate would make a small community processor viable.

1/4 of one % allocated for harvest by community members

1/2 of one % additional allocated for those fish that are to be processed in the community.

Who could represent the "community"?

- City government
- Village or Tribal council
- Specific Community Fisheries public non-profit corporation.

It is the intent that one entity per community would contract with NMFS or the NPFMC or their designee, an incorporating appropriate bylaws and standard procedures within that contract

We propose that the council develop definitions and criteria for the following to identifying which communities would qualify for an allocation under CUPS

- The meaning of "Adjacent to the Resource"
- Level of need within a Community
- Level of opportunity within a community
- Amount of allocation percentage to communities
- Percentage for underutilized species allocated to CUPS

8. Underutilized Species

Although this program is for all species, fully subscribed fisheries must be considered differently from fisheries for species for which the TAC has not been annually achieved. Also, if there is a large allowable biological catch but the TAC is low because there has been little economic fishery, it is not the intent of this plan to allocate a huge future percentage to a few individuals because their catch represents the only utilization. Underutilized species may be an area for much larger allocation to communities.

9. Review

A review every five years to consider possible major modification to the plan

*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****

Special Note on an Unique Circumstance

The Sablefish trawl fishery is allocated 20% of the GOA TAC. This allocation was a compromise during the ITQ Halibut/Sablefish plan development. This is officially listed as a bycatch allowance but in reality is mostly prosecuted as a directed sablefish target with the requirement that it not exceed X% of the catch. This results in 'ballasting' with other species which are delivered with little or no value to enable a larger catch of sablefish. Since the target fisheries are going to be issued ITQs under this plan, most of the 20% sablefish allocation should be issued as directed sablefish shares retaining only X% necessary for the true intrinsic bycatch rate. We suggest that if the ITQs are going to be for trawl gear they would be issued at 50% of the historic rate or if they are issued as longline ITQs they be issued at 100% of catch history. We also suggest that the longline shares be harvestable by pot or jig gears without penalty.

*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****DRAFT*****

RESOLUTION 00-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, SUPPORTING A PUBLIC PROCESS TO IDENTIFY AND PROTECT FISH HABITAT FROM SPECIFIC HARMFUL FISHING PRACTICES.

WHEREAS, Federal law requires fishery management plans to identify essential fish habitat, and minimize, to the extent practicable, adverse effects on such habitat caused by fishing; and,

WHEREAS, the National Marine Fisheries Service provided further guidance in the federal rules, directing managers to focus their attention and action on special habitat areas of particular concern that are vulnerable to fishing impacts; and,

WHEREAS, the North Pacific Fishery Management Council has proposed a community-based, public process to identify management strategies for protecting important fish habitat areas of particular concern from damaging fishing practices; and,

WHEREAS, adverse effects of marine habitat threatens the diversity and integrity of the marine ecosystem and fisheries resources; and,

WHEREAS, the social and economic health of the City of Seldovia, Alaska, and the surrounding region depends upon a healthy and diverse marine ecosystem; and,

WHEREAS, coastal residents and fishermen (groups membership) have a great deal of knowledge and experience to add to the scientific information about fish habitat and the impact of specific fishing practices; and,

WHEREAS, the City of Seldovia, Alaska, supports the North Pacific Fisheries Management Council's plans to involve local people, fishing groups, and communities, in a public process to locate and protect fish habitat from specific harmful fishing practices;

NOW, THEREFORE BE IT RESOLVED that the City of Seldovia, Alaska, requests the North Pacific Fisheries Management Council to work quickly to notify and include us in work to sustain our fisheries by protecting sensitive fish habitat; and,

NOW THEREFORE BE IT RESOLVED that this Resolution be sent to Senator Ted Stevens, Senator Frank Murkowski, Representative Don Young, Governor Knowles, and Chairman of the North Pacific Fishery Management Council Richard Lauber.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Seldovia, Alaska, on this 26 day of April, 2000.

APPROVED: Susan H. Hecks
Susan H. Hecks, Mayor

ATTEST:

Sara M. Nichols
Sara M. Nichols, Clerk



CITY OF HOMER
HOMER, ALASKA

RESOLUTION 00-54

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA SUPPORTING A PUBLIC PROCESS TO IDENTIFY AND PROTECT FISH HABITAT FROM SPECIFIC HARMFUL FISHING PRACTICES.

WHEREAS, Federal law requires fishery management plans to identify essential fish habitat, and minimize, to the extent practical, adverse effects on such habitat caused by fishing; and

WHEREAS, the National Marine Fisheries Service provided further guidance in the federal rules, directing managers to focus their attention and action on special habitat areas of particular concern that are vulnerable to fishing impacts; and

WHEREAS, the North Pacific Fishery Management Council has proposed a community-based, public process to identify management strategies for protecting important fish habitat areas of particular concern from damaging fishing practices; and

WHEREAS, adverse effects of marine habitat threatens the diversity and integrity of the marine ecosystem and fisheries resources; and

WHEREAS, the social and economic health of the City of Homer, Alaska and the surrounding region depends upon a healthy and diverse marine ecosystem; and

WHEREAS, coastal residents and fishermen (groups membership) have a great deal of knowledge and experience to add to the scientific information about fish habitat and the impact of specific fishing practices; and

WHEREAS, the City of Homer, Alaska supports the North Pacific Fisheries Management Council's plans to involve local people, fishing groups, and communities, in a public process to locate and protect fish habitat from specific harmful fishing practices.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska requests the North Pacific Fisheries Management Council to work quickly to notify and include us in work to sustain our fisheries by protecting sensitive fish habit; and

BE IT FURTHER RESOLVED that this Resolution be sent to Senator Ted Stevens, Senator Frank Murkowski, Representative Don Young, Governor Tony Knowles and Chairman of the North Pacific Fishery Management Council Richard Lauber.

PASSED AND ADOPTED by the Homer City Council this 23rd day of May, 2000.

ATTEST:...


MARY L. CALHOUN, CMC, CITY CLERK
Fiscal Note: NA

CITY OF HOMER


KURT MARQUARDT, MAYOR PRO TEM

+
**CITY OF HOMER
HOMER, ALASKA**

RESOLUTION 00-55

A RESOLUTION OF THE HOMER CITY COUNCIL
SUPPORTING THE KACHEMAK BAY GULF OF ALASKA
GROUNDFISH RATIONALIZATION COMMITTEE PROPOSAL
TO BE SUBMITTED TO THE NORTH PACIFIC FISHERIES
MANAGEMENT COUNCIL

WHEREAS, the Homer City Council supports the rationalization definition contained in the plan; and

WHEREAS, National standard #8 of the 1996 Magnuson-Stevens Fishery Conservation and Management Act states, "take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practical, minimize adverse economic impacts on such communities"; and

WHEREAS, the Congressional mandated National Research Council study of Individual Fishing Quotas programs ("Sharing the Fish") recommends allocations to communities; and

WHEREAS, the City of Homer benefits economically and socially from fish harvested by residents and processed in the community; and

WHEREAS, the Homer City Council recognized the need for access by fishing communities to the diversity of the resource adjacent to those communities; and

WHEREAS, the Homer City Council recognizes the importance of the allocation of the resource to be made to a broad range of historic participants; and

WHEREAS, the Homer City Council supports the element of the plan encourages the use of gear types that reduce by-catch and seafloor habitat impact.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council requests that the North Pacific Fishery Management Council incorporate the elements of the Kachemak Bay Gulf of Alaska Rationalization proposal into any rationalization plan of the groundfish resource in the Gulf of Alaska; and

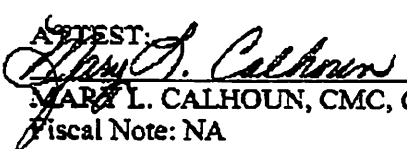
BE IT FURTHER RESOLVED that this resolution be sent to the North Pacific Fishery Management Council, Senator Ted Stevens, Senator Frank Murkowski, Representative Don Young and Governor Tony Knowles.

PASSED AND ADOPTED by the Homer City Council this 23rd day of May, 2000.

CITY OF HOMER


KURT MARQUARDT, MAYOR PRO TEM

ATTEST:


MARY L. CALHOUN, CMC, CITY CLERK

Fiscal Note: NA

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RESOLUTION 00-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA SUPPORTING THE KACHEMAK BAY GULF OF ALASKA GROUND FISH RATIONALIZATION COMMITTEE PROPOSAL TO BE SUBMITTED TO THE NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL.

WHEREAS, the Seldovia City Council supports the Rationalization definition contained in the plan and;

WHEREAS, National standard #8 of the 1996 Magnuson-Stevens Fishery Conservation and Management Act states, "take into account the importance of fishery resources to fishing communities in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities"; and

WHEREAS, the Congressional mandated National Research council study of Individual Fishing Quotas programs ("Sharing the Fish") recommends allocations to communities; and

WHEREAS, the City of Seldovia benefits economically and socially from fish harvested by residents and processed in the community; and

WHEREAS, the Seldovia City Council recognizes the need for access by fishing communities to the diversity of the resource adjacent to those communities; and

WHEREAS, the Seldovia City Council recognizes the importance of the allocation of the resource be made to a broad range of historic participants; and

WHEREAS, the Seldovia City Council supports the element of the plan that encourages the use of gear types that reduce by-catch and seafloor habitat impact; and

NOW THEREFORE BE IT RESOLVED that the Seldovia City Council requests that the North Pacific Fishery Management Council incorporate the elements of the Kachemak Bay Gulf of Alaska Rationalization proposal into any rationalization plan of the ground fish resource in the Gulf of Alaska; and

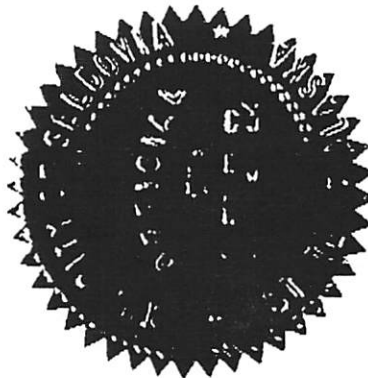
BE IT FURTHER RESOLVED that this resolution be sent to the North Pacific Fishery Management Council, Senator Ted Stevens, Senator Frank Murkowski, Representative Don Young, and Governor Tony Knowles.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Seldovia, Alaska, on this 24 day of May, 2000.

APPROVED: Susan H. Hecks
Susan H. Hecks, Mayor

ATTEST:

Sara M. Nichols
Sara M. Nichols, Clerk



cc. Alan Parker

DRAFT
For Discussion purposes only
Draft for Discussion only

**Comprehensive Rationalization Plan for Pollock and Pacific Cod
Fisheries in the Gulf of Alaska**

The primary concern is that the situation with the Stellar Sea Lion and the Endangered Species Act (ESA) is becoming critical. We believe that a solution that solves the Federal court's orders to spread the pollock and the P-cod fisheries spatially and temporally is of paramount importance. Further, we believe that comprehensive rationalization in the form of Coops or ITQs or a blend of each is the best available model to adopt to achieve a viable solution to the Sea Lion spatial and temporal problem. To that end we offer the following proposal.

1. We propose that a harvesters best 3 of 5 years between 1995-1999 be used to calculate Coop or ITQ-like fishing shares for the Gulf of Alaska for pollock and P-cod fisheries , with a minimum of 30 deliveries aggregate of P-cod and / or pollock during the same years
2. We propose that all processors who have processed pollock or P-cod harvested from the Gulf of Alaska during the years 1995-1999, be awarded Processing Quota Shares (PQS), based on their respective aggregate processing percentage during the designated years.
3. We propose that for the purpose of calculating (PQS), the pollock and P-cod TACs in the GOA be split into two parts. The first part would comprise 60% of the total TAC and the second part, 40% of the total TAC.
4. We propose that all eligible processors receive their historic percentage as calculated in (2) above multiplied by 60% of the TAC as a Processor Quota Share (PQS) for pollock and P-cod, for each management area in the GOA.

DRAFT
For Discussion purposes only

5. We propose that the second TAC (40%) be set aside and made available to any interested processors.

6. Qualified fishermen would receive two ITQ-like allotments.
 - The first ITQ-like allotment would represent their individual harvest percentage right to the 60% TAC.
 - The second ITQ-like allotment would represent their individual harvest percentage right to 40% TAC.

7. Fishermen who receive initial allocations of P-cod of less than 200,000lb would be able to sell to any interested buyer.

8. Any processor would be able to purchase fish from the 40% TAC portion or from the initial ITQ shares less than 200,000 lb.

9. We propose that harvester ownership caps of (X% of TAC) be established in order to maintain a minimum fishing fleet size in GOA pollock and P-cod fisheries. We further propose that original harvester shares of less than 200,000 lb, not be further consolidated. This is envisioned to be similar to the Sitka Block plan in the halibut and sablefish ITQ plan.

10. Harvester quota shares cannot be stacked.

11. We do not support the proposed re-subdivision of the Gulf of Alaska groundfish areas at the 157° West line.

DRAFT

For Discussion purposes only

- 12. We endorse the concept of reducing the State water P-cod quotas to a maximum of 10% of the Federal TAC. In addition, fishermen eligible to fish in Federal p-cod or pollock Coop or ITQ fisheries will be ineligible to fish in State water fisheries.**

Individual Fishing Quota Legislative Option

1. The moratorium on IFQs would be extended to October 1, 2005.
I do not think that it is a good idea for our industry to promote extending the IFQ Moratorium. IFQ is in fact the preferred rationalization scheme for most of the participants that I know, were it available.
2. Fishery Cooperatives would be exempt from the IFQ moratorium, subject to the new procedural safeguards outlined below.
This is a good idea. Co-ops need to be distinguished from IFQs anyway.
3. The bill language would be silent on the issue of processor closed class (NMFS has indicated that it needs express statutory authority to close a class; silence would likely be interpreted to prevent any efforts to close the class).
This might be a bit of wishful thinking. We can draft any sort of bill language that we want, but one of the fundamental stumbling blocks for rationalization all along, has been the closed class (or lack of closed class) for processors. Our silence on the closed class issue will be unlikely to prevail. All of the processors that I know are on record vowing to kill any programs that do not include 'closed class' for processors
4. Any fishery cooperative approved by the Secretary of Commerce would sunset in five years. Additionally, fishery cooperatives must be tailored to **existing management areas**. For instance, the Council would need to create separate cooperative programs for 610, 620, 630, and 640 in the Gulf of Alaska. There would be no further substantive restrictions on the structure of fishery cooperatives.
Why must we form separate area specific Co-operative programs? If we go this direction no doubt some areas will negotiate exclusive area co-ops with or without processors and others will not. The result will be acceleration of the "race" in non-co-oped areas, and a stagnation of any further rationalization while the next "Sideboard process" begins.

Also, I would want this to be interpreted to mean that the Co-operative bill and not individual Co-op agreements had a life of 5 years.
5. The National Marine Fisheries Service would be required to conduct two referenda prior to the submission to the Secretary of Commerce of any FMP plan or plan amendment approved by the North Pacific Council for fishery cooperatives. There would be a processor referendum and a harvester referendum. Each referendum would be separate and distinct. There must be a least a two-thirds majority vote of approval for the fishery cooperative in each referendum, by specific management area (two-thirds majority approval via referendum has precedent in the Magnuson Act; the Gulf of Mexico red snapper fishery must conduct a referendum prior to any future IFQ plan). If the referendum fails, NMFS must wait until the subsequent calendar year to try again.

I don't see any downside here.

- Substitute a 2/3 or 66% vote to form Co-ops instead of 100% as in the 1934 Act or 80% in the AFA.
- Don't tie the fleet to their previous processor as in AFA.
- Allow the processors to veto the Co-op formations.

6. "Eligible harvesters": To be eligible to participate in a referendum, a harvester must have made ___ landings in each of the most recent two years prior to referendum date, for the species subject to the fishery cooperative and in the management area to be covered.
7. "Eligible processors": To be eligible to participate in a referendum, a processor must have processed at least ___ tons of the species to be covered by the fishery cooperative in each of the most recent two years prior to the referendum date, and these landings must be from the management area to be covered.

Note: This is distinct from who may process. "Eligibility" refers only to the ability to vote, not the ability to process.

The specific eligibility criteria in (6 and 7) will no doubt be addressed in much greater detail later.

On the whole, I like this idea.

- Allowing Co-ops to form with smaller groups (66% vs 80% vs 100%), with eligibility based on past history is a positive step.
- Long time fishermen will gain the ability to form Co-ops and I assume, fence off their history. Anyone who does not want to play can opt out.
- Processors can torpedo the Co-ops initially, but without a closed class and with a "recent eligibility criteria" to vote on new Co-ops, new processors can eventually enter the fishery and form their own Co-ops if they process in the Open class for two years, right?
- I think the separate area by area approach is not good. The areas that do not get to form Co-ops will be disadvantaged greatly by the areas that do. Harvesters and processors will be variably enfranchised and disenfranchised, and therefore, advantaged and disadvantaged.
- Any rationalization scheme will need to be universally available to all Eligible harvesters, but Co-op participation cannot not be mandatory
- Maybe one large GOA Co-op can be formed by 2/3 of the Eligible harvesters and 2/3 of the Eligible processors. Within that Co-op, area by area operations could be worked out.
- Chris Blackburn Page 2 05/15/001 think that it will very important to avoid area by area Inter Co-op agreements, and the mess that that would spawn.

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MAY - 9 2000

N.P.F.M.C

RAYMOND L. BELLAMY
F/V KUSTAN ,FARRAY SEA
AND KORIA
62084 SKYLINE DR.
HOMER AK. 99603

MAY 8 00

RICHARD B. LAUDER CHAIRMAN
AND COUNCIL MEMBERS
NORTH PACIFIC FISHERY MANGEMENT COUNCIL
605 WEST 4TH AV SUITE 306
ANCHORAGE AK. 99501-2252

CHAIRMAN AND COUNCIL MEMBERS

MY NAME IS RAYMOND L BELLAMY AND I'M THE OWNER OF THE ABOVE VESSELS AND HAVE BEEN INVOLVED IN THE FISHING INDUSTRY SINCE I WAS 12 YEARS OLD STARTING IN 1958 SINCE THEN I HAVE EXPANDED IN TO THE CRAB FISHERIES IN 1975 THRU TO DATE AND THE COD, HALIBUT, AND SALMON FISHERIES, WE ARE STILL DOING THESE FISHERIES, AND AS YOU KNOW IT TAKES THEM ALL IN ORDER TO MAKE ENDS MEET AT TIMES. I CAN NOT SUPPORT THE CULP OF ALASKA CO-OP COMMITTEE DRAFT AGENDA DATED APRIL 10 2000.

THE PART I DO NOT LIKE IS THERE STATEMENT THAT IF YOU FISHED 2000 OPILO CRAB YOUR CATCH WILL NOT COUNT IN YOUR HISTORY CATCH, THERE THINKING IS IF WE FISHED OPILO CRAB WE WOULD NOT HAVE FISHED IN THE COD FISHERIES IF IT WOULD HAVE OPEN JAN 15. THAT IS NOT THE CASE MOST BOATS WOULD HAVE BEEN BACK BY 1 FEB. WITH A

FULL LOAD OF GEAR AND WOULD HAVE FISHED MOST OF THE SEASON. ON OUR SIDE WE WERE ONLY ABLE TO FISH THE FEW POTS WE HAD IN THE AREA ABOUT 75 INSTEAD OF THE 200 WE WOULD HAVE HAD IF GRAB HAD OPEN ON TIME, AND OUR GEAR NOT FROZEN IN AT ST. PAUL..

BOTH THE CULF OF ALASKA CO-OP COMMITTEE AND THE WESTERN GULF OF ALASKA DRAFT'S ARE LOADED WITH PROPEL THAT WOULD KEEP THE CRAB FLEET OUT OF THE FISHERIES EVEN IF THEY HAVE AN LLP.

FOR THIS REASON I WOULD LIKE TO SEE IT STAY AN OPEN FISHERIES FOR THOSE BOATS WITH LLP'S TILL SUCH TIME A FAIR PROPOSEL IS MADE FOR EVERY ONE. I'M NOT AGAINST A CO-OP FISHERIES SINCE IT WOULD BE MUCH SAFTER FOR THE MEN AND WOMEN WORKING THE BOATS IN ALASKA WINTERS.

THANK YOU

Raymond L Bellamy

RAYMOND L BELLAMY

Groundfish Data Bank

P.O. BOX 948 - KODIAK, AK. 99615

Alaska

PH: 907-486-3033

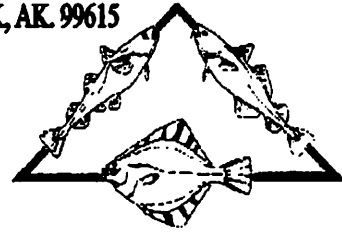
Chris Blackburn, Director

Julie Bonney, Executive Assistant

FAX: 907-486-3461

7353974@mcimail.com

jbonney@eagle.ptialaska.net



DRAFT GULF RATIONALIZATION DOCUMENT

This is a draft document not, at this point, a proposal. Within the Alaska Groundfish Data Bank membership there is not consensus on all the provisions. There is consensus, however, that the document should be released to the public so that dialog and debate can begin. AGDB members welcome comments, criticism, other ideas and other approaches.

GULF RATIONALIZATION

1. Areas 620, 630, 640
2. Initial harvest allocation will all be unblocked, and can be leased, sold and consolidated.
3. Any one entity will be limited to an X% of the total allowable catch.

HARVESTERS

1. All harvesters must be LLP qualified.
Exemption: Except vessels, which did not apply for an LLP because the vessel fished Federal fisheries only in State waters.
2. A vessel over 60 feet LOA must have made two landing in any two different years from 1995 through 2000.
3. A vessel under 60 feet LOA must have made one landing in any year from 1995 through 2000.

PROCESSORS

1. Long-term processors

Processors, which processed at least 2000 MT of federally managed Groundfish during any one of the qualifying years from 1995 through 2000.

Note: Black Cod IFQ's will not be included in the 2000 MT aggregate.

2. Open class processors

Any processor that processed federally managed Groundfish.

3. Historical port of landing. All harvesters will deliver to historical ports of landings.

Exemption: Vessels that choose to fish open access.

HARVESTERS/PROCESSORS

1. Vessels over 60 feet will only be qualified to fish for long-term processors.
Exemption: Vessels who historically delivered to open class processors.
2. Vessel 60 feet and under will be qualified to fish for long-term and open class processors.

DOOLEY/HALL CONCEPT

1. Coop vessels will enter into a yearly contract with processors for all federal Groundfish species.
2. If a plant chooses not to process a particular species that coop member then has the right to a secondary contract with another processor.

COOPS

1. All vessels have the ability to coop.
2. All processors have the ability to coop.
3. Vessels over 60 feet will only be able to coop with Long Term Processors.
4. Vessels under 60 feet will be able to coop with either Long Term or Open Class Processors.
5. Any vessels that do not want to coop will take their history into an open access fishery. That fishery will be managed by NMFS.
6. Open access fisheries will be in three categories.
 - a. 60 and under
 - b. Over 60
 - c. Any vessel that chooses to fish open access will be allowed to fish and deliver to Long-Term or Open Class processors in all regions.

ALLOCATION CRITERIA

1. Vessels over 60 feet. Best two-year average 1995 through 2000.
2. Vessels under 60 feet. Best one year 1995 through 2000.
3. Vessels that participate in the 2000 Opilio Crab Fisheries will not be allowed to use 2000 as an allocation year.

Groundfish Data Bank

P.O. BOX 948 - KODIAK, AK. 99615

Alaska

PH: 907-486-3033

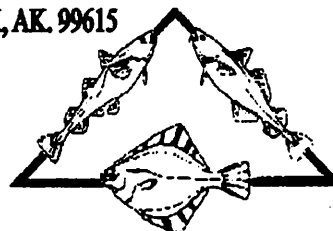
Chris Blackburn, Director

Julie Bonney, Executive Assistant

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jbooney@eagle.ptialaska.net



GULF RATIONALIZATION DOCUMENT

DRAFT 2 - MAY 9, 2000

This is AGDB'S second draft document for discussion purposes. Within the Alaska Groundfish Data Bank membership there is not consensus on all the provisions. There is consensus, however, that this revised document should be released to the public so that dialog and debate can begin. AGDB members welcome comments, criticism, other ideas and other approaches.

The significant addition to this discussion proposal is the addition of an additional processor category - Long-Term Small Processor - defined as a processor which has processed 400 MT in any one of the base years 1995 thru 2000. A long-term small processor's processing is capped at 2000 MT.

Vessels under and over 60 feet can both deliver to a long-term small processor.

It should be understood that the intent of this proposal is to freeze the industry, vessels and processors, in their current configurations.

GULF RATIONALIZATION

1. Areas 620, 630, 640
2. Initial harvest allocation will all be unblocked, and can be leased, sold or consolidated.
3. Any one entity (processor or vessel) will be limited to X% of the total allowable catch for each federally managed ground target species excluding IFQ sablefish.

HARVESTERS

1. All harvesters must be LLP qualified.

Exemption: Except vessels, which did not apply for an LLP because the vessel fished Federal fisheries only in State waters.

2. A vessel over 60 feet LOA must have made two landings of federal groundfish in any two different years within the base years 1995 through 2000.
3. A vessel under 60 feet LOA must have made one landing federal groundfish in any year within the base period 1995 through 2000.

PROCESSORS: For this section qualification is based on federal groundfish deliveries excluding custom processing and IFQ sablefish.

1. Long-term processors

Processors, which processed at least 2000 MT of federally managed groundfish during any one of the qualifying years from 1995 through 2000.

Note: Sablefish IFQ's will not be included in the 2000 MT aggregate.

2. Long-term small processors

Processors which processed at least 400 MT of federal managed groundfish in any one of the base years 1995 thru 2000 and did

not exceed 2000 MT in any two of the base years. This category can process up to 2000 MT of federal Groundfish in any year.

3. Open class processors

Any processor that processed less than 400 MT of federally managed groundfish in each of the base years 1995 thru 2000.

4. Historical port of landing.

All harvesters will deliver federal Groundfish to their historical port or ports of landing or landings.

Exemption: Vessels that choose to fish open access.

HARVESTERS/PROCESSORS

1. Vessels over 60 feet will only be qualified to deliver federal groundfish to long-term and long-term small processors.
2. Vessel 60 feet and under will be qualified to deliver to long-term small and open class processors.

DOOLEY/HALL CONCEPT

1. Coop vessels will enter into a yearly contract with processors for all federal Groundfish species.
2. If a plant chooses not to process a particular species that coop member then has the right to a secondary contract with another processor.

COOPS

1. All vessels have the ability to coop.
2. All processors have the ability to coop.
3. Vessels over 60 feet will only be able to coop with Long Term Large Processors and Long-Term small processors
4. Vessels under 60 feet will be able to coop with Long-term, Long Term Small and Open Class Processors.
5. Any vessels that do not want to coop will take their history into an open access fishery. That fishery will be managed by NMFS.
6. Open access fisheries will be in two categories.
 - a. 60 and under
 - b. Over 60 feet

OPEN ACCESS

Any vessel that chooses to fish open access will be allowed to fish and deliver to Long-Term processors, Long-Term small processors and Open Class processors in all regions.

ALLOCATION CRITERIA

1. Vessels over 60 feet. Best two-year average 1995 through 2000.
2. Vessels under 60 feet. Best one year 1995 through 2000.
3. Vessels that participated in the 2000 Opilio Crab Fisheries will not be allowed to use 2000 as an allocation year.

OTHER SUGGESTION RECEIVED BY AGDB

ALLOCATION CRITERIA:

Change third criteria to read: Vessels that participated in the 2000 Opilio Crab Fisheries will not be allowed to use 2000 as an allocation year unless the vessel made 2 federal groundfish landings during the time period January 1 to January 7 or 11.



Alaska Marine Conservation Council

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AGENDA C-5(c)(2)
JUNE 2000

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Rick Lauber, Chair
North Pacific Fishery Management Council
605 W. Fourth Avenue
Anchorage, AK 99501

RE: Agenda Item C-5 c&d

Dear Mr. Lauber,

AMCC would like to offer the Council and the Gulf Co-op Committee 1) our objectives for Gulf rationalization programs, and 2) comments on the draft document from Alaska Groundfish Data Bank (AGDB) on Gulf rationalization. We developed our comments by weighing the AGDB document against conservation and community objectives that we believe need to be addressed by any rationalization plan, whether the outcome is IFQs, co-ops or another similar program that limits access and distributes fishing opportunity. The National Research Council's report to Congress on IFQs, *Sharing the Fish*, contains useful discussions on many of these issues.

1. Conservation and Communities

Gulf rationalization is often discussed as an economic model that could be expected to have some conservation benefits. We believe the considerable changes that are under discussion will be very long lasting and that those benefits must be imbedded in management systems by design. *Sharing the Fish* emphasizes this point: "Confusion, conflict, and ambiguity about the relative importance and value of the objectives of an IFQ program can result in contradictions and inconsistencies in its design and implementation, making the program more vulnerable to unintended consequences and less likely to succeed."¹

If properly designed, there will be great promise in economic models that link conservation benefits with the long-term needs of our communities and opportunity for fishing families.

AMCC strongly believes that Gulf rationalization means moving beyond the status quo to modify our fisheries in ways that achieve goals

¹ National Research Council. Prepublication Copy, Dec. 18, 1998. *Sharing the Fish: Toward a National Policy on Individual Fishing Quotas*. p. 191.

May 31, 2000
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for conservation and coastal fishing communities including the following:

- Incentives for responsible stewardship
- Clean fishing (promotion of practices that minimize bycatch, protect sensitive habitat, and prevent overfishing)
- Community stability including:
 - Opportunity for community-based fleets
 - Diverse fleets (different size vessels, different gear types)
 - Market diversity (options to deliver product to competitive processor)
 - Viable entry-level opportunities to coastal community residents
 - Ownership concentration limits (to prevent consolidation in the hands of fewer fishermen or companies who have enough capital to accumulate access)
- A return to the public owners of fishery resources
- Avoidance of permanent entitlements (to ensure continuation of fishing privileges are contingent on successful bycatch reduction and habitat conservation)
- Periodic overall performance review in terms of the above principles

AMCC is opposed to systems that involve a closed class of processors because of the controlling effect they can have on markets, fishermen, and the public process.

2. Comments on the Alaska Groundfish Data Bank draft document:

- Different plans for different management area - While we respect the reasons that the communities in Area 610 do not want to participate in the AGDB proposed plan, we are concerned that different management systems for different areas of the Gulf would present cumbersome problems that would end up creating a complex array of sideboard issues.
- Historic Participation - The AGDB proposal is based only on fishing and processing history. In our view, individual participation is an important factor but not the only factor. There are other considerations that rationalization should address. *Sharing the Fish* lists a range of considerations for the distribution of quota that includes long-term participation, history, dependence, and good stewardship.²
- Processors - The concern of independent fishermen is that limiting processors (either by naming which companies can process groundfish or naming which ports can be groundfish processors) will diminish the competitive environment. Even though the AGDB proposal does not contain an AFA-style closed class of processors, many fishermen expect the effect to be similar. We do not see a marked improvement over the total closed class model in terms of how much fishermen are constricted now and in the future, and the market implications for fishermen delivering both groundfish and other species. Although the document allows small boats to deliver to any processor, the small boat sector in Kodiak represents a small percentage of the total volume; allowing them to deliver to either the long-term or open class of processors would not amount to much freedom in the fleet overall.

² National Research Council. Prepublication Copy, Dec. 18, 1998. *Sharing the Fish: Toward a National Policy on Individual Fishing Quotas*. p. 198

Processing companies need to be able to process multiple species in order to stay viable. No community would be likely to get a processor for salmon, for example, if it is permanently prohibited from processing other species. The system needs to allow for future flexibility. What if crab or shrimp come back? Freezing which communities can process groundfish based on today's snapshot would lock out future opportunity if the profile of Gulf fisheries changes again.

Issues that processors are facing need to be better articulated so that solutions can be designed to fix a clear problem. There should be ways to accommodate reasonable needs that do not result in a reduction in competition.

- Conservation - The draft document does not address how conservation will be served. It may be assumed that an IFQ or co-op system will slow down the fishery and reduce wasteful fishing practices such as has occurred in the Bering Sea pollock fishery. (It is important to note, also, that the prohibition on bottom trawl gear went into effect concurrently and contributed to those improvements.) AMCC agrees slowing down the fishery is beneficial but Gulf groundfish fisheries are considerably more complex than Bering Sea pollock in terms of participation and management. The solutions can be equally innovative to address conservation.

We are looking for systems that are designed with measurable benchmarks and mechanisms for evaluating the program's success as a conservation tool. We are looking for systems that move beyond the status quo profile of groundfish fisheries by, for example, building in incentives that *reward* clean fishing and reduced impact on habitat. An effective tool is one that encourages gear conversions from trawls to pots, for example.

The AGDB document does not include such mechanisms but appears to be a system designed to lock in today's snapshot of Gulf groundfish fisheries in terms of who gets to fish, how they will fish, which companies can process the fish and what communities will be able to benefit from Gulf fisheries.

We appreciate the Council's and the Gulf Co-op Committee's consideration of our comments and look forward to further work on Gulf rationalization with AGDB and others.

Sincerely,



Dorothy Childers
Executive Director

David Hillstrand
Box 1500
Homer, Alaska 99603

Here are our recommendations for the Central Gulf of Alaska .

Gulf Rationalization

1. Area 620, 630 640
2. Harvest Allocation is blocked and can be sold.
 - a) 1 to 3 vessels allocations can be purchased by another.
 - b) No allocation can be leased.

Excessive Share Cap

1. 3-5%

Harvesters

1. All harvesters must be LLP qualified.
2. Vessels over 60 feet LOA must have made 2 landings in any two different years from 1995 through 2000. Or 100,000 pounds in one year.
3. Vessels under 60 feet LOA must have made 1 landing in any year from 1995 through 2000.

Processors

1. We support a limit entry on large processors 2000 mt and over.
2. 0-400 mt processors allowed to still enter.
3. Historical port of landing. All harvesters will deliver to historical ports of landings; with 20% being able to be delivered to another port.

Exemption: vessels that choose to fish open access.

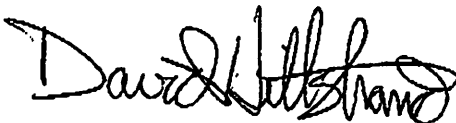
- a) Can deliver to another port.
- b) Can deliver to any processor.

Coops.

1. No vessels have the ability to coop.
2. No processors have the ability to coop.

Allocation Criteria.

1. Vessels over 60 feet. Best three-year average 1995-2000.
2. Vessels under 60 feet. Best one-year 1995-2000.
3. Vessels that participate in the 2000 Opilio Crab Fisheries will not be allowed to use 2000 as an allocation year. Unless the vessel made a landing from Jan 1st through Jan 8th 2000.



RECEIVED

N.P.F.M.C.
605 W. Fourth Ave. Suite 306
Anchorage, Alaska
Chairman Richard Lauber
Ex. Director Clarence Pautzke

MAY 30 2000

Joe Macinko
2625 Spruce Cape
Kodiak, Ak. 99615

N.P.F.M.C

Chairman Lauber,

My comments will apply to Gulf Co-op's/ Rationalization.

I am not sure I understand the way this issue is proceeding. I do not recall ever seeing proposals, with disclaimers that they were not council generated, being posted on the council web site and thus being given the implied consent of the council. Why has there not been the usual cycle call for proposals on this issue? An issue that will impact all fishermen and coastal communities in the gulf surely deserves adherence to the Council's standard process? Even when the Council follows its standard procedure; call for proposals, analysis, public comment, final action, it is often criticized as being inaccessible and hard to follow. What will the public reaction be to a less accessible process on an issue of more far reaching impacts? This is absolutely the worst issue to change to a "make it up as you go" process.

Comments on the A.G.D.B. Gulf So-op strawman proposal;

Nowhere in the problem statement or any of the co-op committee minutes can I find justification or even discussion of some of the changes this proposal would make if adopted. For instance, what goal is attained by allowing consolidation within the processing sector down to one processor per port while requiring vessels to sell to only that processor if they wish to fish their quota share? Could this pass the red face test if brought out in public? Should we doom rationalization by including such fatal flaws?

The proposals faults stem from the nature of its origin. Lack of input from all stakeholders has made this a lopsided attempt. The only way to get a rational "rationalization" product is to do it right the first time. Short cuts won't work. The A.G.D.B. "proposal" is nothing more than a "back of the bar napkin wish list" from a portion of industry. This issue deserves the full Council process and participation by all stakeholders, as defined by "Sharing the Fish".

Thank you for your consideration.

Joe Macinko

Existing Projects (stars and dots from February meeting)	Ref No.	Analytical Weeks		A/E%	Comments
		Previous	Projected		
SEIS Completion	17	14	3	20/80	Primarily NMFS with Council Input
FMP Updates	18	2	6	100/0	Council Staff - by October
AFA EIS/Proposed Rule	1,3,4	56	4	40/60	Primarily NMFS with Council Input
AFA Report to Congress (preliminary)			3	50/50	Preliminary Report by October (contract help)
SSL Comprehensive Biop			2	50/50	Primarily NMFS with Council Input
EFH/HAPC	24	9	5	90/10	Need direction on stakeholder process
Halibut Charter IFQ	6	10	15	40/60	Major Workload through October
Halibut Subsistence	7	1	1	100/0	
BSAI P.cod LLP	21	12	2	50/50	Needs final analysis for SOC review
Crab rebuilding amendments	22,23	13	1	10/90	Needs final analysis for SOC review
Observer Program Reg amendments	27	2	-	-	Scheduled for Council action in June
Inshore co-op structure			-	-	Scheduled for Council action in June
Observer Program (Extension and ATLAS)			-	-	Council action complete - NMFS processing
Processor sideboard and Excessive Shares	2,5	15	-	-	Initial review in June
MSST/OF Definitions			-	-	Primarily NMFS with Council Input
Total			42	56/45	

Previously Tasked Projects	49 (available weeks)				
3 Separate sideboard pools			3	35/65	Possible contract candidate (not started)
BSAI pot cod split			3	35/65	Possible contract candidate (not started)
P.cod reg. Amendments (2)			3	35/65	Possible contract candidate (not started)
SR/RE retention			2.5	65/35	Not started
Shark/Skate FMP amendments			2.5	65/35	Could be delayed beyond October
DSR Submittal			0.5	100/0	Minor additional work required
Cook Inlet bottom trawl ban			1	50/50	Minor additional work required
Observer Program (long-term changes)			3	35/65	Pending further Committee work/Council direction
CDQ Reg amendments			?		Primarily NMFS with Council Input
HMAP			?		Pending Council direction

Potential New Tasking

Crab processing Sideboards (additional analysis)			1		Pending Council Direction
Groundfish processor sideboards (additional analysis)			1-6		Pending Council Direction
Community based QS			?		Pending Council Direction
GOA P. cod measures			10-12		Pending Council Direction
GOA co-ops			?		Pending Council Direction (major analysis)
BSAI crab co-ops (database)			1		Pending Council Direction (major analysis)
P.cod / SSL analysis			?		Primarily NMFS with Council Input
IFQ Amendments			?		Pending Council Direction

NPFMC Three Meeting Outlook

June 5, 2000 Portland	October 2, 2000 Sitka	December 6, 2000 Anchorage
Review MSA re-authorization issues		
Inshore Co-op structure: Final Action		
Groundfish Processor Sideboard Caps/Excess Share Analysis: Initial Review	Groundfish Processor Sideboard Caps/Excess Share Analysis: Final Action	
Review crab processing sideboards under AFA		
Review adjustments to catcher vessel sideboards/exemptions/pollock calculations		
TAC setting process: Initial Review	AFA Proposed Rule/ EIS: Review and comment TAC setting process: Final Action Groundfish SEIS/FMP Updates	
Observer Regulatory Amendments: Final Action	IFQ Program for Charter fleet: Preliminary Review	IFQ Program for Charter fleet: Initial Review
Review MRAG and Observer Committee Reports		
St. Matthew Blue and Opilio Crab Rebuilding Plan: Final Action		
Review GOA P.cod measures/rationalization		
Discussion Paper of GCCC proposal: Review and comment (T)		
Halibut Donation Program: Review		
Review Steller Sea Lion/P.cod interactions	Final action on SSL/P.cod measures (T)	
Review Pollock RPA's effects on small vessels		
Review Russian marine mammal research	Groundfish specifications/SAFE: Initial Review Halibut subsistence: Final Action	Groundfish specifications/SAFE: Final Action
CIAC Report on Opilio appeal	Groundfish overfishing definitions (MSST): Initial Review (T)	
Review Proposals and Staff Tasking	Cook Inlet Non-Pelagic Trawl Ban: Final Action (T) P. cod bycatch and PSC reg. Amendments: Initial Review (T) CDQ Program Reg Amendments: Initial Review (T) P. cod pot split CV/CP: Initial Review (T) Separate sideboards for CV's: Initial Review (T)	P. cod bycatch and PSC reg. Amendments: Final Action (T) CDQ Program Reg Amendments: Final Action (T) P. cod pot split CV/CP: Final Action (T) Separate sideboards for CV's: Final Action (T)

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

TAC - Total Allowable Catch
 IFQ - Individual Fishing Quota
 AFA - Amercian Fisheries Act
 HAPC - Habitat Areas of Particular Concern
 LLP - License Limitation Program
 PSC - Prohibited Species Catch

SSL - Steller Sea Lion
 GHL - Guideline Harvest Level
 SEIS - Supplemental Environmental Impact Statement
 CDQ - Community Development Quota
 GCCC- Gulf Coastal Communities Coalition
 MSA - Magnuson-Stevens Act

SAFE - Stock Assessment and Fishery Evaluation
 (T)-Tentatively scheduled
 CV - Catcher Vessel CP- Catcher Processor
 SR/RE - Shortraker/Rougheye
 MSST - Minimum Stock Size Threshold
 FMP - Fishery Management Plan

**GOA Cooperative Committee Meeting
Draft Minutes
June 8, 2000**

Committee members Dave Hanson (chairman), Joe Childers, Kent Helligso, Glenn Merrill for Beth Stewart, Chris Blackburn, Duncan Fields, John Iani, Brent Paine, and John Blackwell for Mike Simpson. Ken Roemhildt (submitted comments to the committee via email) and Joe Plesha were absent. Agency staff attending the meeting included Jane DiCosimo, Lisa Lindeman, Kate Troll. More than forty members of the public attended.

Clarification of legal authority Lisa Lindeman provided responses to the committee's request for legal clarifications (see attached June 2, 1999 letter):

1. The Council has authority to form cooperatives to manage groundfish in the GOA.
2. No compensation is required to revoke a fisheries permit, although due process is required.
3. The Council may approve a cooperative, but it may not approve a cooperative with an allocation until the IFQ moratorium is lifted.
4. The Council may not create a closed class of processors.

Later in the meeting, the committee requested another legal clarification from NOAA General Counsel as to whether the Council has the authority to require landings to occur in a specific community (historic port of landing) as outlined in some of the proposals and comments.

Review of public comments The committee reviewed the merits of each comment letter. Overall, the committee noted that most comments noted the: need to rationalize the GOA groundfish fisheries and preserve GOA communities. Specific committee comments follow.

Roemhildt: The committee may carry forward #1 (base years for participation as the same years used by the AFA as an alternative), #2 (conservation concerns), #3 (uniform approach for all areas of the Gulf, and #4 (community participation) as part of committee discussion for alternatives.

Icicle: The Council may wish to include linked options A (sector benefits) and D (harvester-processor relationships) as an alternative.

AMCC: The committee requested staff to provide it with the executive summary of "Sharing the Fish" that is heavily referenced by the proposers.

Macinko, Shrader, Norquest, CDFU: The committee acknowledged that there is not consensus on GOA rationalization.

Hillstrand: The committee noted that the Council may wish to examine the data by vessel size (to possibly treat <60 ft vessels differently).

Groundfish Forum: The committee recommended adding a representative from Groundfish Forum.

UFMA: The committee acknowledged the proposer's interest in moving forward with rationalizing the GOA P. cod fishery as the highest priority.

Exceller Fisheries: The committee had no recommendations on this comment letter.

K-Bay Committee and community resolutions: The committee found the proposal somewhat confusing, and noted its reliance on "Sharing the Fish."

WCGOAF: The committee noted that it may wish to revise the committee's problem statement at a later meeting to reflect the first paragraph's discussion of concerns related to the Steller sea lion. This proposal is noted as having been submitted by Joe Childers.

Testimony at meeting:

Paul Fuhs (Yakutat) Communities are interested in developing local fisheries, possibly developing quota or community set asides for Yakutat (140-147°).

Mark Chandler (Kodiak) requested additional committee comments on legal issues related to regulating processors (regarding creating a closed class of processors).

Brendan McKenna provided comments regarding the Childers proposal.

Motion: A majority of the committee recommended that rationalization be undertaken through a separate management plan that would supercede any action taken by the Council on GOA LLP. The intent is to not allow LLP changes to subordinate GOA rationalization.

Motion: Request the Council provide direction to the committee on whether it wants the committee to continue meeting to develop draft elements and options for rationalizing the GOA groundfish fisheries. If the committee is to continue its work, it requests the addition of a representative from Groundfish Forum and the environmental community.

The committee adjourned at approximately 8:00 pm.



USA
UNITED STATES DEPARTMENT OF COMMERCE
National Ocean and Atmospheric Administration
Office of General Counsel
P.O. Box 21109
Juneau, Alaska 99802-1109

June 2, 1999

Dave Hanson
Chair
Gulf of Alaska Co-op Committee
North Pacific Fisheries Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501-2252

Dear Dave:

This responds to your recent letter requesting guidance on several issues under review by the Gulf of Alaska (GOA) Co-op Committee. I will address the issues in the order you raise them in your letter.

1. Under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), in the Gulf of Alaska, may the Council limit the number of (a) shoreside processors, (b) catcher vessels, and (c) catcher processors?

(a) Under the Magnuson-Stevens Act, the Secretary may not directly regulate shoreside processors, including establishing a limited access system or limiting the number of shoreside processors that may participate in the GOA fisheries. See the attached NOAA General Counsel opinion to the Council, dated September 20, 1993, in which we advise that the Magnuson-Stevens Act authorizes the Secretary and the Council to regulate "fishing," which includes allocating fishing privileges and limiting access to fisheries. The Act, however, does not authorize the Council and Secretary to directly regulate on-shore processing, which would include measures to limit the number of shoreside processors in the GOA. The provisions relied upon in the opinion were not changed by the 1996 Sustainable Fisheries Act. The American Fisheries Act (AFA), Pub. L. No. 105-277, limits the number of shoreside processors that may participate in the Bering Sea and Aleutian Islands (BSAI) directed pollock fishery, but the statute applies only to the BSAI. It does not authorize the Council or Secretary to establish similar limits on the number of entities participating in the shoreside processing sector in the GOA.

(b) and (c) Can the Council/Secretary limit the number of catcher vessels and catcher processors participating in the GOA fisheries?

Under Magnuson-Stevens Act section 303(b)(6), the Council may recommend and the Secretary may approve a limited access system for a fishery in order to achieve optimum yield if they take into consideration certain specified factors. The Council could recommend and the Secretary



could approve conservation and management measures that would create a program to limit the number of catcher vessels and catcher processors that could participate in the GOA pollock fisheries. For example, the Council could limit the number of catcher vessels and catcher/processors participating in the GOA pollock fishery by recommending a moratorium in the GOA pollock fishery with nontransferable permits. Due to section 303(d), however, the Council may not submit and the Secretary may not approve or implement before October 1, 2000, any limited access program that would create a new individual fishing quota (IFQ) program.

2. Under the Magnuson-Stevens Act, in the Gulf of Alaska, may the Council allocate a percentage of pollock TAC to a cooperative?

Until October 1, 2000, the Council could not submit and the Secretary could not implement a program to allocate a percentage of the GOA pollock TAC to a fishery cooperative. In our opinion, an allocation of a percentage of the pollock TAC in the GOA to a fishery cooperative would fall within the definition of "IFQ" under the Magnuson-Stevens Act. Section 303(d) of the Magnuson-Stevens Act establishes a moratorium on the creation of any new IFQ programs before October 1, 2000. While the Council may analyze a new IFQ program, it may not submit it to the Secretary before October 1, 2000.

Section 3 of the Act defines the term "individual fishing quota" as "a Federal permit under a limited access system to harvest a quantity of fish, expressed by a unit or units representing a percentage of the total allowable catch of a fishery that may be received or held for exclusive use by a person.. ." The term "person" is defined as "any individual (whether or not a citizen or national of the United States), any corporation, partnership, association, or other entity (whether or not organized or existing under the laws of any State), and any Federal, State, local, or foreign government or any entity of such government." An allocation of a percentage of the GOA pollock TAC to a fishery co-op would be prohibited until the moratorium on the creation of new IFQ programs expires.

If you have further questions, please let us know.

Sincerely,



Lisa L. Lindeman
Alaska Regional Counsel

Attachment

cc: Jay S. Johnson
Maggie Hayes
Steve Pennoyer
Clarence Pautzke

Question: (2) What are the legal hurdles (takings?) with regard to further LLP restrictions to eliminate 'latent' permits? i.e., if folks operated under the original LLP rules, and then we change them and eliminate their license, is that a problem? Given what we did with crab and BSAI fixed gear cod, I would assume it's not a problem.

Answer:

There is no compensable 5th Amendment right to fish. The Magnuson-Stevens Act at section 303(d)(2)(A) states:

No provision of law shall be construed to limit the authority of a Council to submit and the Secretary to approve the termination or limitation, without compensation to holders of any limited access systems permits, of a fishery management plan, plan amendment, or regulation that provides for a limited access system, including an individual fishing quota program.

(Emphasis added.) Prior to this language in the MSA, the agency had interpreted the 5th Amendment in this way. In other words, no compensation for any change to a limited access system, which includes LLP.

Fishermen do have rights under the 5th and 14th Amendments to procedural due process before a permit is revoked. That is what is afforded through Phil and RAM/Ed's shop.

Things to think about

From: "Ken Roemhildt"
Date: Wednesday, June 7, 2000 11:36 pm
To: "Jane Dicosimo"
CC: "Matt Moir" , "Sue Aspelund" , "Chris Blackburn" <7353974@mcimail.com>
Subject: Portland Gulf Coop Meeting

Recent weakness in the Copper River run and the need to organize another fishery earlier than expected in Prince William Sound make it impossible for me to attend Thursdays meeting.

I appreciate the number of comments and new proposals that are coming forward on this issue. Most are constructive and are helpful in making sure that all sides of the issue receive attention. I also think that I see a shift in attitude that reflects an "even if I don't like much of what is being proposed at present, something needs to be done; it's inevitable" point of view that will help to bring resolution to this matter in time.

I have a couple of comments:

1) Base years for participation should be the same years used by the AFA plan. Any later date makes permanent the changes forced on other fisheries by AFA, which will only get more troublesome and impossible to unravel as time goes on. AFA was to cause no hardship on other fisheries and areas, and the only time that that happened was before it officially took place! Use AFA base year dates!

2) Conservation concerns need to be more fully addressed in our proposal. If we believe, as I do, that rationalization of the Gulf groundfish fisheries will give us the tools we need to reduce bycatch, spread fisheries spatially and temporally, ease the burden on more fragile parts of our ecosystem, and make management easier and more predictable, then we need to be up-front with this information. I think that there are several ways that we could discourage (eliminate?) "dirty" fishing, for instance.

3) While the idea of separate plans for different areas is appealing to me as an individualist, I think that it would be unwieldy and cause the same type of problems that AFA sideboards are causing now. Maybe a Gulf wide plan that leaves a bit of room for really important regional issues is the best initial approach.

4) The idea of some sort of Community participation (or incentive) is attractive to me, although I don't see anything I like yet. However, the argument by some fishermen, processors and communities that this groundfish fishery over the past 20 years has been prosecuted in secret and without their knowledge or ability to enter if they thought it to be beneficial, is totally unfounded. The plain truth is that they watched from the sidelines and decided that there were better things that they could do with their money, time and blood, sweat and tears. They made a conscious decision to stay out of the groundfish game. And the idea that processors must have "other" fish to stay in business is real lite on logic too. Most processors are doing what they can with the resources available to them and will undoubtedly sink or swim on the merits of what they do best, rather than some pie in the sky silver bullet that will bail them out in the nick of time. If one accepts the idea that processors must have "other" fish to



ICICLE®

May 31, 2000

ICICLE SEAFOODS' COMMENTS ON GOA COOPS

Icicle Seafoods is a long-time participant in fisheries in the Gulf of Alaska and believes that it must be included in any Gulf of Alaska rationalization plan. We are submitting the following general principles that we believe must be addressed for a GOA rationalization plan to be successful in achieving the expected benefits for GOA fishermen, processors, and communities.

- A. Sector Benefits. The processing sector and the harvesting sector must each receive equal value from a rationalization plan.
- B. Fisheries Included. All federally-managed groundfish species should be included in the plan for determining initial eligibility, including sablefish. Sablefish should continue to be managed under the current IFQ system, but sablefish harvesting and processing history should be used to determine initial eligibility.
- C. Areas Included. Area 610 should be included in groundfish rationalization. If both the Bering Sea and Gulf groundfish fisheries are rationalized, Area 610 should not remain a race for fish. One option could be to include Area 610 in the Bering Sea system.
- D. Harvester-Processor Relationships. One option for providing equal value to harvesters and processors is to establish a two-pie share system. Under a two-pie approach, we believe that more options are available for defining the relationship between harvesters and processors than under an AFA-type system. Under the AFA, this issue has been very controversial, controversy which we believe can be avoided.
- E. Cooperatives. We believe that cooperatives can provide benefits under any rationalization system. Under the AFA, the National Marine Fisheries Service has been willing to delegate most management and enforcement matters to the coops, while retaining general oversight. The result has been more control over operations, increased efficiency of both harvesting and processing, and an increased ability to deal with issues such as Stellar sea lion regulations.

ICICLE SEAFOODS, INC.

4019-21st Avenue West • Seattle, WA 98199

P.O. Box 79003 • Seattle, WA 98119 • Tel: 206-282-0988 • Fax: 206-282-7222

CDQ Program Tasking for Regulatory Analysis and Rulemaking (as of June 8, 2000)

(Includes both CDQ Program tasks and projects being worked on by CDQ Program staff)

Task	Status/Notes	Staff
Final rule Amendment 66 - removing squid as CDQ species and defining directed fishing for pollock CDQ	NOA pub.5/30/00; EOC 7/31/00; decision day 8/30/00 PR has not yet been published ongoing work on PR; preparation of FR in August 2000	Bibb
Revise CDQ administrative regulations prepare analysis necessary to implement State's proposals as Federal regulations	With State of Alaska staff Initial analysis for October 2000 Council meeting Expect final review at December 2000 meeting	Bibb
Analysis of reducing observer coverage requirements for longline/pot catcher vessels	If possible, prepare analysis for October 2000 Council meeting	Bibb
Final rule - VMS - AI Atka mackerel	PR will publish on 6/12/00; EOC mid-July; FR preparation July/August	Kinsolving
Proposed rule/final rule to reduce some CDQ obs. experience and cov. requirements	draft PR in Region review; need FR effective by 2001	Kinsolving
Regulatory amendment to correct sablefish retention regulations (conflict with State regs)	Prepare proposed regulatory revisions and supporting documents	Kinsolving
Halibut area 4D/4E issues (trip limit, location of catch)	Prepare analysis and rulemaking package for NOAA/NMFS review	Hale
Crab CDQ season start date	Prepare analysis and rulemaking package for NOAA/NMFS review	Harrington
CDQ fee	Prepare analysis and rulemaking package	not assigned
Alternative CDQ quota management measures (underage and overage provisions, pooling, remove CDQ species, etc.)	Prepare analysis for Council review.	not assigned
CDQ trawl season start date	Prepare analysis for Council review.	not assigned

Draft Minutes of the Ecosystem Committee Meeting June 9, 2000

The North Pacific Fishery Management Council's Ecosystem Committee met for an evening in Portland during the Council meeting week. The focus of the meeting was to review a discussion paper on "The Stakeholder Process and Identification of Habitat Areas of Particular Concern" prepared by Council staff. Committee members Dave Fluharty, Linda Behnken, Kevin O'Leary, Chris Blackburn, and Dorothy Childers were present, along with approximately 10 others.

The discussion paper provided initial evaluation of possible ways to add HAPC areas listed by categories to the BSAI and GOA groundfish FMP's and initiate protocols for a stakeholder process. The stakeholder process is intended to educate communities on HAPC and get public input on proposed HAPC areas.

Habitat types already exist within the FMP's, and the following additions have been suggested by the discussion paper for HAPC area categories. The proposed categories include: Keystone areas, Vulnerable areas, and Species specific areas.

The Committee discussed the description on these 3 categories. The following suggestions were made by those present. The keystone area category should contain language for action *if* there is a threat within an area. Species specific areas need not be limited to critical, endangered, depleted or over fished categories (i.e., the lingcod nest guarding areas). It was noted that could have a temporal component, such that they are HAPC areas during a specific time of the year. An example of a seasonal HAPC could be habitat that is used by crabs for podding. It was suggested that the Vulnerable category be renamed to avoid confusion, as all categories contain provisions to include vulnerable habitats. A final suggestion was to delete the gray whale feeding area from the example because whales are not a EFH designated species.

The Committee agreed with the framework for submitting and analyzing proposals, and had some suggested changes. One member suggested the Council have a separate HAPC proposal process similar to IFQ in lieu of the normal cycle. A second suggestion was to provide a more detailed proposal to aid in the Ecosystem Committees (or other reviewers) ability to identify the relative merits prior to assigning staff tasking. A third suggestion was to assist in development of proposals by interested regional groups. This would result in the benefits associated with local stewardship (a.k.a. sponsorship program). After proposal submission the sponsors would have no additional duties, although they could help facilitate stakeholder meetings and provide community input to agencies on implementing management measures. The Committee feels that the stakeholders should be brought into the process as early as possible. One of the first steps should be to identify stakeholders, including non-fishing industries (e.g. oil & gas, forestry) and other affected groups such as a municipality.

The Committee reviewed the options for stakeholder involvement and decided that elements of each should be incorporated into the process. In some instances, when it is likely that the fishing industry would be affected by a HAPC proposal, no additional stakeholder outreach would be required. In cases that need stakeholder involvement, the Committee believes that sending staff to local meetings (non-formal) would be required. The Ecosystem Committee could serve as the "working group" identified in Option 4 at least during the initial phase of this process.

The Committee recommends that Council allocate staff time to prepare meeting materials and hold stakeholder meetings on protecting Gorgonian corals for Fall 2000. The committee recommend that staff find appropriate

contact people in Yakutat and Sitka, as well as suitable groups in the Western Aleutian Islands. In order to initiate the pilot phase of this process, the Committee recommended that stakeholder point contacts, such as municipal leaders, village corp leaders, tribal leader, processor contact, Board of Fisheries Advisory Committee chair, fishing vessel organization leaders, chamber of commerce, and resource industrial contact as appropriate for the community be contacted through an initial mailing. This initial outreach will serve to educate these leaders of the EFH/HAPC issue and solicit community leaders' assistance in identifying stakeholders whom should be invited to the community meetings, or be otherwise contacted.

The Committee decided they should meet during the Sitka Council meeting to review the material for the stakeholder outreach meetings on Gorgonian corals.

Attendance List for June 2000 meeting:

Dave Fluharty (committee chair)
Chris Blackburn (member)
Dorothy Childers (member)
Linda Behnken (member)
Kevin O'Leary (member)
Dave Witherell (staff)

Cathy Coon (staff)
Sue Salveson (NMFS)
Jay Ginter (NMFS)
Gretchen Harrington (NMFS)
Mike Payne (NMFS)
Doug Pengilly (ADFG)

Michelle Ridgway (AP)
Teressa Kandianis (AP)
Jon Gauvin (Groundfish Forum)
Dave Albert (AMCC)
Francine Bennis (AMCC)

Existing Projects (stars and dots from February meeting)	Ref No.	Analytical Weeks		A/E%	Comments
		Previous	Projected		
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AFA Report to Congress (preliminary)			3	50/50	Preliminary Report by October (contract help)
SSL Comprehensive Biop			2	50/50	Primarily NMFS with Council Input
EFH/HAPC	24	9	5	90/10	Need direction on stakeholder process
Halibut Charter IFQ	6	10	15	40/60	Major Workload through October
Halibut Subsistence	7	1	1	100/0	
BSAI P.cod LLP	21	12	2	50/50	Needs final analysis for SOC review
Crab rebuilding amendments	22,23	13	1	10/90	Needs final analysis for SOC review
Observer Program Reg amendments	27	2	-	-	Scheduled for Council action in June
Inshore co-op structure			-	-	Scheduled for Council action in June
Observer Program (Extension and ATLAS)			-	-	Council action complete - NMFS processing
Processor sideboard and Excessive Shares	2,5	15	-	-	Initial review in June
MSST/OF Definitions			-	-	Primarily NMFS with Council Input
Total			42	55/45	

Previously Tasked Projects

49 (available weeks)

3 Separate sideboard pools			3	35/65	Possible contract candidate (not started)
BSAI pot cod split			3	35/65	Possible contract candidate (not started)
P.cod reg. Amendments (2)			3	35/65	Possible contract candidate (not started)
SR/RE retention			2.5	65/35	Not started
Shark/Skate FMP amendments			2.5	65/35	Could be delayed beyond October
DSR Submittal			0.5	100/0	Minor additional work required
Cook Inlet bottom trawl ban			1	50/50	Minor additional work required
Observer Program (long-term changes)			3	35/65	Pending further Committee work/Council direction
CDQ Reg amendments			?		Primarily NMFS with Council Input
HMAP			?		Pending Council direction

Potential New Tasking

Crab processing Sideboards (additional analysis)			1		Pending Council Direction
Groundfish processor sideboards (additional analysis)			1-6		Pending Council Direction
Community based QS			?		Pending Council Direction
GOA P. cod measures			10-12		Pending Council Direction
GOA co-ops			?		Pending Council Direction (major analysis)
BSAI crab co-ops (database)			1		Pending Council Direction (major analysis)
P.cod / SSL analysis			?		Primarily NMFS with Council Input
IFQ Amendments			?		Pending Council Direction

Table 1. Staff Involvement in Council Projects from January 1, 1999 through May 31, 2000.

Project	Principle Staff						Analytical Time				%	
	Type	co	db	fdc	dw	ch	1999	2000	TotHrs	Weeks		
1 AFA General	Reg Amd	X		X	X	X	200	614	814	20	9	
2 AFA Excessive Shares	Reg Amd	X	X			X	77	17	94	2	1	
3 AFA GOA Program	Reg Amd					X	39	1	40	1	1	
4 AFA Harvester Sideboards	Reg Amd	X	X			X	32	1,298	1,330	33	14	
5 AFA Processor Sideboards	Reg Amd	X	X				320	215	535	13	6	
6 Halibut Charter I F Q s	Reg Amd			X		X	0	380	380	10	4	
7 Halibut Subsistence	Reg Amd			X			0	57	57	1	1	
8 GHIL Analysis	Reg Amd	X	X	X		X	1,450	215	1,665	42	18	
9 AKFIN	Committee	X	X				97	89	186	5	2	
10 Board of Fish-Council Joint	Committee	X		X			155	86	241	6	3	
11 Enforcement IFQ Joint	Committee			X			13	1	14	0	1	
12 Essential Fish Habitat	Committee				X		90	4	94	2	1	
13 Ecosystems	Committee				X		277	7	284	7	3	
14 Social Economic Data Committee	Committee	X	X				99	30	129	3	1	
15 VBA-HMAP-IVCP	Committee				X		75	0	75	2	1	
16 PCOD Split	Plan Amd	X	X		X	X	699	28	727	18	8	
17 SEIS	Plan Amd	X		X	X		1	558	559	14	6	
18 FMP Update	Plan Amd				X		28	48	76	2	1	
19 LLP General	Plan Amd	X	X		X		92	42	134	3	1	
20 LLP Crab Issues	Plan Amd	X	X			X	96	9	105	3	1	
21 LLP Species Endorsements	Plan Amd		X				156	201	357	9	4	
22 Bairdi Rebuilding Plan	Plan Amd				X		248	20	268	7	3	
23 Opilio/St. Matthew Crab Rebuilding Plan	Plan Amd				X		43	194	237	6	3	
24 Habitat Areas of Particular Concern	Plan Amd				X		267	98	365	9	4	
25 Shark Management	Plan Amd			X			207	2	209	5	2	
26 Sea Lion Protection	Reg Amd	X			X		81	20	101	3	1	
27 Observer Program	Reg Amd	X					9	77	86	2	1	
28 CDQ Regulation Changes	Reg Amd			X			67	17	84	2	1	
29 DSR Rockfish Retention	Reg Amd			X			55	1	56	1	1	
							Subtotals:	4,973	4,329	9,302	233	100%

NPFMC Three Meeting Outlook

June 5, 2000 Portland	October 2, 2000 Sitka	December 6, 2000 Anchorage
Review MSA re-authorization issues		
Inshore Co-op structure: Final Action		
Groundfish Processor Sideboard Caps/Excess Share Analysis: Initial Review	Groundfish Processor Sideboard Caps/Excess Share Analysis: Final Action	
Review crab processing sideboards under AFA		
Review adjustments to catcher vessel sideboards/exemptions/pollock calculations		
TAC setting process: Initial Review	AFA Proposed Rule/ EIS: Review and comment TAC setting process: Final Action Groundfish SEIS/FMP Updates	
Observer Regulatory Amendments: Final Action	IFQ Program for Charter fleet: Preliminary Review	IFQ Program for Charter fleet: Initial Review
Review MRAG and Observer Committee Reports		
St. Matthew Blue and Opilio Crab Rebuilding Plan: Final Action		
Review GOA P.cod measures/rationalization		
Discussion Paper of GCCC proposal: Review and comment (T)		
Halibut Donation Program: Review		
Review Steller Sea Lion/P.cod interactions	Final action on SSL/P.cod measures (T)	
Review Pollock RPA's effects on small vessels		
Review Russian marine mammal research	Groundfish specifications/SAFE: Initial Review Halibut subsistence: Final Action	Groundfish specifications/SAFE: Final Action
CIAC Report on Opilio appeal	Groundfish overfishing definitions (MSST): Initial Review (T) Cook Inlet Non-Pelagic Trawl Ban: Final Action (T) P. cod bycatch and PSC reg. Amendments: Initial Review (T) CDQ Program Reg Amendments: Initial Review (T) P. cod pot split CV/CP: Initial Review (T) Separate sideboards for CV's: Initial Review (T)	P. cod bycatch and PSC reg. Amendments: Final Action (T) CDQ Program Reg Amendments: Final Action (T) P. cod pot split CV/CP: Final Action (T) Separate sideboards for CV's: Final Action (T)
Review Proposals and Staff Tasking		

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

TAC - Total Allowable Catch
IFQ - Individual Fishing Quota
AFA - American Fisheries Act
HAPC - Habitat Areas of Particular Concern
LLP - License Limitation Program
PSC - Prohibited Species Catch

SSL - Steller Sea Lion
GHL - Guideline Harvest Level
SEIS - Supplemental Environmental Impact Statement
CDQ - Community Development Quota
GCCC - Gulf Coastal Communities Coalition
MSA - Magnuson-Stevens Act

SAFE - Stock Assessment and Fishery Evaluation
(T)-Tentatively scheduled
CV - Catcher Vessel CP- Catcher Processor
SR/RE - Shortraker/Rougheye
MSST - Minimum Stock Size Threshold
FMP - Fishery Management Plan