

MEMORANDUM

TO: Council and AP Members
FROM: Chris Oliver *for*
Executive Director
DATE: April 1, 2006
SUBJECT: Amendment 85 – BSAI Pacific Cod Sector Allocations

ESTIMATED TIME
12 HOURS

ACTION REQUIRED

Final action on EA/RIR/IRFA for BSAI Amendment 85

BACKGROUND

The Bering Sea and Aleutian Islands (BSAI) Pacific cod TAC has been apportioned among the different gear sectors since 1994 (trawl, fixed, and jig gear split), and a series of amendments have modified or continued the allocation system. Starting in 1998, 7.5% of the BSAI Pacific cod TAC was allocated to the western Alaska Community Development Quota Program (CDQ Program). The remaining portion of the TAC is allocated to eight separate gear sectors. Currently, Federal regulations at 50 CFR 679.20(a)(7) authorize distinct BSAI Pacific cod allocations for the following sectors (BSAI FMP Amendments 46 and 77):

51% fixed gear: (80% hook-and-line catcher processors) (0.3% hook-and-line catcher vessels) (3.3% pot catcher processors) (15.0% pot catcher vessels) (1.4% hook-and-line/pot vessels <60' LOA ¹)	47% trawl gear: (50% trawl catcher vessels) (50% trawl catcher processors)	2% jig gear
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In December 2004, the Council approved a problem statement and preliminary components and options for a new fishery management plan amendment (**BSAI FMP Amendment 85**) to modify the current BSAI Pacific cod allocations to the various gear sectors and the CDQ Program. The Council further revised the problem statement and/or alternatives at each subsequent Council meeting. The summary of alternatives for BSAI Amendment 85 is provided in the Executive Summary, attached as **Item C-3(a)(1)**.

Amendment 85 to the BSAI FMP currently focuses on two primary issues:

- 1) BSAI Pacific cod allocations to all sectors (trawl, jig, hook-and-line, pot, and CDQ); and
- 2) apportionment of the BSAI Pacific cod sector allocations between the BS and AI subareas.

¹While the <60' fixed gear (hook-and-line and pot) sector receives a separate allocation of BSAI Pacific cod, these vessels fish off the general hook-and-line CV and pot CV allocations, respectively by gear type, when those fisheries are open.

The problem statement guiding BSAI Amendment 85 is comprised of the following two parts:

BSAI FMP Amendment 85 Problem Statement

PART I: BSAI Pacific Cod Sector Allocations

The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors within gear groups. The current allocations among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.

Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors.

As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.

PART II: Apportionment of BSAI Pacific Cod Sector Allocations between the BS and AI

In the event that the BSAI Pacific cod ABC/TAC is apportioned between the BS and the AI management areas, a protocol needs to be established that would continue to maintain the benefits of sector allocations and minimize competition among gear groups; recognize differences in dependence among gear groups and sectors that fish for Pacific cod in the BS and AI; and ensure that the distribution of harvest remains consistent with biomass distribution and associated harvest strategy.

Initial Council review of the draft analysis occurred at the February 2006 Council meeting. The Council motion from that meeting is attached as **Item C-3(a)(2)**. The analysis was revised based on SSC comments and Council recommendations; the public review draft was mailed to you on March 14. Final action, meaning selection of a preferred alternative, is scheduled for this April Council meeting.

Note that the schedule is in part predicated on the need to have Council final action in April in order to increase the likelihood that a final rule would be implemented by January 1, 2007, should the Secretary of Commerce approve the action. The type of action under consideration would be very difficult for NOAA Fisheries to implement mid-year. Note also that after the Council takes final action on Amendment 85, staff will revise the analysis to highlight the effects of the preferred alternative prior to submitting the document to the Secretary of Commerce.

There are some options under Alternative 2, Component 3 (Part I) that would allow changes to the seasonal apportionments of BSAI Pacific cod harvest that may, at their extreme, change the ratio of harvest in the first half of the year to very slightly exceed 70% of the TAC. This would not conform to the objectives of the 2001 Steller sea lion protection measures established under the 2001 Biological Opinion, which limit BSAI Pacific cod harvest during the first half of the year to no more than 70% of the overall allowable harvest. **NMFS Protected Resources Division has informed staff that it will provide a specific consultation decision (informal or formal) upon selection of a Council preferred alternative.** Thus, this decision would be expected as part of the overall NMFS review of the document prior to submittal to the Secretary. Note that there are also several options under Alternative 2 that do not change, or lower, the amount of the allowable BSAI Pacific cod harvest that can be taken in the first half of the year. However, there is no guarantee that meeting the 70% threshold will satisfy the requirements of the current biological opinion.

EXECUTIVE SUMMARY

This document is an Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) for proposed Amendment 85 to the Fishery Management Plan for the Groundfish Fishery of the Bering Sea and Aleutian Islands Area (BSAI FMP). There are two primary parts to the action under consideration.

Part I: Revisions to the current BSAI Pacific cod sector allocations

Part II: Apportionment of BSAI Pacific cod sector allocations to the BS and AI subareas

The first part of the action proposes to revise the sector allocations of the BSAI Pacific cod ITAC among the various fixed gear, trawl gear, and jig gear sectors. The ITAC refers to the portion of the TAC available to the industry sectors after the reserve to the western Alaska Community Development Quota (CDQ) Program has been subtracted. For the purposes of this amendment, the fixed and jig gear sectors are defined as follows:

hook-and-line catcher processor
 hook-and-line catcher vessel $\geq 60'$
 pot catcher processor
 pot catcher vessel $\geq 60'$
 hook-and-line and pot catcher vessel $< 60'$
 jig catcher vessel

This action also proposes to further apportion the trawl vessel sector allocations between those vessels that are eligible under the American Fisheries Act (AFA) and those that are not. Currently, there exists one trawl catcher vessel allocation and one trawl catcher processor allocation. Thus, the potential trawl sectors that could receive BSAI Pacific cod allocations under this amendment are as follows:

non-AFA trawl catcher vessel
 AFA trawl catcher vessel
 AFA trawl catcher processor
 non-AFA trawl catcher processor

Thus, there are ten potential (non-CDQ) sectors that may be directly affected by this amendment. In addition, Part I of this amendment also considers:

- increasing the amount of the BSAI Pacific cod TAC allocated to the CDQ Program;
- modifying seasonal apportionments to the various sectors;
- apportioning the annual halibut and crab bycatch allowances among the trawl sectors; and
- apportioning the annual halibut bycatch allowance between the hook-and-line catcher processor and hook-and-line catcher vessel sectors.

Part II of this action would establish a methodology by which to apportion each gear sector's allocation between the BS and AI subareas, in the event that the Council decides to apportion the BSAI Pacific cod ABC and TAC between the BS and AI subareas in a future specifications process. This action would ensure that the benefits of sector allocations could be maintained in that case, as well as recognize differences in dependency among gear groups and sectors that fish for Pacific cod in the BS and AI. Part II of this action only applies to the ten (non-CDQ) sector allocations discussed above. In the event the BSAI Pacific cod TAC is split by subarea in the future, the CDQ Program reserve would be established as an equal percentage in each area.

An environmental assessment (EA) is required by the National Environmental Policy Act of 1969 (NEPA) to determine whether the action considered will result in a significant impact on the human environment. NEPA requires a description of the purpose and need for the proposed action as well as a description of alternatives which may address the problem. This information is included in **Chapter 1** of this document. **Chapter 2** contains a description of the affected human environment and information on the impacts of the alternatives on that environment, specifically addressing potential impacts on endangered species, marine mammals, and cumulative effects.

Executive Order 12866 (E.O. 12866) requires preparation of a Regulatory Impact Review (RIR) to assess the social and economic costs and benefits of available regulatory alternatives, in order to determine whether a proposed regulatory action is economically “significant” as defined by the order. **Chapter 3** contains a description and analysis of the economic and social impacts of each of the alternatives.

Chapter 4 addresses the requirements of other applicable laws, including the Magnuson Stevens Act (MSA), Marine Mammal Protection Act, and Regulatory Flexibility Act (RFA), which includes the Initial Regulatory Flexibility Analysis (IRFA). The RFA requires analysis of adverse impacts on small entities which would be directly regulated by the proposed action.

The references and literature cited are in **Chapter 5**, the list of preparers is in **Chapter 6**, and the list of agencies and individuals consulted is in **Chapter 7**.

Background

The BSAI Pacific cod fishery is a fully prosecuted fishery, targeted by multiple gear types, primarily by trawl gear and hook-and-line catcher processors, and smaller amounts by hook-and-line catcher vessels, jig vessels, and pot gear. Final 2006 – 2007 harvest specifications, effective in early March 2006, implement a 2006 BSAI Pacific cod TAC of 194,000 mt. Under a 2006 TAC of 194,000 mt, the 7.5% reserve allocated to the western Alaska Community Development Quota (CDQ) Program is 14,550 mt and the (non-CDQ) ITAC is 179,450 mt. The BSAI Pacific cod TAC has been apportioned among the different gear sectors since 1994, and a series of amendments have modified or continued the allocation system. The CDQ reserve was established in 1998.

Cod allocations among the jig, trawl and fixed gear sectors

Beginning in 1994, BSAI Amendment 24 allocated the total allowable catch (TAC)¹ for non-CDQ BSAI Pacific cod to the various gear sectors as follows: 44% fixed gear (hook-and-line and pot); 54% trawl gear; and 2% jig gear. These percentages roughly represented the existing harvests of each sector during 1991 - 1993, with the exception of the jig sector. The two percent jig allocation exceeded the existing historical harvest by that sector and was intended to allow for growth in the jig sector.

Beginning in 1997, BSAI Amendment 46 allocated the BSAI Pacific cod ITAC among the same sectors as follows: 51% fixed gear; 47% trawl gear; and 2% jig gear. **The amendment also split the trawl apportionment between catcher vessels and catcher processors 50/50, but did not split the fixed gear allocation among hook-and-line and pot sectors.** This action also included authorization for NMFS to reallocate any portion of the Pacific cod allocations that were projected to remain unused among the various sectors if necessary.

¹Note that unless otherwise specified, the “BSAI Pacific cod ITAC” referenced throughout this document means the amount of the TAC that is distributed to various gear sectors less the CDQ reserve (7.5%).

The allocations under Amendment 46 have been in place since 1997. While there is no sunset provision or regulatory requirement to review or modify these allocations, the Council's motion on Amendment 46 included a provision to review the allocations four years after implementation. This review, originally intended at the end of 2000, has not yet occurred.

Cod allocations among the fixed gear sectors

Vessels began fishing in Federal waters off Alaska under the License Limitation Program (LLP) on January 1, 2000. Since the LLP was approved, changes in the fixed gear fleets prompted industry to petition the Council to further allocate cod in the BSAI among the various sectors of the fixed gear fleets. Amendment 64, implemented September 1, 2000, further apportioned the 51% of the BSAI Pacific cod TAC allocated to fixed (hook-and-line and pot) gear. Because Amendment 64 was scheduled to expire at the end of 2003, Amendment 77 was initiated to continue or modify the fixed gear apportionments beyond 2003. Under Amendment 77, the Council approved continuing the same overall fixed gear allocations as under Amendment 64, including a new apportionment between the pot sectors. The existing apportionment of the fixed gear portion of the BSAI Pacific cod ITAC is as follows:

- 80% hook-and-line catcher processor
- 0.3% hook-and-line catcher vessel
- 3.3% pot catcher processor
- 15.0% pot catcher vessel
- 1.4% hook-and-line and pot vessel <60' LOA²

With the exception of the pot split, the percentage allocations selected closely represent the harvests in this fishery during 1995 – 1998 or 1999, with an additional allocation for catcher vessels <60' LOA in order to allow for growth in the small boat sector. The pot sector allocations were based on harvests from 1998 – 2001. The percentage allocations under Amendments 64 or 77 did not reflect harvests of any quota that had been reallocated annually to the fixed gear sectors.

Reallocations of BSAI Pacific cod among sectors

Note that all of the recent BSAI Pacific cod allocation amendments provide direction on how to reallocate quota that is projected to remain unused by a particular sector at the end of the year. Since the BSAI Pacific cod allocations have been in effect, NMFS has reallocated quota each year from the trawl and jig sectors to the pot and hook-and-line sectors. In some years, quota has also been reallocated from the pot sectors to the hook-and-line sector. Reallocations between gear types (e.g., trawl CP to trawl CV, or hook-and-line CV to hook-and-line CP) have occurred less frequently and in lower amounts. In terms of metric tons, the majority of reallocations have been from the trawl sectors (CVs and CPs) since the gear specific allocations were established in 1994. With the exception of the jig sector, because any unused *seasonal apportionment* to a particular sector is reallocated to the next seasonal allowance for that sector, reallocations from one gear sector to another occur in the last season. Typically, reallocations from trawl to the fixed gear sectors occur in October and November, and always during the trawl C season (June 10 – Nov. 1). **Table E - 1** provides a summary of reallocations by sector in 2000 - 2004.

²The hook-and-line and pot CV <60' sectors were allowed to fish off of the general hook-and-line CV allocation and general pot CV allocation when these fisheries were open, respectively. When these fisheries were closed, the <60' sector harvest accrued toward the <60' hook-and-line/pot CV allocation of 1.4%.

Table E - 1 Average BSAI Pacific cod reallocations by sector, 2000 - 2004

Average 2000 - 2004	Initial Allocation (mt)	Reallocations (mt)	Reallocation as % of initial allocation
Jig	3,715	-3,309	-89%
HAL/POT CV < 60	1,312	309	24%
HAL Catcher/Processors	75,006	16,861	22%
HAL Catcher Vessels	283	120	42%
Pot gear	17,244	-739	-4%
Trawl catcher/processors	43,649	-8,483	-19%
Trawl catcher vessels	43,469	-4,760	-11%
Average of total	184,678	17,291	9%

Source: NMFS Blend data (2000 – 2002) and catch accounting database (2003 – 2004).

The primary reason reallocations occur from the jig sector is due to insufficient effort in that sector in the BSAI. There are several reasons commonly cited for the trawl reallocations. These include increased difficulty catching cod with trawl gear late in the year when cod are less aggregated; seasonal apportionments for trawl gear under Steller sea lion mitigation measures starting in 2001; closure of the directed trawl fisheries due to the halibut bycatch cap; relatively high annual quotas of alternative trawl fisheries such as pollock (for AFA vessels); and high value alternative trawl fisheries such as yellowfin sole, rock sole, and flathead sole (for non-AFA catcher processors).

Note that the increased difficulty in harvesting cod in the second half of the year is not unique to one sector. All gear sectors have increased difficulty harvesting cod later in the year when cod are less aggregated, and weather is a significant factor for the smaller vessel sectors in the fall season. The hook-and-line sectors (CPs and CVs) are also limited by halibut bycatch in the second half of the year, as these sectors do not have a halibut bycatch allowance from June 10 – August 15. In addition, while the fixed gear cod allocation was seasonally apportioned prior to 2001, these apportionments changed in 2001 with the Steller sea lion mitigation measures, and thus also reduced the amount of cod that the fixed gear sectors could harvest in the first half of the year. Finally, incidental take of seabirds by the hook-and-line sector is lower in the first half of the year compared to the second half. Thus, the hook-and-line sector would also prefer to harvest its cod allocation earlier in the year to decrease incidental take of seabirds.

The primary change from the status quo with regard to reallocations under Amendment 77 was to apportion the jig sector's allocation (2% of the BSAI Pacific cod ITAC) on a trimester basis and reallocate any unused jig quota to the <60' vessels using hook-and-line or pot gear on a *seasonal basis*, as opposed to only in the last season. This allows the <60' pot and hook-and-line vessels to receive additional quota during the spring and summer months when it is most advantageous for the small boat fleet. It was also intended to reduce the risk of having to close the fishery intermittently while waiting for a potential reallocation from the jig sector. Previously, both unused jig and trawl quota was reallocated 95% to the hook-and-line catcher processors and 5% to pot sectors. Amendment 77 retained this distribution for reallocating unused *trawl* quota, with an additional split for the pot sectors (0.9% to pot catcher processors; and 4.1% to pot catcher vessels).

In sum, the existing overall allocations to the trawl, fixed, and jig gear sectors have been in place for nine years (since 1997), and the further split among the fixed gear sectors has been in place for a little over five years (since September 2000). The separate allocations between the pot catcher processor and pot catcher vessel sectors have been in place for two years (since 2004).

Cod allocation to the CDQ Program

The western Alaska CDQ Program was implemented in November 1992 as part of the inshore/offshore allocations of pollock in the BSAI. In 1996, amendments to the Magnuson Stevens Act institutionalized the program. Originally, the CDQ Program was only allocated an annual BSAI pollock reserve. The CDQ Program has since been amended several times and now includes allocations of pollock, halibut, sablefish, crab, and all of the remaining groundfish species in the BSAI. The percentages of the CDQ reserves are as follows: 10% of pollock; 10% of crab species (with the exception of Norton Sound red king crab at 7.5%); 20% of fixed gear sablefish; 20%-100% of halibut; and 7.5% of all other groundfish and prohibited species. The 7.5% allocation of BSAI Pacific cod to the CDQ Program was established when the multi-species reserves were implemented in 1998.

State water Pacific cod fishery in the Aleutian Islands

Note that while the 2006 ABC and TAC equal 194,000 mt at the time of the writing of this document, the Alaska Board of Fisheries (Board) took action in late February 2006 to establish a State waters Pacific cod fishery in the Aleutian Islands west of 170° W longitude. The Board's action established this fishery for two years: 2006 and 2007. This fishery has a guideline harvest level (GHL) equal to 3% of the BSAI Pacific cod ABC, which represents about 5,820 mt (or 12,830,772 lbs) in 2006. Accounting for the GHL reduces the 2006 BSAI Pacific cod TAC to 188,180 mt.³

The State AI fishery is established such that it will start on or after March 15, and only after the Federal Pacific cod trawl catcher vessel A season is closed. NMFS closed the directed trawl catcher vessel Pacific cod fishery in the BSAI on March 8, 2006, in order to avoid exceeding the A season allocation, thus, the expectation is that the 2006 State water AI fishery would begin at noon on March 15.

As the 2006 TAC has already been specified and sectors are currently fishing under specified allocations, NMFS will effect an inseason adjustment under Federal regulations (50 CFR 679.25) to re-specify the TAC to accommodate the 3% reduction for the GHL. This will necessitate re-calculating the sector allocations and seasonal apportionments that are currently published in Federal regulations.⁴ This modification is expected to occur in mid-March. The State action will also necessarily affect the 2006 BSAI Pacific cod CDQ reserve, as that reserve is calculated as 7.5% of the BSAI Pacific cod TAC. Thus, all sectors will realize a proportional reduction of 3% of their current Federal allocations as a result of this action.

The primary elements of the State water AI Pacific cod fishery are outlined in Section Error! Reference source not found. of the analysis. Note again that the Board's action established this fishery only for 2006 and 2007. Thus, while the overall effect on the Federal BSAI Pacific cod fishery is that the ABC would be reduced by 3% prior to the TAC and sector allocations being established, this action may be limited to two years. In that case, the State water AI Pacific cod fishery may or may not overlap with the action being considered under Amendment 85, depending on the timing of implementation. **This analysis continues to use the 2006 TAC of 194,000 mt and the projected 2007 TAC of 148,000 mt for illustrative purposes, without the 3% reduction for the State water GHL.**

³Under a revised 2006 TAC of 188,180 mt, the CDQ reserve (7.5%) would be 14,114 mt and the ITAC would be 174,067 mt.

⁴See Table 5 (2006 and 2007 Gear Shares and Seasonal Allowances of the BSAI Pacific cod TAC) in 71 FR 10870, March 3, 2006.

Problem Statement

Amendment 85 was initiated in large part due to the substantial reallocations of quota that occur late in the season each year from the trawl and jig sectors to the fixed gear sectors (primarily the hook-and-line catcher processor sector). The non-CDQ Pacific cod allocations have not been revisited since 1997, and the CDQ Pacific cod reserve has not been revisited since it was established in 1998. In October 2005, the Council approved the following problem statement, to address concerns that the allocations should be adjusted to better reflect historic use by sector (Part I), and to anticipate a BSAI TAC split (into BS and AI subarea TACs) in the future (Part II). This amendment is also intended to establish more refined allocations to the BSAI Pacific cod sectors, by evaluating the potential for establishing separate and distinct allocations for the non-AFA trawl CP and AFA trawl CP sectors and the non-AFA trawl CV and AFA trawl CV sectors. The overall effort to constrain and protect the harvest distribution among all of the BSAI Pacific cod sectors is noted as a necessary step toward comprehensive rationalization.

BSAI Amendment 85 Problem Statement

Part I: BSAI Pacific Cod Sector Allocations

The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors within gear groups. The current allocations among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.

Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors.

As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.

Part II: Apportionment of BSAI Pacific Cod Sector Allocations between the BS and AI

In the event that the BSAI Pacific cod ABC/TAC is apportioned between the BS and the AI management areas, a protocol needs to be established that would continue to maintain the benefits of sector allocations and minimize competition among gear groups; recognize differences in dependence among gear groups and sectors that fish for Pacific cod in the BS and AI; and ensure that the distribution of harvest remains consistent with biomass distribution and associated harvest strategy.

Alternatives under Consideration

There are six primary alternatives under consideration in Amendment 85. **Table E - 2** outlines the current suite of alternatives, components, and options. **Part I contains Alternatives 1 and 2.** Both alternatives under Part I are comprised of the same eight components. Alternative 1 does not include multiple options under each component, as it represents the no action alternative (status quo). Alternative 2 includes several options under each component. This means that an option must be selected under each component in Alternative 2 in order for it to be whole.

Part II contains Alternatives 3 – 6. The analysis is structured such that, at final action, the Council would choose one alternative in Part I and one alternative in Part II. Any of the alternatives under Part II may be selected in conjunction with either alternative in Part I.

Table E - 2 Summary of the Alternatives under Part I and II

PART I: BSAI PACIFIC COD SECTOR ALLOCATIONS				
Components	Alternative 1 (No Action)		Alternative 2 (Revise allocations)	
1. Sectors for which allocations are established	Trawl CP Trawl CV Hook-and-line CP Hook-and-line CV	Pot CP Pot CV H&L/pot CV <60' Jig CV	AFA Trawl CP AFA Trawl CV Non-AFA Trawl CP Non-AFA Trawl CV Pot CV ≥60'	Pot CP Hook-and-line CP Hook-and-line CV ≥60' H&L/pot CV <60' Jig CV
2. Sector allocations	<p>51% fixed gear: (80% hook-and-line CP) (0.3% hook-and-line CV) (3.3% pot CP) (15.0% pot CV) (1.4% hook-and-line/pot <60')</p> <p>47% trawl gear: (50% trawl CP) (50% trawl CV)</p> <p>2% jig gear</p>		<p>Six options to revise sector allocations based on sector's average annual harvest share during the years: 1995 – 2002 1997 – 2000 1997 – 2003 1998 – 2002 1999 – 2003 2000 – 2003</p> <p>Drop year provisions exist under each option. The Council can select any allocations within the range provided.</p> <p>Options exist to provide allocations (combined or separate) to the <60' fixed gear and jig gear sectors not to exceed: 2.71%, 3%, or 4%.</p>	
3. Seasonal apportionments	<p><u>Trawl CV:</u> 70% (Jan. 20 - Apr. 1) 10% (Apr. 1 - June 10) 20% (June 10 - Nov. 1)</p> <p><u>Trawl CP:</u> 50% (Jan. 20 - Apr. 1) 30% (Apr. 1 - June 10) 20% (June 10 - Nov. 1)</p> <p><u>H&L gear >60':</u> 60% (Jan. 1 - June 10) 40% (June 10 - Dec. 31)</p> <p><u>Pot gear >60':</u> 60% (Jan. 1 - June 10) 40% (Sept. 1 - Dec. 31)</p> <p><u>Fixed gear <60':</u> no seasonal apportionments</p> <p><u>Jig gear:</u> 40% (Jan. 1 - Apr. 30) 20% (Apr. 30 - Aug. 31) 40% (Aug. 31 - Dec. 31)</p>		<p>Option to maintain status quo seasons (see Alt. 1).</p> <p>Option to maintain the current % of ITAC allocation to the A and B seasons for trawl gear and the A season for fixed gear.</p> <p>Option to maintain the current % of the ITAC allocated to the A season for trawl gear.</p> <p>Three suboptions exist to apportion the reduction to the trawl sectors' allocations between the B and C season.</p> <p>Option 3.4: to modify the jig apportionments to: 60% (Jan. 1 - Apr. 30) 20% (Apr. 30 - Aug. 31) 20% (Aug. 31 - Dec. 31)</p>	
4. Rollovers	<p>Unused trawl sector allocations are first considered for reallocation to other trawl sector</p> <p>Unused pot sector allocations are first considered for reallocation to other pot sector</p> <p>Reallocation from trawl to fixed gear: 0.9% pot CP 4.1% pot CV 95% hook-and-line CP</p> <p>Reallocation from jig to <60' fixed gear on seasonal basis</p> <p>Unused <60' fixed gear, pot, and hook-and-line CV quota is reallocated to hook-and-line CP sector</p>		<p>Options to generally maintain status quo rollover provisions, with accommodation of new trawl sectors (see Alt. 1).</p> <p>Options to modify the rollovers from trawl to fixed gear according to the new fixed gear allocations determined under Component 2.</p> <p>Options to reallocated unused quota from an inshore sector to the other inshore sectors before reallocating to offshore sectors.</p>	

PART I: BSAI PACIFIC COD SECTOR ALLOCATIONS		
Components	Alternative 1 (No Action)	Alternative 2 (Revise allocations)
5. CDQ allocation	7.5% of the BSAI Pacific cod TAC	Options exist to maintain 7.5% BSAI Pacific cod CDQ allocation or to increase to 10% or 15%.
6. Apportionment of trawl halibut and crab PSC to cod trawl fishery group	The total amount of trawl halibut and crab PSC for the non-CDQ fisheries is determined in the annual specifications process.	The total amount of trawl halibut and crab PSC for the non-CDQ fisheries is determined in the annual specifications process.
7. Apportionment of the cod trawl fishery group halibut and crab PSC to trawl sectors	No apportionment of cod trawl halibut and crab PSC between the trawl sectors.	Options to apportion the cod trawl halibut and crab PSC among the trawl sectors determined in Component 1 according to their cod allocations or according to their directed cod harvest.
8. Apportionment of cod non-trawl halibut PSC	No apportionment of the cod non-trawl halibut PSC between hook-and-line CP and CV sectors.	Apportion the cod non-trawl halibut PSC between hook-and-line CP and CV sectors either 1) in proportion to their cod allocations, or 2) 10 mt for CVs, remainder for CPs.

PART II: APPORTIONMENT OF BSAI PACIFIC COD SECTOR ALLOCATIONS TO BS AND AI SUBAREAS			
Alternative 3 (No Action)	Alternative 4 (Sector allocations remain BSAI)	Alternative 5 (BS and AI equal %)	Alternative 6 (Based on history in AI)
A methodology to apportion the BSAI Pacific cod allocations to the jig, trawl, and fixed gear sectors between the BS and AI subareas would not be selected. The only approach that could be implemented without a new regulatory amendment is Alt. 5.	Sectors would have a BSAI allocation from Part I to fish in either subarea (BS or AI) if the subarea is open for directed fishing and TAC is available.	The allocation the sector receives under Part I would be applied to both the BS and AI subareas.	The sector's BSAI allocation from Part I is maintained. Four options exist to determine the sector's AI allocation, based on the sector's AI harvest during: 1995 – 2002 1997 – 2003 2000 – 2003 2002 – 2003 The remainder of the sector's overall BSAI allocation is in the BS.

Note: An alternative must be selected under both Part I and Part II. Any of Alternatives 3 – 6 can be selected in conjunction with Alternative 1 or 2 from Part I.

Part I, Alternative 1

Under **Alternative 1 (no action)**, there would be no change to the current sector allocations of the BSAI Pacific cod ITAC. Sector allocations would remain as follows:

51% fixed gear:	47% trawl gear:	2% jig gear
(80% hook-and-line catcher processors)	(50% trawl catcher vessels)	
(0.3% hook-and-line catcher vessels)	(50% trawl catcher processors)	
(3.3% pot catcher processors)		
(15.0% pot catcher vessels)		
(1.4% hook-and-line/pot vessels <60' LOA)		

The overall split between fixed, trawl, and jig gear mirrors the circumstances present in the fishery since 1997, and the further fixed gear split has been in place since September 2000, with the exception of the pot split, which was implemented in 2003. No further split would be made between the trawl CP and trawl CV sectors; the AFA trawl CV and CP sectors would continue to be subject to a BSAI Pacific cod sideboard, as opposed to having their own separate allocation of Pacific cod.

Under Alternative 1, the CDQ reserve of BSAI Pacific cod would continue to be 7.5% of the BSAI Pacific cod TAC, and this reserve would come off the top of the overall TAC prior to the apportionment to the non-CDQ sectors. The current seasonal apportionments would apply. Under Alternative 1, it is expected that a substantial portion of the cod quota would continue to be reallocated on an annual basis due to projections that the quota would remain used. Unused quota from the trawl sectors would continue to be reallocated to the fixed gear sectors, with 95% to the hook-and-line CP sector, 0.9% to the pot CP sector, and 4.1% to the pot CV sector. Unused jig quota would first be considered for reallocation to the <60' fixed gear sector at the end of each jig season, before being considered for reallocation to the other fixed gear sectors above. The trawl sectors would continue to share halibut and crab bycatch allowances established for the trawl cod fishery group as a whole. Similarly, the hook-and-line sectors would continue to share an annual halibut bycatch allowance for the hook-and-line cod trawl fishery group.

Part I, Alternative 2

Under Alternative 2, the sector allocations of the BSAI Pacific cod ITAC would be revised. There are multiple combinations of options that could result in various allocation scenarios, the range of which is provided below in **Table E - 3**. The effects of all of the options are detailed in Section 3.4.3.

Which sectors receive separate BSAI Pacific cod allocations is the issue addressed in **Component 1**, and the allocations established for each sector is the issue addressed in **Component 2** (see **Table E - 3** below). The remaining components under Alternative 2 affect the seasonal apportionment of the resulting allocations (**Component 3**); how unused quota is reallocated inseason (**Component 4**); the CDQ reserve (**Component 5**); and sector apportionments of PSC allowances (**Components 6 – 8**).

In brief, the BSAI Pacific cod allocations to the hook-and-line sectors would increase under Alternative 2 compared to status quo (Alternative 1). The allocations to the trawl sectors would generally decrease under Alternative 2 compared to the status quo, with the exception of the AFA trawl CV sector when **Component 1, Option 1.1** is applied. The allocations to the pot sectors could increase or decrease under the proposed options. The allocations to the <60' fixed gear and jig gear sectors would decrease under any of the options based on catch history in Alternative 2 compared to the status quo. However, **Alternative 2, Option 2.8** would make no changes to the jig sector allocation and would either maintain or increase the distinct allocation to the <60' fixed gear sector compared to Alternative 1.

Table E - 3 Range of proposed BSAI Pacific cod allocations (as % of BSAI Pacific cod ITAC) by sector under Components 1 and 2, compared to historical catch and status quo allocations

Sectors	Range of potential sector allocations resulting from Components 1 & 2	Current allocation	Difference between proposed and status quo allocations	Annual share of retained cod harvests, average 1995–2003
<60' hook-and-line/pot CV	0.1% – 2%	0.7%	-0.6% to 1.3%	0.4%
AFA trawl CP	0.9% – 3.7%	23.5% (AFA CP sector is subject to sideboard of 6.1%)	-2.4% to -5.2%	1.7%
Non-AFA trawl CP	12.7% – 16.2%		n/a	13.6%
Jig CV	0.1% – 2%	2%	-1.9% to 0%	0.1%
Hook-and-line CP	45.8% – 50.3%	40.8%	5% to 9.5%	49.6%
Hook-and-line CV ≥60'	0.1% – 0.4%	0.2%	0% to 0.3%	0.1%
AFA trawl CV	17.8% – 24.4%	23.5% (non-exempt AFA CV sector is subject to sideboard of 20.2%)	-2.4% to 4.2%	21.7%
Non-AFA trawl CV	0.5% – 3.1%		n/a	2.1%
Pot CP	1.4% – 2.3%	1.7%	-0.3% to 0.6%	2.1%
Pot CV ≥60'	7.3% – 9.2%	7.7%	-0.4% to 1.5%	8.6%

Note: The <60' fixed gear sector is currently allocated 0.71% of the BSAI Pacific cod ITAC. However, this sector can currently fish off the general hook-and-line CV and pot CV Pacific cod allocations when those directed fisheries are open, respectively, by gear type. The proposed amendment would allow the <60' fixed gear sector to only fish off its direct allocation.

Note: The last column denoting annual average harvest share excludes harvests by the AFA 9. If the AFA 9 are included, the average share of the AFA trawl CP sector increases to 2.7%. The non-AFA trawl CP and ≥60' pot CV sectors' shares are each reduced by 0.1%. The AFA trawl CV sector share is reduced by 0.2% and the hook-and-line CP sector share is reduced by 0.5%.

There are four options of note under **Component 3** that address seasonal apportionments. The first three options (Options 3.1 – 3.3) are mutually exclusive and provide direction on how allocations determined in Component 2 would be seasonally apportioned. Option 3.1 retains the current seasonal apportionments for each sector (see Table E - 2). The current apportionments are primarily a result of the temporal dispersion measures resulting from the 2001 Biological Opinion on Steller sea lions. These measures are implemented to meet a seasonal target of 70% (Jan. 1 – June 10) and 30% (June 10 – Dec. 31).

Option 3.2 under Component 3 would change the seasonal apportionments by sector compared to the status quo, but would not change the percentage of the BSAI Pacific cod ITAC harvested by each gear sector in the first half of the year. In effect, any reduction to the trawl sectors' allocation would be applied only to their C season allocations. This option maintains the 70% apportionment of the overall BSAI Pacific cod TAC to the first half of the year. Under the current range of proposed allocations, however, Option 3.2 would result in a negative C season allocation for the trawl CP sectors. In effect, the proposed options in Component 2 do not result in a large enough allocation to the trawl CP sectors that would support maintaining both their current A and B season allocations and attributing the entire reduction in their overall allocation to the C season.

Option 3.3 under Component 3 would change the seasonal apportionments by sector compared to the status quo, but would not change the percentage of the BSAI Pacific cod ITAC currently harvested by the trawl sector in the A season. In effect, any reduction to the trawl sectors' allocations would be applied to their B and C season allocations. Any increase in the fixed gear sectors' allocation would be applied to both their A and B seasons. In addition, there are three suboptions that address how the reduction to the

trawl sectors' allocations would be applied: Suboption 1) proportionately between the B and C seasons; Suboption 2) equally between the B and C seasons; and Suboption 3) taking the maximum from the trawl sectors' C season before reducing the trawl sectors' B season, and increasing the fixed gear sectors' A season to the extent possible without exceeding the 70% - 30% Steller sea lion seasonal apportionment measures.

Option 3.3 does not create any negative C season apportionments as discussed above. Suboption 1 and Suboption 2 slightly exceed the 70% target for the first half of the year under some of the proposed allocation options in Component 2. Suboption 3 provides that if the 70% target is exceeded, the hook-and-line CP sector's A season allocation is reduced to the extent necessary to meet the 70% threshold. In general, Suboption 3 results in exceeding the 70% far more so than Suboption 1 or 2, as the entire reduction to the trawl allocations is taken from their C season allocations only, and thus, the hook-and-line CP sector's A season is reduced under this suboption.

Finally, Option 3.4 proposes to modify the jig seasonal apportionment to 60% - 20% - 20%. In effect, this would shift an additional 20% of the jig allocation, which currently represents 0.4% of the BSAI Pacific cod ITAC, to the first season. This would likely benefit the <60' fixed gear fleet compared to the status quo, due to the larger potential reallocation of cod in the first trimester. Notwithstanding a considerable increase in effort in the jig sector, the jig sector would be minimally affected, if at all. Upon selection of a preferred alternative, it will be easier to discern the potential effects of the resulting combination of Components 2 and 3.

Component 4 addresses how to reallocate BSAI Pacific cod quota that is projected to remain unused. Options exist in Alternative 2 to reallocate unused quota first among the inshore sectors before reallocating to the offshore sectors. This represents a change from the status quo, but would continue to retain flexibility for NMFS to consider the likelihood of a sector's capability to harvest reallocated quota.

Component 5 proposes to increase the 7.5% CDQ allocation of BSAI Pacific cod to 10% or 15% under Alternative 2. Pacific cod is currently the second most important species to the CDQ Program in terms of volume, and is typically the second or third most important in terms of value (royalties). An increase to a 10% or 15% reserve would potentially increase CDQ royalties generated from Pacific cod harvest by one-third or one-half, respectively. It is extremely likely that the CDQ groups could harvest the proposed increase. In addition, a subset of the hook-and-line catcher processor sector that harvests the non-CDQ Pacific cod fishery currently partners with the CDQ groups to also prosecute the CDQ Pacific cod fishery. Current CDQ allocations of non-target species harvested incidentally in the target CDQ Pacific cod fishery appear sufficient to support an increase in the CDQ Pacific cod allocation. Selection of either option to increase the CDQ allocation would reduce the amount of the BSAI Pacific cod TAC allocated to the non-CDQ sectors, effectively reducing their allocations proportionately, by 2.5% or 7.5%.

Components 6 and 7 address apportioning the crab and halibut PSC allowances among the trawl sectors. Under Alternative 1, there is a shared amount of halibut PSC, for example (3,400 mt) that is then further divided among the trawl fishery groups (e.g., Pacific cod trawl fisheries, rock sole/other flatfish/flathead sole trawl fisheries, etc.). Component 6 addresses the amount of the trawl halibut PSC and crab PSC that is established overall for the trawl fisheries. Alternatives 1 and 2 are the same in this regard, and do not propose to change these amounts. Component 7, however, proposes to further split the amount of the halibut and crab PSC apportioned to the *trawl cod fishery group* among the four trawl sectors that are proposed to receive Pacific cod allocations under this amendment. This is likely one of the most complicated issues addressed in this amendment, and is complicated further by the simultaneous consideration of BSAI Amendment 80, which proposes to establish flatfish allocations for the non-AFA trawl CP sector, as well as *PSC allocations for all fisheries* associated with that sector, including Pacific cod. Potential effects of Amendment 80 are taken into account in the analysis of these components.

In brief, it is uncertain which amendment would be implemented first, if approved by the Secretary of Commerce. The ongoing assumption of Amendment 85 is such that any allocation of PSC established under Amendment 80 will take precedence over any PSC allocation established under Amendment 85 for the non-AFA trawl CP sector. Halibut PSC is provided as an example here, as it is more of a limiting factor in the fishery than crab PSC. Thus, upon implementation of Amendment 80, the amount of trawl halibut PSC allocated among the remaining three trawl sectors would be reduced, by as much as 39% - 79% according to the current options under Amendment 80 (see Table E - 4 below).

Table E - 4 Estimates of halibut PSC allocations to the non-AFA trawl CP sector under proposed Amendment 80

	Sector's historic usage (all fisheries) - option 6.1.1		Sector's historic usage (A 80 species and Pacific cod) - option 6.1.2		Portion of fishery usage based on sector's allocation - option 6.1.3							
					retained/retained		total/total		retained/total		target fishery bycatch rate	
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
Non-AFA CP Trawl Sector allocation as a percent of trawl halibut PSC	79.4	64.8	75.7	61.8	70.1	60.4	67.1	55.0	51.5	39.4	72.1	64.7
Non-AFA CP Trawl Sector allocation (assuming 3,400 mt trawl PSC allocation)	2,700	2,203	2,574	2,101	2,383	2,054	2,281	1,870	1,751	1,340	2,451	2,200
PSC remaining for other trawl sectors (assuming 3,400 mt trawl PSC allocation)	700	1,197	826	1,299	1,017	1,346	1,119	1,530	1,649	2,060	949	1,200

Component 7 under Amendment 85 provides two options for allocating PSC among the trawl sectors, whether the allocation is made to the three trawl sectors excluding the non-AFA trawl CP sector, or to all four trawl sectors in the case that there is lag time between implementation of Amendment 80 and 85, assuming both are approved. Under Amendment 85, PSC can be divided either based on each trawl sector's Pacific cod allocation determined in Component 2 or based on each trawl sector's allocation and percentage of *directed* Pacific cod harvest during the years selected to determine the allocation. The effect of these two options on halibut PSC is provided below.

Table E - 5 Estimates of halibut PSC allocations to the trawl sectors under Amendment 85

Sector	Option 7.1				Option 7.2			
	Halibut allocation (mt)	% halibut PSC allocation	Halibut allocation (mt)	% halibut PSC allocation	Halibut allocation (mt)	% halibut PSC allocation	Halibut allocation (mt)	% halibut PSC allocation
	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum
AFA Trawl CP	126.6	8.8%	32.9	2.3%	135.2	9.4%	35.9	2.5%
AFA Trawl CV	861.8	60.1%	688.0	48.0%	1004.3	70.0%	829.9	57.9%
Non-AFA Trawl CP	606.6	42.3%	476.8	33.2%	429.2	29.9%	325.3	22.7%
Non-AFA Trawl CV	113.4	7.9%	17.1	1.2%	146.3	10.2%	21.7	1.5%
Remaining trawl PSC (for fisheries other than P. cod)	2,000		2,000		2,000		2,000	
P. cod related PSC allocation to all sectors <u>excluding</u> non-AFA trawl CP	827		957		1,005		1,109	
Remaining trawl PSC (<u>including</u> PSC for other non-AFA trawl CP sector fisheries)	2,573		2,443		2,395		2,291	

Note: Halibut PSC allocations by sector are based on the current total halibut PSC limit of 1,434 mt allocated to the BSAI cod trawl fishery group. The last row assumes the current total trawl halibut PSC allocation of 3,400 mt.

Table E - 4 shows that the total trawl halibut PSC amount remaining after the Amendment 80 allocation to the non-AFA trawl CP sector ranges from 700 metric tons to 2,060 metric tons. This residual would be used to support both Pacific cod and all other fisheries for the three remaining trawl sectors. At the low end, 700 mt is far less than the amount projected to be allocated to other trawl sectors under Amendment 85 (see Table E - 5, between 827 mt and 1,109 mt), and these options are only intended to support the other three trawl sector's *Pacific cod* fisheries. Thus, if the maximum allocation is made under Amendment 80, the remaining halibut PSC allowance would be insufficient to maintain the allocations of

PSC to the other trawl sectors in the Pacific cod fishery (using the current 1,434 mt halibut PSC allocation to the cod trawl fishery group) and would leave no PSC to support other (non-Pacific cod) trawl fisheries. Overall, the 700 mt residual amount is approximately 64% of the average use of the three other trawl sectors in all fisheries (1,094 mt). At the upper end, the residual remaining after the PSC allocation to the non-AFA trawl CP sector (2,060 mt) is almost twice the maximum annual halibut usage of all other trawl sectors (1,094 mt). **A middle range allocation to the non-AFA trawl CP sector (slightly more than 2,000 mt) and a similar middle range allocation to other three trawl sectors in the Pacific cod fishery (900 mt) would leave approximately 500 mt of halibut mortality to support other trawl fisheries, which appears sufficient using the historic average during 1995 – 2003.** Table E - 6 shows historic use of halibut PSC for selected trawl sectors and fisheries.

Table E - 6 Historic halibut PSC usage (1995-2003)

	maximum	minimum	average
Non-AFA trawl CP sector (all fisheries)	2,802	1,586	2,362
All other trawl sectors (all fisheries)	1,863	472	1,094
Pacific cod trawl fishery	1,640	672	1,234
Pacific cod trawl fishery excluding non-AFA CP trawl sector	1,359	267	775
All trawl fisheries except Pacific cod	2,573	2,005	2,223
Non-AFA trawl CP sector - all fisheries except Pacific cod	2,368	1,234	1,904
All trawl fisheries except Pacific cod excluding non-AFA trawl CP sector	782	84	319

Source: NPFMC PSC data files, 1995 – 2003.

Establishing separate PSC allocations to each sector is expected to better allow the trawl sectors that operate under a cooperative management system (the AFA sectors, and potentially, the non-AFA trawl CP sector) to manage their fisheries and incidental catch internally. However, there may be some economic impacts associated with further dividing PSC among the various sectors. Currently, Federal regulations do not include specific provisions for reallocating PSC among different fishery categories within the same gear sector. Nevertheless, reallocating unutilized PSC, specifically halibut PSC, by a specific fishery group has been an important economic benefit of in-season management adjustments routinely administered by NMFS toward the end of each fishing year. Movement of halibut PSC within the trawl fisheries, primarily from the cod trawl fishery group to the flatfish trawl fishery group, has enabled late season flatfish fisheries that otherwise could not have occurred. Allocating PSC by individual trawl sector, as proposed under Alternative 2, reduces the flexibility to shift PSC among trawl sectors and fisheries to some extent, as the PSC allocated to one trawl sector cannot be allocated outside of that sector. However, Amendment 85 does not contain any options to explicitly prohibit inseason managers from continuing to have the flexibility to shift PSC from within one trawl sector fishery group to another fishery group *within the same sector* if necessary. (Note that this will not be an issue for the non-AFA trawl CP sector should Amendment 80 be implemented, as this sector's PSC would not be allocated to separate fishery groups. Instead, the sector would be able to use its PSC allocation as needed for any of its target fisheries, as determined by the sector through the cooperative structure.)

Exceeding the trawl crab PSC allowance has not been of great concern in the BSAI Pacific cod trawl fisheries in most years, because the historical use has been less than the amount available. However, areas have been closed occasionally due to crab PSC in the past. The effect of Alternative 2 on the crab PSC apportionments is in Section **Error! Reference source not found.**

Note also that the Amendment 85 options only distribute the PSC allowance among the different trawl sectors in the Pacific cod fishery group. The amount of the Pacific cod PSC allowance to the trawl sectors (currently 1,434 mt) is left to the specification process, which allows for periodic adjustments in response to changing circumstances.

Component 8 under Alternative 2 proposes to apportion the shared halibut PSC allowance for the Pacific cod hook-and-line sectors between the hook-and-line catcher processor and catcher vessel sectors. Halibut PSC allowances have not typically constrained the hook-and-line Pacific cod fishery in the past. The options to split the allowance would potentially allow for different seasonal allowances of halibut PSC for each of the sectors in the future, and prevent one sector from being constrained by the other's halibut PSC catch. There is currently no halibut bycatch allowance for these sectors during the summer months (June 10 – Aug. 15), however, the hook-and-line catcher vessel sector may prefer to fish in the summer due to better weather and in order to compete with the <60' pot catcher vessels for the <60' fixed gear allocation of Pacific cod that is not seasonally apportioned. In recent years, the <60' pot catcher vessels have harvested the vast majority of the <60' fixed gear allocation, about a third of which has been harvested from May through August.

Depending on the overall BSAI allocations selected under Component 2, Option 8.1 would apportion a range of 3 mt – 34 mt to the hook-and-line catcher vessel cod sector, leaving the remaining 741 mt – 772 mt for the hook-and-line catcher processor cod fishery. Option 8.2 would apportion 10 mt of halibut mortality to the hook-and-line catcher vessel cod sector and 765 mt to the hook-and-line catcher processor cod sector. (The results of both options assume the current halibut mortality allowance of 775 mt for the hook-and-line cod fishery group.) Given halibut mortality rates per metric ton of BSAI Pacific cod estimated for each hook-and-line sector, the proposed apportionments may be slightly less than necessary for the hook-and-line catcher vessel sector to fully prosecute the upper range of its potential BSAI Pacific cod allocation under this amendment. The proposed amounts appear sufficient for the hook-and-line catcher processor sector.

Part II, Alternatives 3 - 6

Part II proposes four alternatives to establish a methodology by which to maintain sector allocations and minimize competition among gear groups, should the BSAI Pacific cod TAC be apportioned between the BS and AI subareas in a future TAC specifications process. The stock assessment model for Pacific cod is configured to represent the portion of the Pacific cod population inhabiting the BS survey area. The model projections are then adjusted to include biomass in the AI survey area. **The best estimate of long-term average biomass distribution is 85% in the BS and 15% in the AI** (Thompson and Dorn 2005). On average during 1995 – 2003, almost 14% of the BSAI Pacific cod catch came from the AI subarea and 86% from the BS subarea. If the timeframe is shortened to the most recent years (2000 – 2003), the share percentages change to almost 18% in the AI and 82% in the BS. While the data set is not exactly comparable, 2004 and 2005 data are also provided in Part II for reference. In 2004 and 2005, the AI share of the total BSAI Pacific cod harvest is estimated at 14.4% and 11.3%, respectively.

Under **Alternative 3** (no action), NMFS could likely only implement equal allocations in both areas (e.g., if a sector receives a 40% BSAI allocation, it would receive 40% in the BS and 40% in the AI upon a TAC split). While this is one of the methodologies evaluated, the public and the Council raised concerns about this methodology being the only potential solution by default. The primary concern being that it does not reflect recent historical catch by sector in the Aleutian Islands subarea. In general, the trawl sectors have increased the percentage of their total harvest taken from the AI in recent years, and the fixed gear sectors have reduced their share in the AI.

Alternative 4 proposes to maintain Pacific cod sector allocations at the BSAI level as determined in Part I, and a sector could fish that allocation anywhere in the BS or AI as long as TAC was available in the subarea. This alternative provides the greatest flexibility for sectors and may be the easiest for NMFS inseason management to monitor. However, one may risk creating a race for fish in one subarea, most likely the AI, depending on shifts in the location of the stock, desire to deliver to a new port, or a number of factors that may prompt a sector to shift more of its fishing in the AI than has historically been harvested.

Alternative 5 proposes allocating to sectors the same percentage of the BS TAC and AI TAC as determined by the BSAI sector allocations determined in Part I. Thus, Alternative 5 has the same result as Alternative 3 (no action). In effect, each sector would be allowed to harvest 85% of its BSAI allocation determined in Part I in the BS and 15% in the AI. Most sector's recent historical harvest patterns in the BS and AI do not closely mirror an 85% (BS) and 15% (AI) split. In general, Alternative 5 would allocate a lower share of the trawl sectors' BSAI allocations to the AI than has been harvested in the AI in the recent past. In contrast, Alternative 5 would allocate a higher share of the fixed and jig gear sectors' BSAI allocations to the AI than has been harvested there in the recent past.

The Council identified Alternative 6 as its preliminary preferred alternative in February 2006. **Alternative 6** proposes to define the sector allocations for the BS and AI based on the relative percentages of Pacific cod that were harvested in the AI by the sectors during a specified series of years. There are four options for the series of years: 1995 – 2002; 1997 – 2003; 2000 – 2003; and 2002 - 2003. The overall BSAI allocation would remain for each sector, as determined in Part I. Each sector would then receive its historical share of the AI TAC, and the remainder of the sector's allocation is established in the BS. One fundamental concern under Alternative 6 is that TAC fluctuations will have disproportionate impacts on sectors that are allocated the greatest percentage of the subarea with the declining TAC.

Because it is uncertain how TACs in the BS and AI would fluctuate relative to one another in the future, and because the subarea allocations under Alternative 6 are dependent first on maintaining the overall BSAI allocation to each sector, it is possible that Alternative 6 could result in negative allocations in the BS subarea for one or more sectors. Of particular concern is the non-AFA trawl CV sector under Option 6.4, since this sector may receive a very small overall BSAI allocation but has harvested an estimated 13.2% of the overall AI harvest in 2002 – 2003. Regardless of the resulting AI and BS allocations under the preferred option, because of potential fluctuations in the TACs, the Council may consider including language that addresses potential negative allocations in one subarea. A related concern under Alternative 6 is that some AI sector allocations will not be large enough to open a directed fishery in the AI.

Environmental Effects

Overall, the environmental analysis of the alternatives did not identify significant effects on the biological, physical, and human environment. The current fishery management program was analyzed in detail in the Groundfish Programmatic Supplemental Environmental Impact Statement (NOAA 2004a), and is updated in the annual TAC-setting Environmental Assessment. The effects of Alternative 1 (no action) on Steller sea lions have been analyzed in the 2001 Biological Opinion and found not to cause jeopardy or adverse modification of critical habitat.

Alternative 2 changes sector and potentially seasonal allocations of Pacific cod to reflect average annual harvest share by sector. These catch patterns have been analyzed in the Programmatic SEIS (2004a) and in the biological opinions, and have been shown to have no adverse impact on marine mammals, including Steller sea lions. Under Alternative 2, the overall effort in the Pacific cod fishery will remain similar to recent years, as the TAC will continue to be set in accordance to Pacific cod biomass. The

effect of the options related to seasonal apportionments range from a slight increase or decrease in the percentage of the ITAC that the hook-and-line CP sector may harvest in the first half of the year (A season) compared to status quo. These same options result in either no change or a slight decrease in the percentage of the ITAC that the trawl sectors may harvest in the first half of the year compared to status quo. There is a slight difference between the hook-and-line and trawl fisheries in terms of mean annual mortality rate of marine mammals and seabirds. The analysis also indicates that the number of seabirds taken in the hook-and-line CP sector, and the rate at which seabirds are taken, is higher in the B season than in the A season. However, the likely change in catch by these gear types is minimal, and is not of such a degree as to have a significant impact at a population level. No significant impacts on marine mammals, seabirds, habitat, or the ecosystem are identified.

As discussed previously, there are some options under Alternative 2 that would allow changes to the seasonal apportionments of Pacific cod catch that may, at their extreme, change the ratio of catch in the first half of the year to slightly exceed 70% of the TAC. This would exceed the objective of the 2001 Steller sea lion protection measures, to limit Pacific cod catch during the first half of the year to 70% of the overall allowable harvest. NMFS Protected Resources Division has informed the Council that consultation, either informal or formal, may be required to change the seasonality of Pacific cod catch from the status quo. NMFS will provide informal consultation on the action upon selection of a Council preferred alternative.

Alternatives 3 – 6 define a methodology for apportioning BSAI sector allocations among the BS and AI subareas and are not likely to have significant environmental impacts. This action does not propose establishing separate subarea TACs in the BS and AI, but instead positions the Council to recommend subarea TACs if that is desired in the future. Regardless, under any of the proposed sector allocation alternatives, it is not expected that subarea TACs will be exceeded, and thus no significant impact to the Pacific cod stock is expected. Current Pacific cod harvest by subarea approximates the amount of catch that would be allowed to occur in each subarea should subarea-specific TACs be established in the future, and existing spatial and temporal dispersion measures will continue to protect Steller sea lion habitat and forage availability under any of the alternatives.

Economic Effects

Production efficiency, as defined as the difference between production revenues and production costs, is not expected to change significantly under either alternative in Part I; however, there are some potential increases in Alternative 2 worth noting compared to Alternative 1. Under the no action alternative, for the most part, production efficiency is limited by the race for fish in the current limited access fishery. Only the AFA trawl CV and CP sectors currently operate under the cooperative system. Sector allocations under Alternative 2 could provide additional production efficiency benefits, such that both AFA sectors and potentially the non-AFA catcher processor sector (upon implementation of proposed Amendment 80) should be able to better manage direct Pacific cod allocations through cooperatives. In addition, increased production efficiency could be realized by establishing a separate allocation to the AFA trawl CV sector and allowing the three participants with the greatest harvest history in the non-AFA trawl CV sector to fish off the AFA trawl CV allocation (given that their cod history would be attributed to the AFA trawl CV sector in determining that sector's allocation). This means that a greater percentage of the trawl CV allocation would be managed under a cooperative system, and the three participants with the greatest cod history in the non-AFA trawl CV sector would be capable of fishing under a more rationalized system via contracts with the AFA CV sector.

Overall, the intent of Alternative 2 is to revise the BSAI Pacific cod allocation such that the initial allocations established at the beginning of the year better reflect the actual historical harvests by sector.

Meaning, under Alternative 1, one would expect that substantial amounts of cod quota would continue to be reallocated among sectors near the end of the fishing year, in order to prevent foregone catch. To the extent that the options under Alternative 2 would establish distinct BSAI Pacific cod allocations that limit the need to reallocate catch during the year, participants in the sectors receiving those reallocations could benefit from the increased ability to plan their fishing year. Instead of being uncertain of the level and timing of reallocated quota from the trawl sectors late in the year, the harvest history that represents the reallocations would be incorporated in the fixed gear sector's initial allocations. This would reduce overall uncertainty and allow these sectors, particularly the hook-and-line catcher processor sector, to better plan their annual operations.

Production efficiency is not expected to change significantly under Alternatives 3 – 6. Alternatives 3 – 6 establish a methodology by which to apportion sector allocations between the BS and AI, should the BSAI TAC be split between those two areas in the future. In effect, Alternatives 3 and 5 would result in the same sector allocation percentage in the BS and AI as the sector receives for the BSAI under Part I. Thus, regardless of harvest history between the two subareas, the sector would receive the same percentage in each area. If a sector had very little fishing history in one of the two areas, creating equal percentages in each area may serve to reduce production efficiency by forcing participants into unfamiliar fishing grounds. This could be either a short-term effect as participants gain experience in the fishing grounds of a new subarea or a long-term effect as a particular gear type may not be well suited for the subarea. The division of the TAC between the Aleutian Islands and Bering Sea could lower production efficiency, if it serves to create a greater race for fish in one subarea than exists overall in the BSAI. While speculative, this potential exists if the allowable catch allocated to a subarea is not sufficient to support the number of participants that want to fish in the area. This may be the case under Alternative 4, since each sector would be limited by an allocation that could be harvested in either area until the TAC for that area was fully harvested.

Alternative 6 is based on sector catch history in the Aleutian Islands, which is likely the limiting factor for the BSAI sector allocations. If Alternative 6 establishes the sector allocations in the AI based on recent catch history, it is not expected to significantly affect production efficiency and would likely have less of an effect than Alternatives 3 – 5. However, if a sector received its entire BSAI allocation in the AI subarea, there may be considerable impacts on the number of vessels that could continue to fish Pacific cod in the future, due to the number of AI endorsements by sector. In particular, the non-AFA trawl CV sector has the potential to receive all of its BSAI allocation in the AI, and only a small subset of the sector has an AI LLP endorsement (6 of 50 LLPs have AI endorsements). Finally, if some sectors receive an extremely small allocation in the AI, particularly those that operate under a limited access regime as opposed to a cooperative structure, it may not be of sufficient amount to open a directed fishery.

The allocations proposed under Alternative 2 are intended to reflect actual retained catch over a series of years, including reallocated quota. Production mixes are not anticipated to change significantly from previous years. Some minor quality improvement could occur because of the direct sector allocation made to sectors that operate under cooperatives (AFA trawl sectors and potentially the non-AFA trawl CP sector); however, they are unlikely to be substantial. Overall, U.S. consumers could realize a minor benefit from the improved product quality, but are unlikely to realize any notable change in benefits under this action.

In sum, a few factors could potentially contribute to an increase in net benefits to the Nation under Alternative 2. The increased certainty in the total annual allowable harvest by sector and the reduction in reallocated quota could increase the ability of participants to plan the fishing year, potentially increasing net benefits in production. In addition, given that ex-vessel and first wholesale prices are slightly higher for fixed gear compared to trawl gear, to the extent that this action provides the fixed gear sector with a more certain future allocation (by moving unused trawl quota that has historically been reallocated from

the trawl sectors to the fixed gear sectors into the fixed gear sector's *initial* allocation) this may result in increased revenues. Absent cost data, however, whether this potential increase in revenues results in a net benefit to the Nation cannot be established.

Effects on Management, Monitoring, and Enforcement Costs

No changes are expected to the existing management system under Alternative 1, thus, no effects on management, monitoring, or enforcement are expected. NMFS would continue to monitor eight separate sector allocations, with seasonal apportionments for each sector, with the exception of the <60' hook-and-line catcher vessel sector. NMFS would also be expected to continue its current practice of reallocating Pacific cod quota inseason that is projected to remain unused by a particular sector.

The option exists under Alternative 2 to create ten sector allocations, meaning NMFS would be required to monitor ten allocations of BSAI Pacific cod, as opposed to the current eight under Alternative 1. This results from splitting the current trawl CV and trawl CP allocations by AFA and non-AFA sectors. However, the frequency and level of inseason reallocations of cod quota among sectors is expected to decline, as the allocations are adjusted under Alternative 2 to better reflect actual catch history.

The sectors identified under Alternative 2 that continue to operate in a competitive limited access system, specifically the non-trawl sectors and the non-AFA trawl CV sector, would not expect any changes in agency management or monitoring. The current intent under Alternative 2 is for the AFA trawl CV and CP sectors, as well as the non-AFA trawl CP sector cooperatives, to manage their own Pacific cod allocations under a hard cap. If the industry can control and limit its catch, it can best decide how much of its allocation is necessary to apply to a directed fishery and how much is needed for incidental catch in other target fisheries. In effect, this allows the industry to realize the greater benefit from the fishery than by having NMFS determine the level of incidental catch needs. The greater the uncertainty, the greater the ICA established by NMFS. The greater the ICA, the less opportunity the industry has to extract the greatest value from the fishery.

Another important issue under Alternative 2 is the potential to divide the trawl cod fishery group halibut and crab bycatch allowances among the four trawl sectors. While it may be beneficial to the AFA sectors and non-AFA trawl CP sector to be able to manage a certain apportionment of the halibut and crab bycatch allowances, more refined apportionments can also make it difficult for a sector whose bycatch needs are relatively variable from year to year. While a further apportionment of the non-trawl halibut bycatch allowance is also proposed under Alternative 2 between the hook-and-line CP and CV sectors, the historical level and rate of halibut bycatch in the non-trawl sectors reduces this concern.

In a future TAC-setting process, the Council may recommend splitting the BSAI Pacific cod TAC into BS and AI subarea TACs. Under Alternative 1 and a TAC split, NMFS would effectively be managing two subarea allocations for each of eight sectors, notwithstanding seasonal apportionments. Under Alternative 2 and a TAC split, NMFS could potentially be managing two subarea allocations for each of ten sectors, notwithstanding seasonal apportionments. Under either alternative, this task may prove difficult if the seasonal allocations to a particular sector in the AI are extremely small, given the relatively small potential TAC and the number of apportionments. Note, however, that the action under Alternatives 3 – 6 is not to determine *whether* to split the BSAI TAC into BS and AI subareas; it is limited to determining how to divide the sector allocations by subarea should separate TACs be established in a future specifications process. Effects on industry and the ability of NMFS to manage seasonal sector allocations in each subarea as a result of the proposal to split the BSAI Pacific cod TAC by subarea would need to be considered in the final TAC-setting environmental analysis.

**Council motion on BSAI Amendment 85 – BSAI Pacific cod sector allocations
February 10, 2006**

The Council recommends releasing the analysis for BSAI Amendment 85 for public review, incorporating comments from the SSC as possible, and with the following changes:

Part I, Alternative 2

Component 2

Include 2004 and 2005 sector catch data for the BSAI, BS, and AI, in the discussion of Component 2.

Any shoreside landings made by pot catcher processors (CP) are assigned to the pot catcher vessel (CV) sector allocation, as occurred in 2003. The Council recommends that the associated table in the analysis include a caveat to this effect.

Component 3

Add Suboption 3 under Option 3.3 as follows:

Upon determination of the new overall allocations to the trawl and fixed gear sectors, maintain the current percentage of the ITAC allocated to the A season for trawl gear. Provided that any reduction in the overall trawl allocation resulting from the options would first be applied in the C season and then in the B season. Any increase in the allocation to fixed gear would be applied in the A season.

Any reduction in the trawl allocation in the B or C seasons will be made proportionately between the AFA CP, non-AFA CP, and AFA CV, non-AFA CV sectors based on their new allocation percentages. In the event that this revision in allocations and apportionments exceeds the 70/30 Steller sea lion seasonal apportionment, the hook-and-line CP sector's A season allocation will be adjusted as necessary by shifting A season allocation to the B season.

Component 7

Revise the language for Options 7.1 and 7.2 as follows:

Option 7.1 The annual PSC allocation to the trawl Pacific cod fishery will be apportioned to the cod trawl sectors based on the cod allocation percentages determined for each sector under Component 2.

Option 7.2 The annual PSC allocation to the trawl Pacific cod fishery will be apportioned to the cod trawl sectors based on the sector's directed cod fishery harvests during the qualifying period under Component 2.

Part II

The Council selects Alternative 6 as its preliminary preferred alternative under Part II.

Add a new option under Alternative 6:

Option 6.4 2002 – 2003

In addition, the Council recommends that the catch accounting system be modified such that future shoreside landings by pot catcher processors are counted against the pot catcher processor sector allocation. The Council requested that information on this issue be included in the analysis such that the Council could recommend this change at final action on Amendment 85.

**F/V GOLDEN PISCES
JUDITH MCNABB
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Phone (541) 265-9484
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MAR 23 2006

N.P.F.M.C.

March 23, 2006

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

VIA FAX: (907) 271-2817

RE: AMENDMENT 85/1700 COD SIDEBOARD EXEMPTION

Dear Chairperson Madsen and Council Members:

I manage the 98 foot fishing vessel Golden Pisces for Judith McNabb, the widow of the late Elmer "Buster" McNabb. Buster had the vessel built in 1977 and the first fished in Alaska waters in 1978. The vessel was configured as a combination trawler/crabber and fished exclusively in the various groundfish and crab fisheries in the Bering Sea and Gulf of Alaska. The vessel is a small combination vessel that operated in the various fisheries depending on market conditions and stock assessments. In the mid 1990's, in an attempt to maximize the economics, Buster converted the vessel into a small self contained catcher/processor ship. He processed cod, pollock, crab and sole. The vessel was converted back to a catcher vessel in 1999. This vessel is the only source of income for the widow, Judy McNabb and the three crewman on the boat.

Since the year 2000 the vessel has only operated in the Bering Sea cod fishery during A season and Bering Sea Pollock fishery during the summer months. This vessel has no other fisheries available to it. The AFA politics have shut it out of every other fishery it historically participated in. By the AFA and the manner in which it was implemented, it was sideboarded out of most of its prior fisheries and left with only the Bering Sea cod fishery and less than 1700 tons of pollock.

The Golden Pisces has survived economically since the adoption of AFA solely by virtue of the 1700 ton exemption that allows it to continue fishing Bering Sea cod exempt from the sideboards and same time protected by sideboards from the large AFA Catcher Boats that have the economic advantage of large pollock quotas.

Now, this could all be changed and I'm writing at this time because of my concern that one of the options being seriously considered by the Council would create a separate

allocation of cod for AFA trawl CVs and would result in the termination of the sideboards exemptions and the current Intercooperative Agreement.

The Golden Pisces is a small vessel which would not be able to safely compete with the large AFA vessels which could now enter this new Olympic cod fishery unrestricted. The cod season would be even shorter than it has become and the vessel could become excluded from its traditional fishery and at a minimum would become economically challenged to survive in the only fishery available to it.

The large AFA CVs already have sufficient opportunity for economic prosperity by virtue of their AFA allocations. The Golden Pisces, with less than 1700 tons, does not have adequate pollock and needs the continued protection of the Exemption and related Sideboards so it can continue in the cod fishery status quo management regime until a new form of rationalization is developed.

I therefore respectfully urge the Council not to create a separate AFA CV sector for the purpose of allocating cod. The AFA sector needs to include sufficient non-AFA CV vessels so that the status quo continues as it relates to Sideboards, Exemptions and Intercooperative cod allocation agreement.

Thank you for considering my comments.

Sincerely,

Dennis P. McManus, Jr.
Certified Public Accountant
Manager of the F/V Golden Pisces

BLUE FOX FISHERIES**David Jincks****P. O. Box 1434****Newport, Oregon 97365****Phone (541) 265-8694****Fax (541) 574-6428**

March 22, 2006

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

VIA FAX: (907) 271-2817

RE: AMENDMENT 85/1700 COD SIDEBOARD EXEMPTION

Dear Chairperson Madsen and Council Members:

I am the managing owner of the 85 foot fishing vessel BLUE FOX, which my partner and I purchased in 1996 from long term Alaska fisherman, Buster McNabb, who had operated the vessel as a combination trawler/crabber in the Gulf of Alaska cod/pollock fisheries, Bering Sea cod and pollock, Alaska King crab, bairdi crab and opilio crab. This was a small combination vessel that was best suited to operate with flexibility between the various fisheries depending upon market and stock sizes. I should add that I have been in the commercial fishing business for 35 years and it is now, and always has been, my sole source of income.

When we purchased the vessel in 1996 there was no talk of AFA or restricting me from the various fisheries that the vessel had historically participated in. Because of the vessel's small size I operated the vessel in the Bering Sea cod fishery during A Season and to a limited degree in the Bering Sea pollock fishery during the summer. In the year 2000 AFA became reality and was for the primary benefit of the large Bering Sea pollock trawlers. By the terms of the AFA and the manner in which it was implemented, we were sideboarded out of most of our prior fisheries and left, as a practical matter, with only the Bering Sea cod fishery and less than 1700 tons of pollock.

The Council at that time, while implementing AFA, adopted an exemption to the Bering Sea cod sideboards for those AFA vessels with less than 1700 tons pollock history because of our dependency on the cod fishery at that time, so my vessel along with 8 other small AFA CVs, were allowed to continue fishing cod being exempt from the sideboards. Non-exempt AFA vessels operate subject to Sideboards on cod and pursuant to the current Intercooperative Cod Allocation Agreement which limits them to their history as defined by the agreement. The net result was that my vessel and the other 8

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small AFA 1700 ton exempt boats, together with the non-AFA CVs, were protected by these sideboards on the primarily large AFA trawlers so we could continue to survive in our traditional fishery.

Now, that could all change and I am writing at this time because of my concern that one of the options being seriously considered by the Council which is to create a separate allocation of cod for AFA trawl CVs would result in the termination of the sideboards, exemptions and the current cod Intercoop Agreement. This would convert the entire AFA trawl CV fishery into an Olympic mode and totally destabilize what is currently at least a semi-cooperative managed fishery. This would allow previously non-exempt AFA CVs with cod history or without cod history to participate in an unlimited manner in this new Olympic fishery. Given that there are AFA CVs with little or no cod history there would be absolutely no incentive for the consensus that would be required to reach a Cooperative form of management (The BSAI Am 85 April 2006 Analysis describes the issues I am raising on pages 176-179).

Under this situation my vessel, being only 85 feet in length, would not be able to safely compete with the large AFA vessels which could now enter this new Olympic cod fishery unrestricted. Our cod season would become even shorter than it has become and I am not certain we would be able to continue in our traditional fisheries in this environment.

The large AFA CVs already have sufficient opportunity for economic prosperity by virtue of their AFA allocations. We, with less than 1700 tons, do not have adequate pollock and need continued protection of the Exemption and related Sideboards so we can continue in the cod fishery essentially with the status quo management regime until a new form of rationalization is developed. Also, it should be noted that Am 85 is about sector splits. The question of taking action which would change AFA Sideboards and Exemptions is a side issue that should not be allowed to destabilize the CV cod fishery without more analysis and consideration.

I therefore respectfully urge the Council not to create a separate AFA CV sector for the purpose of allocating cod. The AFA CV sector needs to include sufficient non-AFA CV vessels so that the status quo continues as it relates to Sideboards, Exemptions and the Intercooperative cod allocation agreement.

Thank you for considering my comments.

Sincerely,



David Jincks

Cooper Fishing, Inc.
Patience Fisheries, Inc.
P. O. Box 428
Newport, OR 97365
541-336-0244

March 27, 2006

North Pacific Fisheries Management Council
605 W Fourth Avenue, Suite 306
Anchorage, AK 99502

VIA FAX: 907-271-2817

RE: Amendment 85/1700 Cod Sideboard Exemptions

Dear Chairperson Madsen and Council Members:

I am the owner of the F/V Perseverance an 87' cod trawler and the F/V Predator a 90' cod trawler, two AFA 1700 ton exempt boats. They fish for cod in the Bering Sea and have delivered into Akutan since 1990.

After looking at the cod sector analysis and the previous NPFMC meeting minutes it has become a concern of mine that the 1700-ton exemptions could be done away with.

I have been supporting alternative two option 1.1 believing that the inclusion of the non AFA catcher vessels that caught more than 100 tons of cod in each of the years 1995-1997 would necessitate sideboards, for those vessels as well as those vessels that already have 1700 ton exemptions.

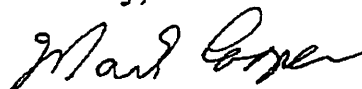
Losing sideboards would be a devastating to my business. AFA catcher vessels with little or no cod history could converge on the cod grounds with

the motivation of the highest ex-vessel price in history and the security that their pollock allocation is secured and make short work of the cod allocation. Leaving boats like mine that have been making their livelihood on cod tied up weeks earlier than if sideboards were to remain in effect.

I believe that allowing an olympic style fishery after having a partial rationalized fishery would be poor management and a huge step backwards. An olympic style fishery brings many problems. To mention a few, skippers feeling pressure to fish in weather that is not safe and increased discards.

In conclusion I urge the council to make a conscious decision to retain sideboards for the AFA catcher vessel sector.

Sincerely,



Mark Cooper
F/V Perseverance
F/V Predator

SEADAWN FISHERIES, INC.

FRED A. YECK
P. O. Box 352
Newport, OR 97365
Phone (541) 867-3911
Fax (541) 867-3913

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March 27, 2006

North Pacific Fishery Management Council
605 W. Fourth Avenue, Suite 306
Anchorage, AK 99501

N.P.F.M.C.

VIA FAX: (907) 271-2817

RE: AMENDMENT 85 - CONTINUATION OF SIDEBOARDS AND THE
COD INTERCOOPERATIVE AGREEMENT

Dear Chairperson Madsen and Council Members:

I am the managing owner of the F/V SEADAWN which is a 124 foot AFA pollock catcher vessel which has been engaged in the Bering Sea pollock and cod fisheries since 1987. For at least the past 15 years and including recent times under AFA, 20-25% of the SEADAWN's A Season gross revenue is derived from the CV trawl cod fishery. The SEADAWN is not an AFA exempt CV but rather is limited by its cod sideboards which are allocated and managed pursuant to the Intercooperative Cod Agreement. It is extremely important to the owners and crew of this vessel that the cod fishery not be destabilized.

I am writing at this time because Amendment 85, although its primary purpose is to determine sector allocations, has the potential of turning the AFA catcher vessel trawl fishery into an Olympic mode thereby destabilizing this fishery and damaging those with historical dependence on it. At the onset of AFA, the AFA Industry was able to negotiate the very contentious issues involving management of the AFA Cod Sideboard and Exemptions and reached resolution in the form of an Intercooperative Cod Allocation Agreement. While it is not a perfect resolution this Intercooperative Cod Allocation Agreement does provide protection to some degree for our cod history and provides a modified form of cooperative management. It would be a great disservice to the Industry and fishery for the Council to adopt any option that would result in loss of the Sideboards which would result in termination of the Intercooperative Cod Allocation Agreement which in turn would cause the AFA CV trawl fishery to become an unmanaged Olympic fishery (the analysis on page 178 describes the circumstances under which the current Sideboards and the current Intercooperative Cod Allocation Agreement would terminate).

While in theory it would be possible for the AFA Industry to negotiate a new Intercooperative agreement, I do not believe that would be even remotely possible. I have personally participated in all of the prior Intercooperative negotiations and based on that experience, if the AFA CV cod fishery goes Olympic I can see no motivation for those AFA vessels with little or no cod history to reach consensus on a history based agreement with those AFA CVs historically involved in the cod fishery at this stage.

While it has been the policy of the Council to slow down the pace of fisheries in order to conserve the resource and reduce bycatch and increase safety to crew, if an AFA CV trawl sector definition is created that would result in elimination of the Sideboards, the opposite would occur. The pace of the fishery would increase, bycatch would increase and safety to vessels and crew would be compromised which is inconsistent goals and objectives of sound fishery management.

Therefore, I respectfully request that in your definition of the AFA CV sector for the purpose of cod allocation that it includes sufficient non-AFA CVs so that sideboards are necessary and that additionally, the Council affirmatively require continuation of the AFA Sideboards and Exemptions so as to prevent termination of the Intercooperative Cod Allocation Agreement and to maintain stability in the sector.

Thank you.

Sincerely,



Fred A. Yeck

F/V SEEKER
James M. Seavers
1075 SE Spruce Way
Newport, OR 97365
(541) 265-9390

March 26, 2006

North Pacific Fishery Management Council
605 W Fourth Avenue, Suite 306
Anchorage, AK 99501

VIA FAX (907) 271-2817

RE: AMENDMENT 85

Dear Chairperson Madsen and Council Members:

The fishing vessel SEEKER is a family owned 98 foot trawler that has fished in Alaska waters, both the Gulf and Bering Sea, since 1988. It has trawled for yellow fin sole, sable, pollock and pacific cod. The SEEKER has delivered onshore to Trident Seafoods in Akutan since 1991.

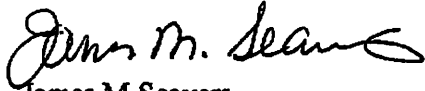
The SEEKER can be characterized as "a cod boat that fishes pollock", whereas most AFA vessels are "pollock boats that fish cod". We are one of the nine AFA trawlers that are exempt from cod sideboards, reflecting our true participation in Bering Sea fisheries. We fished p-cod when the price was \$.15 and others wanted to fish for other species, and we fished for p-cod when the price was \$.38, and everybody wanted to do it. A majority of our annual income has come from p-cod every year since 1991.

One of the options being considered under Am 85 is to have a separate allocation of cod to the AFA CV Sector, which according to the Council's analysis will result in the elimination of sideboards, exemptions and the Intercoop Cod agreement resulting in the creation of a wide open Olympic style fishery within that sector. This would put my vessel at a significant economic disadvantage in comparison to the larger AFA nonexempt CVs and would subject my vessel and crew to increasing safety hazards in the Olympic rush for fish. Sideboards need to remain in place to protect the small exempt AFA CVs from an Olympic style cod fishery where the larger non exempt AFA CVs can leave their primary fishery, which is completely rationalized, midseason and cause adverse impacts on those AFA exempt CVs that are primarily dependent on the cod fishery.

Restrictions on the cod fishery put in place to protect the Stellar sea lions have had a significant impact on our bottom line. We can't afford to return to the Bering Sea to fish the cod C season because of fuel prices. I have hopes that someday it will be proven that trawlers have no impact on Stellar sea lion numbers, and the cod fishery will return to the way it was before 2000. For that reason I would like to see no reduction in the Trawl CV cod share. If the Trawl CV share is reduced, it should be taken from the C season to minimize impact to the AFA exempt vessels.

I am asking the Council to seriously consider maintaining the Trawl CV allocation at historic levels, and continue the cod sideboards to insure stability in the cod fishery.

Sincerely,



James M Seavers
F/V SEEKER

MIDWATER TRAWLERS COOPERATIVE

**P. O. Box 2352
Newport, OR 97365
Phone (541) 265-9317
Fax (541) 265-4557**

March 25, 2006

North Pacific Fishery Management Council
605 W. Fourth Avenue, Suite 306
Anchorage, AK 99501

VIA FAX: (907) 271-2817

RE: AMENDMENT 85

Dear Chairperson Madsen and Council Members:

Midwater Trawlers Cooperative (MTC) has 18 members that are dependent upon the Bering Sea cod fishery for a significant portion of their income during the A Season. This includes six members that are AFA 1700 ton exempt catcher vessels. Most of the exempt vessels depend on the cod season for as much as 80% of their A Season income and 50% of their annual income.

For the above reasons MTC supports continuation of the historic allocation of cod to trawl catcher vessels and also supports a sector definition for which allocations are established to the AFA CV trawl fishery that will maintain status quo as it relates to sideboards, exemptions and stability within the fishery.

Trawl Catcher Vessel Sector Allocation

Trawl catcher vessels, both AFA and non-AFA, have a long history of participating in the Bering Sea cod fishery and delivering their harvest to Dutch Harbor and Akutan shore plants. The current allocation to this sector is 23.5% and given the dependence of these vessels and the shore plants to which they deliver there is no justification for reducing this sector's allocation. The inability to harvest the full quota in recent years has been due only to sea lion regulations, which has separated a portion of our quota to the C Season which has been a difficult time for trawl catcher vessels to harvest cod. If the Council does reduce the catcher vessel sectors overall share of the quota the reduction must be taken from the C Season so as to save the catcher vessels and their processors harmless during the A and B Season.

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Sector For Which Allocations Are Established

The most preferable Sector definition for trawl catcher vessels is to establish two catcher vessel trawl sectors, the first being the non-AFA CV trawlers and the second being the AFA CV trawlers that includes those non-AFA CV trawlers with a catch history of more than 100 tons during the years 1995-1997 provided that the current AFA Sideboard provisions and Exemptions are maintained within the AFA CV trawl sector. Maintaining the AFA Sideboards and Exemptions is paramount for maintaining stability within the overall catcher vessel sector and should take priority in determining the Sector definition.

It is of the utmost importance that stability be maintained and the Council not take action that would result in termination of the AFA Sideboards, Exemptions and the Intercooperative Cod Allocation Agreement. The circumstances under which the current Sideboards and Intercooperative Cod Allocation Agreement could terminate is described on page 178 of the analysis. The only way apparent from the analysis to date to prevent termination of the Sideboards and hence, the Intercooperative Cod Allocation Agreement, is for there to be sufficient non-AFA CVs included in the AFA CV Sector for the Sideboards to continue to be required. *So under no circumstances should there be an AFA CV Sector allocation only.*

If the Sideboards, Exemptions and Intercooperative Cod Allocation Agreement should terminate, the history based sideboard management regime that is currently in place would end and we would be left with a purely Olympic fishery which would be a loss to all of the historic participants in the catcher vessel trawl fishery. In addition, if the Sideboards and the Intercooperative Cod Allocation Agreement end so to will the Exemptions which provide legitimate protection to the small AFA catcher vessels with the 1700 ton Exemption. This Exemption was provided because of the relatively small pollock allocations which these vessels received and so as to allow them to continue in their historic cod fishery unconstrained, but at the same time with the other AFA vessels limited by their Sideboards which protected not only the exempt vessels but also the non-AFA catcher vessels which are historically dependent upon this fishery. Sideboards also protect the non-exempt AFA CVs that are dependent on the cod fishery because they assure continuation of the Intercooperative Cod Allocation Agreement which recognizes and provides protection to those who have history in the cod fishery.

The dependence of the MTC catcher vessels in the cod fishery is, on a vessel by vessel basis, much greater than the dependency of the larger pollock vessels. The average size of the MTC catcher vessels is approximately 90 feet whereas probably the average size of the traditional AFA catcher vessel is 124 feet and by volume is at least three times that of the MTC vessels. It is for this reason that the MTC vessels are much more dependent upon maintaining stability within the Bering Sea cod fishery.

Also, it should be pointed out that because of the relatively small size of the MTC catcher vessels *safety* is a considerable factor. If the AFA cod sideboards are terminated and thereby the Intercooperative Cod Allocation Agreement, the fishery will return to a full Olympic mode. As a result there will be an extreme rush for the fishery which will

increase waste and bycatch, but of utmost concern to MTC is that safety to our vessels and crew will be compromised. This is inconsistent with good fishery management and therefore we are looking to you to maintain status quo as it relates to these issues.

In conclusion, we respectfully request that the allocation to the overall catcher vessel trawl sector be maintained at historic levels and of utmost importance, that the definition that includes the AFA catcher vessels for the purpose of cod allocation includes sufficient non-AFA CVs so as to assure a continuation of the AFA Sideboards and Exemptions so as to maintain the Intercooperative Cod Allocation Agreement and to continue relative stability within our sector.

Sincerely,



Mark Cooper
Vice President

PROWLER FISHERIES

P.O.Box 1364
Petersburg, Alaska 99833

March 27, 2006

Phone (907) 772-4835
Fax (907) 772-9385

Stephanie Madsen, Chair
NPFMC
65 W. 4th Ave. Ste. 306
Anchorage, AK 99501-2252

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N.P.F.M.C.

Re: C-3; Amendment 85, BSAI P-cod Allocations

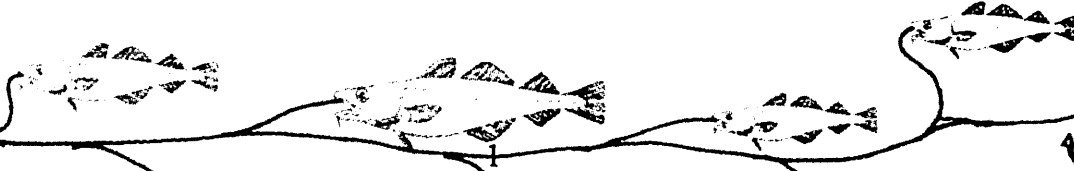
Madame Chair and Members of the Council,

On behalf of Prowler Fisheries, I would like to thank the Council for taking final action on BSAI p-cod sector allocations at this meeting. The current allocations were implemented in 1997 and have not been revisited since. Many circumstances have changed since Amendment 46 but a few things have been consistent:

- **Rollovers:** Rollovers of uncaught allocation began in 1995 (prior to SSL measures) and have consistently continued to the present time. The 1995-2005 average = 16,765 mt/yr (pp. 122-123). The 2000-2004 average = 17,291 with reallocations from the trawl sector accounting for 80% of the rollovers (p. 124).
- **Catch history of the freezer-longline sector:** Since Amendment 46 (1997), the catch of the FLL sector has been on average 50.4% (1997-05).

Summary: The freezer-longline sector (FLL = CP H&L) believes that an allocation of 50% of the BSAI p-cod ITAC is appropriate and warranted. This allocation reflects past catch history as well as recent participation. The FLL sector is significantly dependent on BSAI p-cod (80%+) and has no alternative fisheries of a comparable magnitude (unlike all other sectors). The FLL sector produces high quality frozen-at-sea products while at the same time has significantly reduced halibut bycatch and incidental take of seabirds. The FLL BSAI cod fishery is the only cod fishery in the world certified by the MSC (Marine Stewardship Council).

Any increases to the small boat sector (jig and <60 CV fixed gear) above catch history should come from the trawl sectors' catch history as the FLL sector have previously "funded" that sector's initial allocation with actual catch history in Amendment 64 (as well as loss of the jig rollover in Amendment 77). Additionally, the recent action by the BOF in creating an AI statewater p-cod fishery should be taken into account by the Council in making sector allocations in Amendment 85. The sectors most likely to benefit from the BOF allocation in the future are non-AFA CV trawl (for 70% of the allocation) and the jig/<60 CV pot sector (for 30% of the allocation). The CDQ allocation should not be increased as this is not a comprehensive rationalization program. Claims by the AFA CP sector to revise catch history numbers should not be considered at this time as the claims are untimely and inappropriate.



Frozen at Sea Longline Caught Fish

Rationale for a 50% Allocation to the Freezer-Longline (FLL) Sector:

1.) 50% represents both long term and recent catch history. The FLL's average catch percentage of BSAI p-cod since implementation of A. 46 in 1997 is **50.3%** (1997 – 2003 in retained catch). The average catch percentage for 2000-2003 is **50.1%** (retained catch). The average catch percentage for 1997-2005 is **50.4%** (where 1997-03 = retained catch %, 2004 – 05 = total catch %.)

2.) FLL dependency on BSAI p-cod is 82.3%: The freezer-longline sector is the most dependent sector on BSAI p-cod. From 1999 to 2003, BSAI p-cod makes up 82.3% of the FLL first wholesale revenues (p. 140). No other sector has this degree of dependency on BSAI p-cod [See Attachment 1: Sector Dependency on BSAI P-cod].

3.) Rollovers from the trawl sector to FLL consistently occur for many reasons - in both the B and C seasons. It has been incorrectly asserted in testimony on numerous occasions that the rollovers from the trawl sectors occurs only due to SSL measures and only from uncaught C season allocations. Both of these statements are incorrect.

Trawl rollovers have occurred every year since 1995 (six years prior to SSL seasonal apportionments, pp. 122-3). Trawl sectors have not caught their past p-cod allocations due to: 1.) decision to participate in other trawl fisheries that have relatively high quotas (pollock and flatfish), 2.) closure of directed cod trawl fisheries due to reaching the halibut PSC cap, and 3.) decreased CPUE and effort when cod are less aggregated, (from p. 121).

Trawl sectors frequently do not catch large portions of their "B" season (April 1-June 10) allocation as well as their "C" season (June 11- Nov 1). The trawl CP sector caught only 23% of its 2003 "B" season allocation and 46% of its 2004 "B" season allocation. In 2004, CV trawl caught 54% of its "B" season, (from page 118). Trawl rollovers come from both the B and C seasons. The trawl "B" season occurs during the fixed gear "A" season, therefore under Component 3 (seasonal apportionments), Suboption 3.3.1 (proportionately from B and C) is appropriate and best captures the current scenario.

4.) Halibut PSC Use Rate by FLL has declined -31%. From 1995 to 2005), the BSAI hook-and-line halibut PSC use rate (halibut mortality mt/cod catch mt) has **declined – 31%**. For the same time period, the trawl halibut PSC use rate has **increased +47%**. [See Attachment 2: Halibut PSC Use in BSAI P-cod Fisheries].

In 1995, the trawl rate was 1.6 X greater than the hook-and-line rate. In 2006 "A" season, the trawl rate increased to 5.5 X greater than the hook-and-line rate. The hook-and-line fishery has also reduced its halibut discard mortality rate (DMR) to 11%. The halibut discard mortality rate for trawl cod fisheries is 68% and for pot fisheries 8%.

5.) Incidental take of seabirds by hook-and-line sectors has declined -78% since 1998. The observed incidental take of seabirds (1998-05) and the extrapolated incidental take of seabirds (1998-03) have both declined -78% from 1998. The incidental take rate

(birds/1000 hooks) has declined -86% (from 1998 to 2003). [See Attachment 3: Incidental Take of Seabirds in BSAI Hook-and-Line Fisheries].

6.) Any reallocation of catch history to the small boat sectors (jig and <60' CV fixed gear) should come from the trawl sectors as fixed gear has already contributed. The only p-cod allocation amendments that have been in front of the Council in recent years have been fixed gear allocations (A. 64 & 77). As a result, the <60' sector has been only funded by fixed gear and predominately the FLL sector. The all gear p-cod allocations (trawl, fixed, jig) have not been in front of the Council since 1996 therefore Amendment 85 is the first opportunity for the trawl fishery to share in the cost of funding the small boat sector.

In Amendment 64, the fixed gear sector allocations were based on 1995-1999 harvests with the exception of the <60' CV allocation which was not based on catch history but was 'funded' primarily through a reduction in the hook-and-line catcher-processor allocation. The resulting allocation is 1.4% of the fixed gear allocation or 0.71% of the overall BSAI p-cod TAC.

Reallocation of jig rollover. Approximately, 5% of the jig allocation is caught by jig gear. From 1995 to 2003, the remaining uncaught 95% was reallocated to freezer-longliners and pot gear late in the year. *"On average during 1995-2003, reallocations from the jig sector represented about 3% of the hook-and-line catcher processor sector's revised allocation and 1% of the pot sector's revised allocation"* (p. 219). In 2003, in Amendment 77, the <60' fixed gear sector was authorized to receive the unused jig quota.

7.) Maintain CDQ p-cod allocation at 7.5%. Amendment 85 is not comprehensive rationalization but sector allocations. Previous p-cod sector allocation amendments did not include an increase to the CDQ allocation as well (A.77 & 64). CDQ has received increases above 7.5% in comprehensive rationalization programs where a sector has received a dedicated access privilege such as IFQ halibut/sablefish, AFA (pollock), and crab rationalization (but only for crab species in the IFQ program). Norton Sound red king crab was not included in crab IFQs and the CDQ allocation remains at 7.5% for that species.

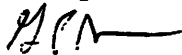
CDQ groups already have increased participation in the BSAI p-cod fisheries as CDQ is invested in freezer-longliners, pot CV cod boats, CP and CV trawl vessels as well as the <60 CV fixed gear sector that all participate in BSAI p-cod (Table 3-95, p. 235). The purpose of CDQ program is: *"...fair and reasonable opportunity to participate in the BSAI groundfish fisheries..."*. In terms of BSAI p-cod, the existing 7.5% allocation plus increased access through extensive investments in the p-cod fishery currently fulfills that purpose. In terms of need, the total 2006 CDQ allocations = 187,000 mt groundfish; 2.0 million pounds halibut; 3.0 million pounds crab (p. 133). Total CDQ royalties are \$50 million/yr (Table 3-91, p. 231). National Standard 8 is addressed by: 1.) maintaining CDQ at 7.5%, 2.) any allocation to the small boat sector above catch history, and 3.) taking into account the BOF action with the creation of the statewater AI p-cod fishery that takes 3% of the BSAI p-cod ABC.

8.) The Council should take into account the recent BOF action on the statewater AI p-cod fishery. The BOF has indicated that it intends to revisit this fishery on an annual basis in order to adjust the regulations for this fishery. The intent of the fishery was stated to help the "economic crisis" in Adak. It is assumed that the fishery will be constantly adjusted for the next several years with the sectors most likely to receive future benefit being the non-AFA CV trawl (for the 70% "A" season) and the jig/<60' pot sector (for the 30% "B" season). Though there is a sunset date, the sun tends to set considerably later in the Aleutians, i.e. this fishery is likely to be around for a while.

Apparently the definition of an economic crisis has broad parameters. For the Aleut Corporation in 2005, gross revenues were \$96.0 M and net revenues were \$16.2 M. In 2004, gross revenues were \$66.6 M and net revenues were \$6.8 M. In 2004, gross revenues were \$51.3 M and net revenues were \$2.8 M (from TAC annual report).

9.) AFA CPs catch history: We are hearing rumblings that the AFA CP sector would like to revise and increase their catch history numbers in order to include p-cod that was minced or turned into meal (?). We would point out that: 1.) The existing catch history numbers have been available to the public since the April 2005 discussion paper so it is hardly timely to contest the numbers at this late date. 2.) The Council has previously chosen to not include meal in previous amendment packages (one of the reasons for not using total catch). The decision to use only retained legal catch was made in February 2005 by the Council (total catch was deleted). 3.) Meal is an ancillary product not a primary product. Catch (from WPRs) is derived from primary products not ancillary products. To the best of my knowledge, the methodology (WPR data) used in Amendment 85 is consistent with the methodology used in Amendment 80 and Gulf rationalization. 4.) Under IRIU (679.27 (c)), the regulations appear to state for CPs that a primary product must be made from an IRIU species (p-cod). Therefore, the claim to revise catch history numbers is untimely and inappropriate.

Please consider these comments as you move forward for final action at the April meeting.



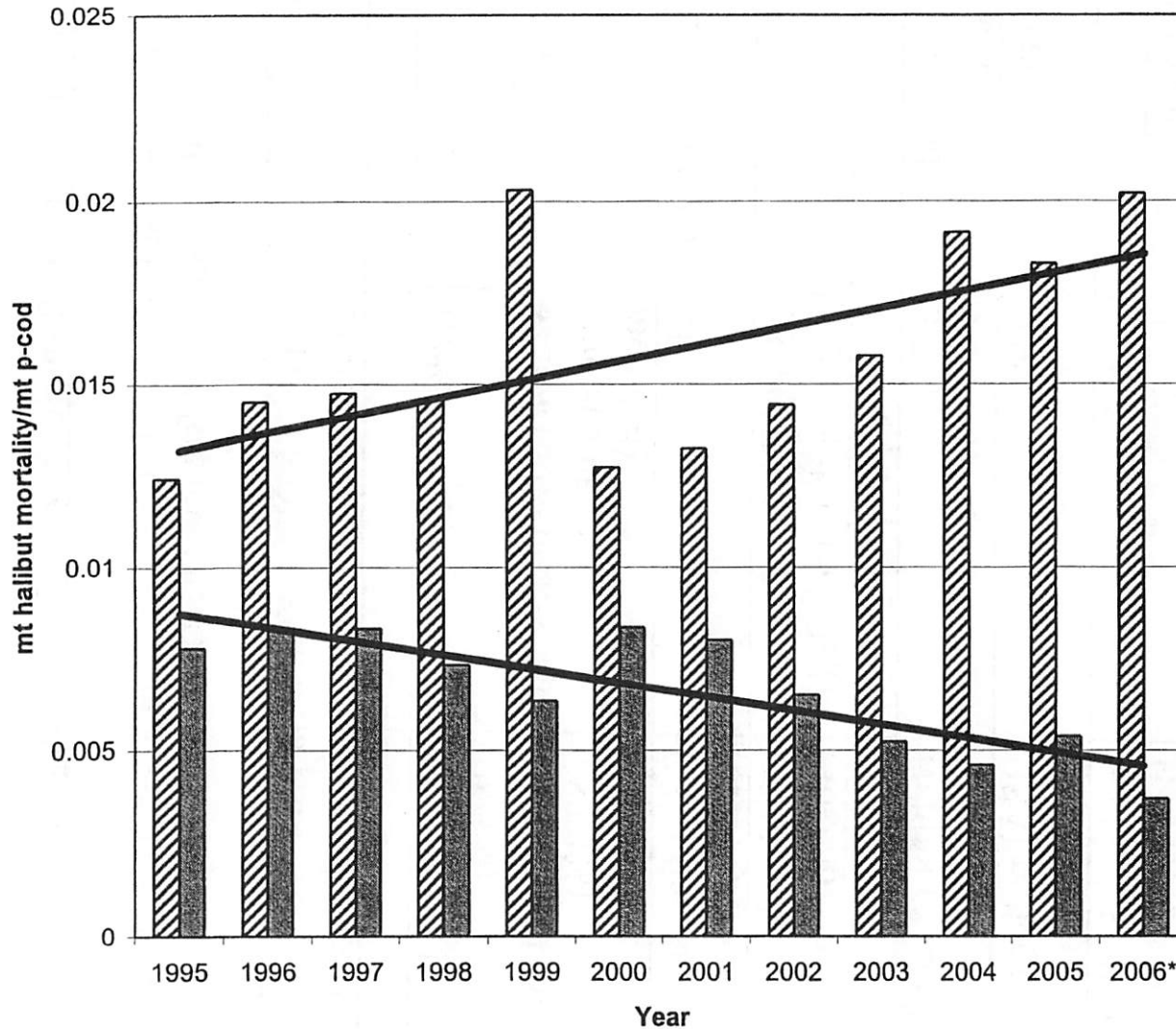
Gerry Merrigan
Government Affairs
Prowler Fisheries

Attachment 1: Sector Dependency on BSAI P-cod

From estimated first wholesale values, 1999-2003 (Tables 3-34, 3-35, pp. 139-140, A. 85 Public Review Draft)

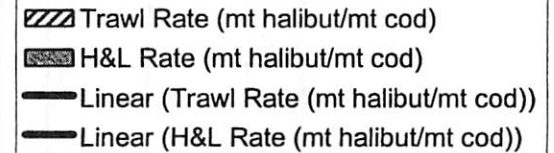
SECTOR	% DEPENDENCY ON BSAI P-COD	PRIMARY DEPENDENCE
AFA Trawl CP	1.7%	BSAI pollock (98.3%)
Hook-and-line CP	82.3% (80% if ex-vessel crab and halibut are included).	BSAI p-cod (80 – 82.3%)
Non-AFA Trawl CP	21.2%	BSAI flatfish (65.2%)
Pot CP	63.3% (33.6% if ex-vessel crab is included).	BSAI crab (46.9%)
<60' hook-and-line/pot CV	3.7%	Halibut (57.5%)
AFA Trawl CV	9.9%	BSAI pollock (79%)
Jig CV	12.8%	Halibut (34.1%)
Hook-and-line CV >60'	1.6%	Halibut (51.2%)
Non-AFA Trawl CV	34.7%	GOA groundfish (46.4%)
Pot CV >60'	14.5%	BSAI crab (74.7%)

Halibut PSC Use in BSAI P-cod Fisheries: Comparison of Trawl and Hook-and-Line



Trends

- 1.) 1995 = trawl rate is 1.6 X H&L rate.
- 2.) 2005 = trawl rate is 3.4 X H&L rate.
- 3.) 2006 "A" = trawl rate is 5.5 X H&L rate.
- 4.) 1995 - 2005, trawl rate has increased +47%.
- 5.) 1995 - 2005, H&L rate has decreased -31%.



Note: Rate Calculations

1.) **Hook-and-Line Rate** = mt halibut mortality from all BSAI H&L fisheries (CP H&L, CV H&L >60', CV <60' H&L) divided by mt of directed cod catch from CP H&L and CV H&L >60'. Catch from CV H&L <60' is not included. If this catch was included, the overall H&L halibut PSC use rate would be **lower** than depicted.

2.) **Trawl Rate** = mt halibut mortality from cod trawl fishery group (where cod is the target) divided by total cod trawl catch (CP and CV) including directed and incidental harvest. Halibut mortality from incidental harvest of cod is not included. If this mortality was included, the overall trawl halibut PSC use rate would be **even higher** than depicted.

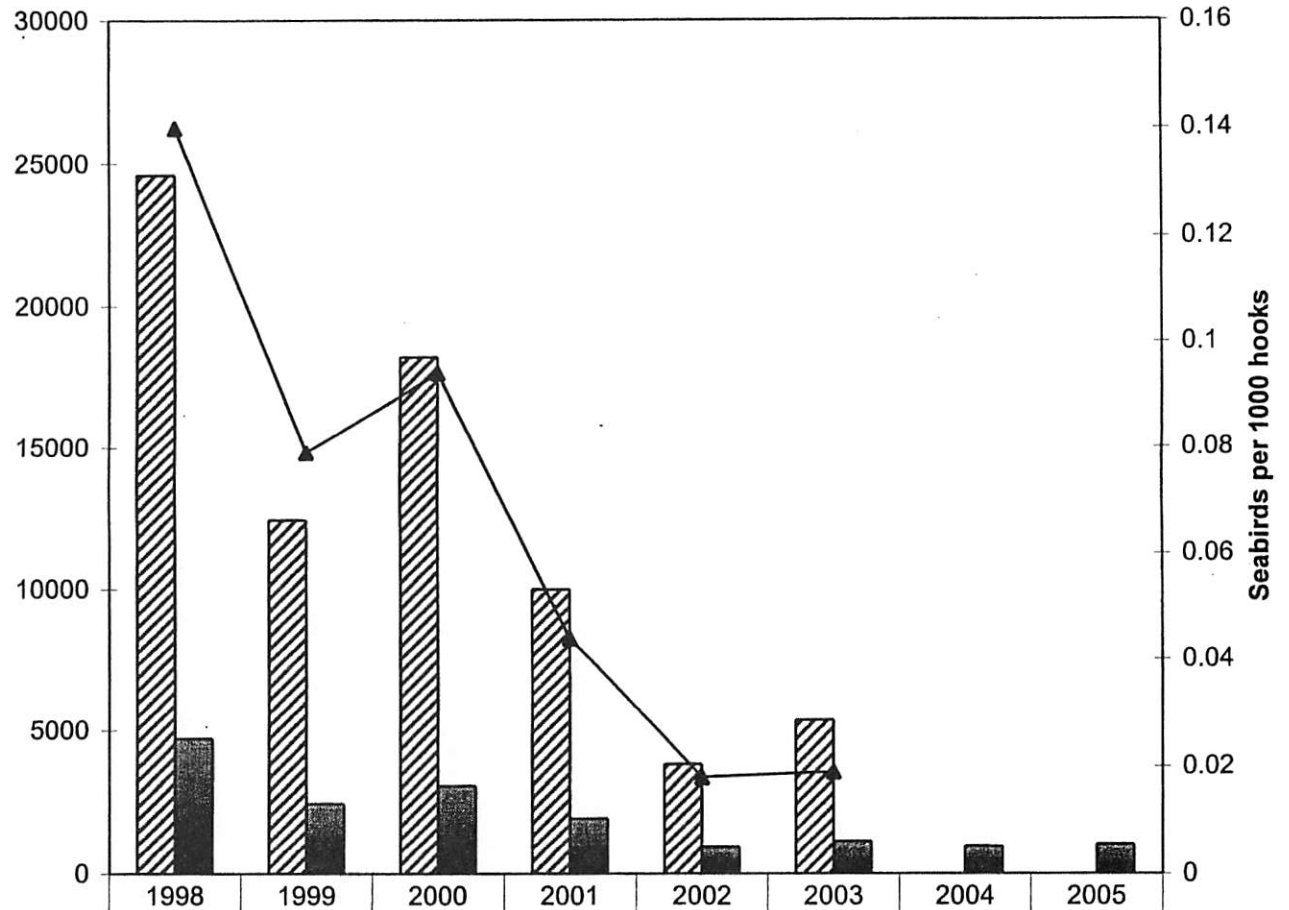
ATTACHMENT 2

Incidental Take of Seabirds in BSAI Hook-and-Line Fisheries

Trends

- 1.) From 1998 to 2003, the extrapolated bird takes have declined - 78%.
- 2.) From 1998 to 2003, the incidental take rate has declined - 86%.
- 3.) From 1998 to 2005, the observed takes have declined -78%.

Number of Seabirds

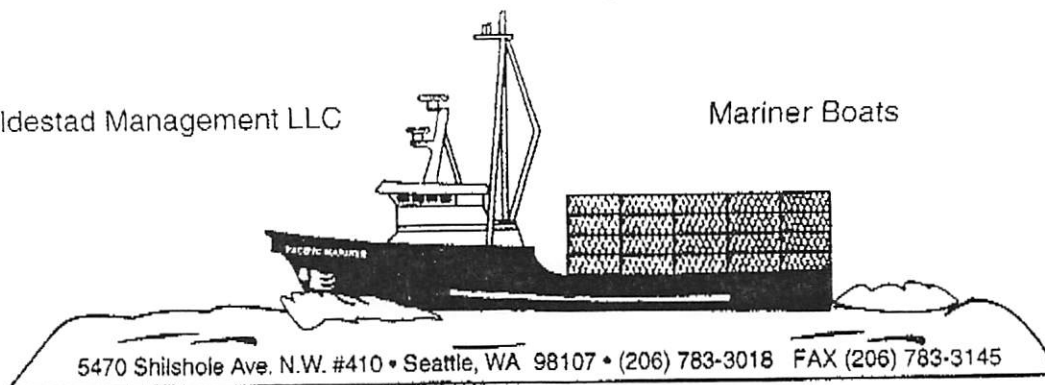


Extrapolated Bird Takes (all BSAI H&L)	24602	12418	18191	9992	3835	5351		
Unextrapolated Bird Takes (observed FLL only)	4708	2463	3092	1938	914	1125	931	998
Bycatch Rate (birds/1000 hooks)	0.14	0.079	0.094	0.044	0.018	0.019		

ATTACHMENT 3

Kaldestad Management LLC

Mariner Boats



Date: March 27, 2006

To: North Pacific Fishery Management Council
605 W. 4th Avenue, #306
Anchorage, Alaska 99501

Re: C-3 BSAI P. Cod Allocations-Amendment 85

Dear Council Members,

As a long time participant in the Bering Sea Pacific cod CV fishery, I would like to comment on Amendment 85. Several of our vessels have participated in the Bering Sea Pacific cod fishery since the late 1980's. Currently we have seven vessels that have Amendment 67 qualified LLP's for the Bering Sea. Over the years, the pot P-cod fishery has consistently delivered the best product shoreside with minimal bycatch of non-target species.

I would urge the Council to adopt Option 2.1, drop year, excluding AFA 9. This option would give the >60' CV vessels 8.6%. If any other option is chosen, this number should not be reduced. There are currently 48 BSAI LLP's in the >60' sector. The pot sector capacity is not current fully utilized with only ~30 vessels participating this year.

This option provides for the longest span of years and more accurately reflects the historical pattern of the P-cod fishery. The pot cod sector was severely impacted by the Stellar Sea Lion RPA's. The seasonal distribution of quota curtailed the pot fleet's ability to harvest the third trimester quota due to weather issues later in the year. Any rollovers available were difficult to utilize due to harsh weather conditions and lack of markets.

On the issue of allocating any quota for the pot cod sector to the Aleutian Islands, I would be opposed. >60' pot vessels have very little history in the Aleutians and only 5 AI LLP's exist. There are habitat concerns in the Aleutians that would be increased with additional gear contact with the bottom by pot fishers.

Sincerely,

Kevin L. Kaldestad
Mariner Boats

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MAR 29 2006
NPFMC



- Alaska Abstr
- Attention Lady
- Alaska Reader
- Boiled Letter
- Direct Letter
- Business
- Countryman
- Blue Star
- Blue Ace
- Blue North
- Blue Pacific
- Blue Celtic
- Blue Atlas
- Clippers: Superior
- Clippers: Endeavour
- Clippers: Epic
- Clippers: Express
- Northwest Aurora
- Pier 46
- Ocean Frontier
- Bojangles Reader

Stephanie Madsen, Chair
 NPFMC
 605 W. 4th Ave. Ste. 306
 Anchorage, AK 99501-2252

Re: C-3; Amendment 85, BSAI P-cod Allocations

Madam Chair and Members of the Council:

I am writing on behalf of the Freezer Longline Coalition to thank you for addressing BSAI Pacific cod sector allocations, which is long overdue, and for taking final action at this meeting. We believe the Problem Statement adequately describes the need for action under this amendment and we request that you thoughtfully consider this when making the allocation.

The Freezer Longline Coalition is an alliance of 21 freezer longline vessels and vessel owners who have come together to advocate on behalf of the freezer longline sector. The Coalition constitutes over half of all of the freezer longline vessels in the sector, all of which are owned by companies in Alaska and Washington state. A number of the vessels also have CDQ partners and provide significant revenue to local communities and native tribes through the CDQ Program.

The determining factors within the Problem Statement are catch history, consideration of socio-economic and community factors, and dependency on the species. The North Pacific Fishery Management Council has acknowledged that the BSAI Pacific cod fishery is fully utilized and that recent catch patterns have varied significantly from the current allocation framework. Participants who have made significant investments in the BSAI Pacific cod fishery need long term stability in the allocations set by the Council.

The freezer longline sector has averaged over 50% harvest for a significant period of time. From the years of 1997-2003, the freezer longline fleet harvested 50.3% of the annual total allowable catch. In 2005, the sector was responsible for catching over 52% of the harvest for that year.

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Letter to Council
March 29, 2006
Page 2 of 2

Given the fact that the current allocation to the freezer longline sector is only 40.8%, rollovers play a significant role in the sector's annual harvest. The longline fleet consistently catches what other sectors leave behind. In order to sufficiently address the Problem Statement, the allocations must be adjusted to reduce the rollover each year and better reflect the average of what each sector actually harvests.

The freezer longline sector has a very significant dependence on BSAI Pacific cod. According to the Council document (which may have provided low figures) the freezer longline sector produces 82.3% of its revenue from Pacific cod. The next closest sector with significant catch history for BSAI P-cod has a dependency of only 21.2%. As you can clearly see, no other sector has the dependency on Pacific cod that the freezer longliners do.

According to the National Marine Fisheries Service's cod model, the cod biomass will continue to decline. This will result in lower TACs for cod in the coming years. As you are aware, because of the 2 million metric ton cap, as cod TACs go down, it is most likely that pollack and flatfish TACs will increase. This trend will negatively affect those with the highest dependency on cod while sectors with less dependency on cod may actually have net increases.

Not only has the freezer longline sector shown consistent, significant catch history and a dependency on the species unmatched by any other sector, but they also are a leader in sustainable fishing practices. I call upon you to consider these factors and the objectives cited in the Problem Statement as you consider the allocation assessment. I request that the longline catcher processor sector receive a minimum allocation of 50% from the BSAI Pacific Cod annual sector harvest. It is my belief that this would be a reasonable and fair allocation to the freezer longline sector.

Thank you for your time and careful thought on this important matter.

Sincerely,



Dave Little
Freezer Longline Coalition

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MAR 29 2006

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2006-18

N.P.F.M.C.

A RESOLUTION OF THE UNALASKA CITY COUNCIL IN SUPPORT OF 60-FOOT-AND-UNDER FIXED-GEAR AND JIG FLEETS IN ISSUES PERTAINING TO AMENDMENT 85 BERING SEA / ALEUTIAN ISLAND PACIFIC COD SECTOR ALLOCATIONS

WHEREAS, the current Pacific Cod allocations among trawl, jig, and fixed-gear harvesters were implemented in 1997 and the CDQ allocation went into effect in 1998, and are, therefore, due for a review; and

WHEREAS, harvest patterns for Pacific Cod have varied among the sectors resulting in annual in-season reallocations of total allowable catch, and in the future, the basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors; and

WHEREAS, for two years, the City of Unalaska has been supporting the local resident 60-foot-and-under fixed-gear and jig fleet's position that the Unalaska resident 60-foot-and-under fixed-gear and jig fleet be exempt from qualifying years and catch history requirements for participating in the cod fishery; and

WHEREAS, the Unalaska City Council has supported the continuation of the 2% jig allocation and proposed rollover provisions to the 60-foot-and-under fleet, as well as new seasonal apportionments for the jig sector; and

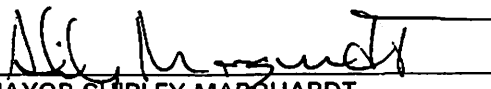
WHEREAS, the City of Unalaska also supports the proposed increase in the 60-foot-and-under fixed-gear allocation from 0.71% to 2% of the cod total allowable catch (TAC); and

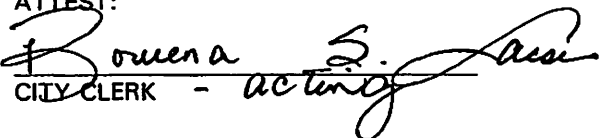
WHEREAS, supporting the local fleet position on provisions included in Amendment 85 will play an important role in the continued development of a local small boat fleet that delivers to the local processing plants and would utilize Unalaska's proposed new \$23 million small boat harbor, thereby supporting local businesses, schools, and strengthening the local tax base.

NOW THEREFORE BE IT RESOLVED THAT the Unalaska City Council supports the exemption of the 60-foot-and-under fixed-gear and jig fleet from qualifying years and catch history requirements, and recommends support for the continuation of the 2% jig sector allocation as well as the proposed seasonal allocation and jig rollover provisions, and

BE IT FURTHER RESOLVED that the City of Unalaska supports the increase in the cod allocation to the 60-foot-and-under fixed-gear fleet from 0.7% to 2% of the Pacific Cod TAC, which, when combined with the 2% jig allocation, would provide a total of 4% of the Pacific Cod TAC.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 28th DAY OF March 2006.


MAYOR SHIRLEY MARQUARDT

ATTEST:

CITY CLERK - acting

**SEA STORM FISHERIES, INC.**

400 North 34th Street, Suite 306
Searle, Washington 98103 U.S.A.

RECEIVED
MAR 29 2006
N.P.F.M.C.

Stephanic Madsen, Chair
NPFMC
604 W. 4th Ave., Suite 306
Anchorage, AK
March 28, 2006

RE: Drop Aleutian Islands/Bering Sea P. Cod Split from Amendment 85

Dear Ms. Madsen,

The Sea Storm is an AFA catcher vessel and active participant in the BSAI Pacific cod fishery. All of the proposed alternatives to split the Aleutian Islands and Bering Sea into two separate sub regions with two separate TACs would negatively impact our vessel.

We strongly urge that the Council drop from Amendment 85, Part II of the document which proposes allocative methodologies should action be taken at a later date to split the BSAI Pacific cod into two separate sub areas. It seems premature to make this decision at this time because its' impacts cannot be understood until the other components of 85 have been decided, and the consequences of the majority of the BSAI vessels being with AI endorsements, better understood. Further, based on the analysis, a conservation reason to pursue the split in the near future does not exist. For the above reasons we urge that this decision point be dropped from Amendment 85 and be considered at a later date.

The purpose of this proposed action was to set in motion rule making on an allocative split should the two sub areas be split for conservation reasons. At the February meeting the SSC requested background information on the biological basis for managing cod as separate BS and AI stocks rather than a single BSAI stock. Stock assessment scientists from the AFSC provided that background information including;

1) The "*BSAI P.cod stock is not overfished or approaching an overfished condition,*" and

2) There is insufficient evidence to confirm the hypothesis that the BS and AI stocks are separate -- specifically genetic studies indicate while there are differences in North American and Asian stocks, there is "*little differentiation between Pacific cod within the North American portion.*"

All the proposed methodologies have allocative impacts that will affect some sectors or individual vessels more than others based on the sector allocation decisions made elsewhere in the document and whether or not they have AI endorsements. For that reason, choosing an alternative at this time may hinder the ability of the Council to make an informed choice.

We urge the Council to sever this action from Amendment 85 and make this decision at a later time when evidence suggests that segregating the two areas might protect the Pacific cod stock(s), when the allocative impacts can be better understood and when appropriate consideration has been given to effects such a split might have on vessels which do not have AI endorsements.

Three very different approaches are taken in the document to allocating the proposed BA & AI P.cod split. All will have an immediate impact on vessels participating in the P. cod fishery and some will be more negatively impacted than others, depending on which alternative is selected.

- **Alternative 3** is the default position the agency has chosen to take should the Council not choose an alternative if and when the BS/AI split might occur in the future. It attempts to be most fair and objective by allocating equally to each sector a share of the BS and AI TACs. So, for instance, if the TAC split were thought to be 15% for the AI and 85% for the BS, each sector's allocation would be split 15% in the AI and 85% in the BS. *The problem with this alternative is that more than half the fleet is without AI endorsements and some sectors have not fished in the AI in recent years and so would have to change their fishing patterns.*
- **Alternative 4** is closest to status quo and most flexible insofar as individual vessels in all sectors could fish in their chosen area until that area's separate TAC was reached and the area closed. *The problem with this alternative is that it may incite a race for fish in the two separate areas forcing premature closure in one or both areas. For instance, those with AI endorsements may choose to fish hard in the Bering Sea first, causing it to close first and then moving to the AI where less than half the fleet with endorsements could follow.*
- **Alternative 5** is the same as Alternative 3 except that it would be the chosen position of the Council rather than the default position of the agency.
- **Alternative 6** is the Council's Preliminary Preferred Alternative and the most dangerous of all the alternatives insofar as it cements sector participation in the two regions based on recent participation. The sub-options vary on which recent years might be chosen, but the one most discussed is option 6.4 which is based on sector participation in 2002 and 2003. If the TACs shrink in one area and expand in the other, the sectors will be affected disproportionately. So for instance, the CV trawl would be awarded 43.4% of the AI TAC, or about 1/3 of its sector allocation, based on its catch history in those two years. Even though its catch history in that region a decade ago was only 47 tons and in 2001 was only half of what it was in 2002 & 2003 (the years included as option 6.4) it would be frozen at the highest participation level.. The AFA CPs also see a large increase during those years to 38.9% of the AI. In all other sub-options its share would be much less - between 4.6% and 13.8%. This large increase to the AFA CV and CP sectors comes at the expense of other sectors which are pretty much zeroed-out of the AI, with the exception of Non-AFA CVs which doubled their participation to 13.3% in those years from all other proposed sub-options. This sub-option is

described as the one that best reflects recent participation, but it's hardly a trend, it's a two year blip. *The problem with this alternative is that it puts all your eggs in one basket if TACs in the two sub areas change in the future. For instance, if the AI TAC took a nose dive to 5% of the combined TAC, one-third of the AFA CV TAC would take a nose dive as well. Conversely, if the BS TAC took a nose dive, the long line, pot, jig and H&G fleet would unduly suffer the consequences. Finally, the sectors with very small allocation in either of the two sub-regions, further subdivided by seasonal apportionments, may be so small the agency might not open the fishery for that sector. And, like all other alternatives, those without endorsements (60 vessels in the AFA CV fleet) would not have access to one-third of that sectors allocation.*

Area Endorsements.

The Sea Storm has a long history of participation in the BSAI cod fishery. However, it does not have an AI endorsement and would be negatively impacted by all the current proposals to split the Bering Sea and Aleutian Islands into two separate sub-areas with separate TACs.

Based on the discussion of this issue recently added to the document, more than half of the total LLPs (59) are endorsed only for the BS; the remaining (43) are endorsed for the BSAI. In the non-AFA trawl CV sector, the majority (44 of 50) of the eligible licenses are endorsed only for the BS. Thus only six LLPs in this sector can be used to fish in the AI. In the >60' pot CV sector, the great majority (48 of 53) licenses are endorsed only for the BS. In the <60 fixed gear sector, of the 116 total licenses being used on <60 vessels, 90 are only endorsed for the BS. As noted in the document, only those vessels with an AI endorsement will continue to be able to fish in the AI in federal waters, forcing these vessels to lose their AI catch history or perhaps trade it at a diminished value.

The document concludes that the AFA sectors have the ability to manage their separate sub-area allocations through the AFA coop structure. This is an optimistic view not shared by those of us without AI endorsements. *If the Council chooses a methodology to allocate separate AI and BS TACs now or in the future, we strongly urge the Council to consider an option that would rescind the separate AI and BS area endorsements so that they are all BSAI area endorsement and all participants have equal access to their catch history.*

Finally, the Sea Storm endorses all the positions of United Catcher Boats (UCB) on Amendment 85.

Thank you for consideration of our views on this important amendment package.

Sincerely,

Donna Parker

Donna Parker



AT-SEA PROCESSORS ASSOCIATION

Partners for Healthy Fisheries

www.atsea.org

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 MAR 29 2006
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March 29, 2006

Ms. Stephanie Madsen, Chair
 North Pacific Fishery Management Council
 605 W. 4th Avenue, Suite 306
 Anchorage, AK 99501-2252

SUBJECT: C-3 BSAI Pacific Cod Allocations

Dear Ms. Madsen:

In reviewing the EA/RIR for proposed Amendment 85 to the Fishery Management Plan for Groundfish of the Bering Sea/Aleutian Islands Management Area, we have identified significant discrepancies in the accounting for the catch history of the AFA catcher/processor (CP) sector. We believe that Tables 3-9 through 3-11, which are used to compare the relative catch histories of the proposed new cod sectors, grossly understate the total and retained catch of the AFA CP sector. For the period 1999-2003, Table 3-9 suggests that the average retained catch of the APA CPs was approximately 1.2% of the total non-CDQ retained catch. According to our calculations, the best available data (observer estimates of total catch and discards measured using flow scales) indicates that the average retained catch of the AFA CPs during this time period was approximately 2.7%, more than double the amount shown in Table 3-9.

The table below compares the AFA CP catch as reported in Table 3-9 against the PCC reported cod catches for the years 1999-2003.

Year	Table 3-9 AFA CP retained catch	PCC Reports AFA CP retained catch	Table 3-9 Total retained cod catch, all gears	AFA CP Percentage of Total Catch (Based on PCC Reports)
1999	3,686	6,561	144,084	4.55%
2000	1,709	3,602	161,228	2.23%
2001	1,432	4,081	152,553	2.69%
2002	1,287	3,585	166,296	2.16%
2003	1,409	3,842	180,944	2.12%
Average	1,904	4,334	161,021	2.69%



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Ms. Stephanie Madsen

2

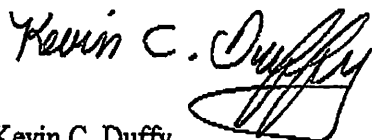
March 29, 2006

To complicate matters further, if the same calculation is performed using the AFA CP catch data listed in Table 3-56 of the EA/RIR and the total retained catch shown in Table 3-9, then the AFA CP catch average for 1999-2003 is higher than the 2.7% that results from using the data from the PCC reports.

In addition to the errors in the data reported for the AFA CP sector, there is a strong indication that the data in Table 3-9 must also be incorrect for other sectors as well. Since 1998, IR/IU regulations have required full retention of all Pacific cod. Comparing the total retained catch listed in Table 3-9 against the total catch reported in Table 3-58 (less the 7.5% CDQ allocation), Table 3-9 appears to understate the total reported catch by 10,000-17,000 mt every year. While permitted discards may account for some portion of this difference, it is much more likely that Table 3-9 simply does not accurately reflect the total retained catch.

Given the long-term implications of sector splits and apportionments envisioned under Amendment 85, it is incumbent upon the Council to use the best catch accounting information available, consistent with the high levels of data integrity envisioned under the Data Quality Act. We encourage the Council to address these data inconsistencies, and to use actual flow scale weights and discard estimates from observers as the most accurate reflection of catch history by the AFA C/P sector as you move forward on allocations of the BSAI Pacific cod resource.

Sincerely,



Kevin C. Duffy
Executive Director
At-sea Processors Association

cc: Chris Oliver, Executive Director
NPFMC

Alaskan Leader Fisheries

F/V Alaskan Leader
F/V Bristol Leader

8874 Bender Rd, Suite 201
Lynden, WA 98264
360-318-1280 fax 360-318-1440

DATE: March 29, 2006
TO: Stephanie Madsen, Chair
North Pacific Fishery Management Council
Sent by Fax: 907-271-2817
FROM: Robert J. Wurm, Managing Partner
SUJB: Agenda Item C-3: BSAI Pacific Cod Allocation

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MAR 29 2006
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I would like to submit comments to the Council in regard to the final action scheduled for Amendment 85, the Bering Sea/Aleutian Islands Pacific cod allocation.

As you know, our company operates freezer longline vessels that harvest Pacific cod in the Bering Sea and Aleutian Islands. We have been fishing for cod with freezer longliners since 1991. This fishery represents a majority of our income and we are highly dependent on being able to access the resource.

We were heavily involved in the first sector split of this fishery, which was implemented in 1994. In the past 12 years we have been involved in every discussion impacting this fishery.

As you know, the freezer longline fleet is more dependent on the Pacific cod fishery than any other gear group in the BSAI. Our dependency level is more than twice as much as the next dependent group. We have a long history in this fishery and we are asking that we receive an allocation based on our history, while factoring in our strong dependency on the fishery.

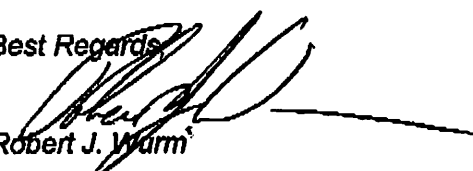
The concerns expressed in the Problem Statement, as shown below, outline the problems in the current allocations of this resource, as well as what issues need to be resolved to create a more stable, equitable allocation.

"Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors."

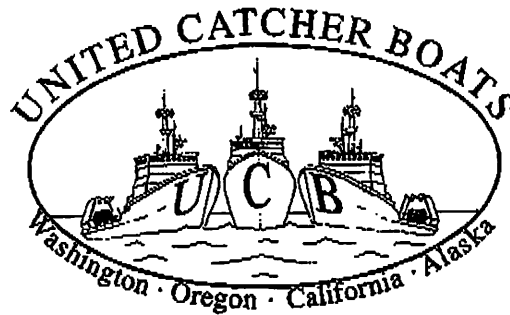
"To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector."

Let me thank you for reviewing our concerns on this important matter.

Best Regards,


Robert J. Wurm

Managing Partner

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MAR 29 2006

N.P.F.M.C.

March 29, 2006

Ms Stephanie Madsen, Chairperson
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501

Re: Agenda Items C-3, BSAI C. Cod Allocations

Dear Madame Chair:

The members of United Catcher Boats (UCB) wish to submit the following comments on Amendment 85, BSAI P. Cod Allocations. Along with our Bering Sea Pollock harvest, BSAI cod harvest is and has been extremely important to the trawl catcher boat fleet that has participated in the North Pacific fisheries since the late 1970's. Any reallocation of P. cod out of the trawl catcher vessel sector has major impacts to our fishing operations and the people who depend on our fishing operations, including Alaska communities with shoreside processing plants. With that said, we ask that you and the NPFMC members give serious consideration to the following recommendations to the various components found in Amendment 85. In general, the members of UCB recommend the Council adopt Alternative 2 of Part 1 with the following elements.

1. **Component 1: Sectors for which allocations are established (3.4.3.1)**

A. Establish two separate CV trawl Allocation groups. Under this component, the Council has the opportunity to create up to four trawl categories that will have their own separate allocation of BSAI P. cod. We ask that the Council revise the current trawl sector allocations (CP and CV trawl) by establishing two separate catcher vessel trawl allocation groups. The first group would include all the AFA endorsed trawl catcher vessels along with the three trawl vessels ("three amigos") that are highly dependent on BSAI cod harvests (see page 183 – 185). This can be accomplished by adopting Option 1.1 that establishes an eligibility requirement for the non-AFA trawl vessels (minimum of

100 mt of cod landings during each of the years 1995 - 1997). The second CV trawl group would include all other CV trawl vessels that have BS or AI endorsed LLPs. We have no position on whether or not to establish separate Catcher-processor trawl groups.

The primary reason for requesting two CV trawl sectors is to protect the vessels that are historically dependant on the BSAI cod resource. Due to a number of reasons, the historic amount of cod harvested by the cod dependant CV trawl vessels has decreased over the past decade. One reason for this is the increase in vessels. By establishing a separate trawl CV sector allocation for the vessels that have proven dependency on the cod resource you give this sector a level of stability and certainty.

The reason we request adding the three cod-dependant vessels into the AFA CV sector is that their historic P. cod fishing history matches the P. cod fishing history of the AFA endorsed CVs. In addition, adding them to the AFA sector protects their fishing operations by insuring an adequate amount of quota. Also, with the AFA sideboards in place the BSAI P. cod non-exempt AFA sideboarded vessels are constrained by the current sideboard provisions that basically puts the 3 non-AFA cod dependant vessels in the same protection category as the AFA P. cod exempt vessels (see pages 183 - 185).

B. Maintain the current AFA CV Sideboard provisions. UCB supports continuation of current AFA Sideboards, Exemptions and the InterCoop Cod Agreement. Under Alternative 2, component 1, the analysis describes circumstances that would result in the elimination of Sideboards, Exemptions and the termination of the Cod IC agreement (pages 176 - 179). If this were to happen, the result would be that the CV trawl sector would return to a full Olympic fishery within the AFA and non-AFA sectors. This is not an acceptable result, and therefore UCB supports continuation of the Sideboards and Exemptions under any Sector definition that is selected under Amendment 85 so as to maintain stability within the Sector. The AFA sideboards not only provide protection to non-AFA sector participants, they also provide a level of stability within the CV trawl sector, as well as within the AFA CV trawl fleet.

In addition, with the inclusion of the 3 cod-dependant Non-AFA trawl vessels into the AFA CV trawl sector, keeping the existing AFA CV P. cod sideboard provisions is important. The sideboard provision limits the harvest of the AFA non-exempt CVs to their collective historic limit (86% of the CV trawl sector allocations, or 35,341 mt in 2006). This sideboard provision ensures that at least 14% of the AFA CV sector allocation will be available for harvest by the 3 cod-dependant vessels along with the 9 AFA CVs that are exempt from the AFA CV P. cod sideboard regulation.

C. Support sub-option b, exclude the catch history of the retired nine trawl CPs. Under Component 1, the Council also has the option to exclude the catch history of the nine trawl catcher-processors that were retired under the provisions of the American Fisheries Act (AFA). We ask that you support Sub-option b. This would exclude the cod catch history of these nine retired catcher-processors. One provision of the AFA was the purchase of the catch histories of offshore catcher processors and subsequent sector reallocations to the inshore sector. Our understanding is the \$80 million loan being paid by the inshore participants and the \$100 million payment to the owners of the retired catcher-processors included the purchase of the non-pollock catch histories as well as the directed Pollock catch histories.

2. Component 2: Sector Allocations (3.4.3.2)

A. If the Council decides to pick one of the options in whole, UCB would recommend **Option 2.1, drop 1 year, exclude AFA 9 (Option 2.1, Suboption 1 and Component 1, Option 1.1)**. This would result in a status quo trawl CV sector allocation. Though this option does not give the highest historical percent caught to each individual sector, it insures that the amount of P. cod deliveries to Alaska shoreside communities remains at current levels. However, if the Council decides to pick Option 2.7 and establish sector allocations that sum to 100%, then **UCB recommends the Council allocate to the CV trawl sector 24.7% of the BSAI cod TAC. Of this amount we recommend 23.7% to the AFA & 3-amigo CV trawl sector and 1.0% to the non-AFA CV trawl sector.**

Choosing Option 2.1 with a drop year results in using the widest set of possible years, from 1995 to 2002. This includes years when nobody was fishing for "history". It also includes a number of years prior to the establishment of the SSL provisions. This last point is the greatest hardship the trawl CV fleet has experienced and is the main reason for the recent years' rollovers of P. cod out of the CV trawl sector. Prior to the SSL seasonal apportionment measures, the CV trawl fleet harvested almost all of its P. cod within the winter cod season, from January 20th through mid-April. Once the cod became disaggregated, the use of trawl gear to harvest P. cod becomes relatively uneconomic. Therefore, any trawl CV summer or fall seasonal allocation remained mostly un-harvested. We feel our sector should not be penalized by a reduction in our sector allocation due to recent SSL mitigation measures.

Regarding the "drop one year" sub-option, the NPFMC at its December 2000 meeting passed a motion as part of its recommendations on SSL issues, that the year 2001 be disregarded as a catch history year for any future rationalization plan. The reason for this was due to the impact the SSL measures had on P. cod harvests (as well as atka mackerel and Pollock harvests). This was the case for the CV trawl sector.

Additionally, no other cod sector delivers more harvest to inshore Alaska communities than the CV trawl sector, followed by the CV pot sector. Any permanent increase in allocation to the P. cod freezer-longliner CP sector is a transfer of value from the Alaska shoreside communities.

3. **Component 3: Seasonal Apportionments (3.4.3.3)**

Support Option 3.2. The purpose of the proposed action is to revise the sector allocations such that they reflect actual historic usage, and that the quota that comprises the adjustment in allocations is **quota that is harvested only in the second half of the year**. United Catcher Boats supports the concept of holding harmless the trawl CV's A and B season historic harvest amounts because the recent years' rollovers from the trawl CV sector to the FLL CP sector all have occurred in the fall and are due to the SSL seasonal apportionment of the CV trawl allocation. In order to not violate the SSL 70/30 temporal provision, any reallocation of trawl CV allocation should come out of the trawl CV 'C' season and into the fixed gear's 'B' season. If Option 3.3 Suboption 3 can achieve this result, then UCB suggests the Council adopt this option. However, if Option 3.3 results in a reduction in the amount of harvest from the trawl CV A and B seasons, we ask the Council not support Option 3.3 and support Option 3.2.

4. **Component 4 Rollovers Between Gear Sectors (3.4.3.4)**

United Catcher Boats requests the NPFMC adopt Option 4.2.2. Under this option, the projected unused allocations to any sector delivering inshore must be considered for reallocation to other inshore before being considered for reallocation to any offshore sector. This provides a hierarchy for rollovers from vessels that deliver inshore to other vessels that deliver inshore.

Because it is not likely that the trawl sector will harvest its entire C season allocation with new sector allocations due to current SSL provisions, the FFL CP sector will receive an additional increase in their sector allocation if the Council chooses an option that is based on the recent rollovers going to the FLL sector and continue to receive the trawl C season rollovers if the rollover hierarchy is not modified. In our estimation, the C season rollovers from the trawl sector results in about 2 to 3% of the BSAI TAC. In our opinion, continued reallocations due to sector rollovers combined with new sector allocations based on recent historic harvests will only compound the negative effects to the inshore catcher vessel fleet and shoreside plants.

5. **Component 6 & 7: PSC**

UCB recommends the Council adopt option 7.2. We support apportioning the trawl cod fishery's crab and halibut PSC into the four new trawl cod sectors. The

main reason for requesting this trawl sector PSC apportionment is to allow each sector to be responsible for their own usage (good or poor) of PSC. By doing this, each sector can better manage its own PSC usage. Option 7.2 bases annual PSC allocations to the cod trawl sectors on each sector's directed cod harvests. Basing the PSC on directed cod harvests is a true reflection on what amount of PSC is needed, thus is a fair method of PSC allocation. If Option 7.1 is chosen, then the H&G trawl sector will receive PSC amounts for their directed P. cod fishery in addition to the PSC apportioned to their flatfish fishery PSC categories. The end result is an amount of PSC to the H&G trawl sector that is in excess of the historic amount of PSC utilized for all their fisheries. The only fair method to apportion PSC between the trawl sectors is to choose Option 7.2. However this really only works if there is a separate AFA/three amigos sector since we have the tools to manage our PSC through inter co-op agreement.

One uncertainty regarding PSC allocations between the trawl sectors is whether or not the NPFMC will make a final recommendation on Amendment 80. These two amendments are intricately linked relative to PSC allocations within the trawl sectors and the new Amendment 85 analysis nicely makes this point.

Part 2: Aleutian Islands/Bering Sea Sector Allocations

United Catcher Boats recommends that this section be dropped from Amendment 85 and considered at a later date. The purpose of this section was to determine an allocative formula should the BSAI Pacific cod TAC be split in the future. It seems premature to make this decision at this time because its impacts cannot be understood until the other components of 85 have been decided. And importantly, based on the analysis, a conservation reason to pursue the split in the near future does not exist.

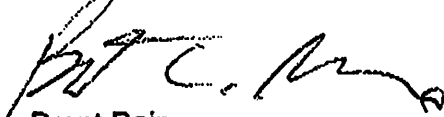
First, the purpose of this proposed action was to set in motion rule making on an allocative split should the two sub areas be split for conservation reasons. At the February meeting the SSC requested background information on the biological basis for managing cod as separate BS and AI stocks rather than a single BSAI stock. Stock assessment scientists from the AFSC provided that background information including: 1) The BSAI P. cod stock is not overfished or approaching an overfished condition, and 2) There is insufficient evidence to confirm the hypothesis that the BS and AI stocks are separate -- specifically genetic studies indicate while there are differences in North American and Asian stocks, there is "little differentiation between Pacific cod within the North American portion" (pages 268 - 270).

Secondly, all the proposed methodologies have allocative impacts that will impact some sectors or individual vessels more than others based on the sector allocation decisions made elsewhere in the document. For that reason, choosing an alternative at this time may hinder the ability of the Council to make an informed choice.

UCB believes it is appropriate to sever this action from Amendment 85 and make this decision at a later time when and if evidence demonstrates that segregating the two areas might protect the Pacific cod stock(s) and when the allocative impacts can be better understood.

Thank you very much for consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Paine", written over a faint, illegible typed name.

Brent Paine
Executive Director

Stephanie Madsen, Chairman
North Pacific Fishery Management Council

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MAR 29 2006

N.P.F.M.C.

C-3, BSAI Pacific Cod Allocations

Chairman Madsen,

This letter is concerns BSAI Pacific Cod Allocations (C-3) as it relates to the >60' pot sector.

I am part owner of the F/V Pacific Venture, which has participated in the BSAI pot cod fishery every year since we bought the vessel in 1994. The crew and owners of the F/V Pacific Venture are highly dependent on this fishery.

In considering options for years used for sector allocations, I request your support for options 2.5 (1999-2003) or 2.6 (2000-2003). I believe it to be practical to reflect the recent history in the BSAI Pacific cod fishery. Recency reflects more accurately each sectors dependance on the p. cod fishery. Options 2.5 and 2.6 best accommodate this rationale.

Concerning apportionment of BSAI Pacific cod sector allocations to the BS and AI subareas, I recommend option 6.4 of alternative 6 as the preferred option for p. cod sector allocations to the BS and AI subareas. For the same reasons as stated above, I believe that considering the recent distribution of effort for each sector will best serve each sectors interests. There are considerable economic inefficiencies for the > 60' pot sector in prosecuting a fishery in the AI.

In regards to impacts of Stellar sea lion measures on the >60' pot sector, I would like to note that it has become increasingly difficult for the sector to harvest their B season TAC due to seasonal apportionment implemented as a result of Stellar sea lion RPAs. For the 6 years prior to the implementation of Stellar sea lion measures the pot sector harvested 84% of their retained catch prior to June 10th. This seasonal shift in effort has adversely impacted the >60' pot sector catch history. I note this because Stellar sea lion measures preclude one sector benefiting from another sectors adverse impacts as a result of Stellar sea lion measures. I ask that you and the Council keep this in mind when deliberating on BSAI p. cod sector allocations.

Thank you very much for time.

Yours,



Jerry Bongem
PO Box 3523
Kodiak, AK 99615
907-486-6245
907-486-1959 fax

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March 29, 2006

Stephanie Madsen, Chair
NPFMC
605 W. 4th Ave, Suite 306
Anchorage, AK 99501-2252

REC'D
MAR 29 2006
N.P.F.M.C.

Sent via Fax

Re: C-3; Amendment 85, BASI P-cod Allocations

Madame Chair and Members of the Council:

On behalf of Clipper Seafoods, I would like to thank the Council for considering adjustments in Pacific cod allocation, as they are necessary to eliminate the inefficient practice of rolling un-harvested Pacific cod from the trawl sector to fixed gear. I am writing to urge your thoughtful consideration of the goals outlined in Amendment 85.

This allocation should be based on historical participation in the Pacific cod fishery and dependency on Pacific cod. In fact, the Council has made this one of their goals in adjusting the allocation. There is a very large difference in dependency levels among the various sectors, ranging from over 80% dependent to less than 2%.

The Council is considering an increase in the allocation to the small boat sectors above their historic level. If this increase happens, it should be determined in a manner that reduces the allocations to the sectors with the least economic dependence on Pacific cod.

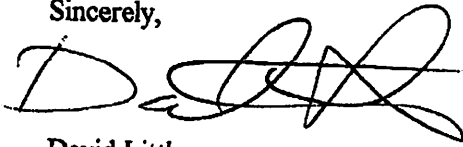
The Council also should take into account the recent BOF action on the state water AI Pacific cod fishery. The BOF has indicated that it intends to re-examine this fishery on an annual basis in order to adjust regulations. The intent of the fishery was stated to help the "economic crisis" in Adak. It is assumed that the fishery will be constantly adjusted for the next several years with the sectors most likely to receive future benefit being the non-AFA CV trawl and the jig/<60' pot sector.

Additionally, there should be no increase in the allocation to Community Development Quotas, given that the affected communities have not demonstrated any need for an increase. The CDQ program has been extremely successful as demonstrated by the fact that CDQ groups own a significant portion of the freezer longline sector and will already benefit from an allocation based on historical catch.

It is important to all freezer longline companies that the Council upholds its stated goal and gives the freezer longliners an allocation equal to their historic participation, which in recent years has been over 50% of the total harvest. These companies are almost completely dependent on Pacific cod harvests.

Thank you for your time and for reviewing my comments as you move forward to final action.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Little', written over a horizontal line.

David Little
President
Clipper Seafoods, Ltd.

Attention Stephanie Madsen, Chair
North Pacific Fisheries Management Council
605 West 4th, Suite 306
Anchorage, Ak 99501
PH (907) 271-2809
FAX (907) 271-2817

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MAR 29 2006

N.P.F.M.C.

March 29, 2006

Amendment 80

We are addressing the allocation of P-cod TAC for vessels 60' ft and under. An allocation for this sector should be set at the full 4 % as described in your options. It is important to preserve access to this fish for the 60 ft and under fleet. No assumption should be drawn as to the intent or final results of a state water fishery west of 177.

The 60' ft and under fishery should have an opening date of March 15th. This addresses the safety concerns of this small vessel fleet. Our preference would be to have access to the majority, if not all, of this fish during the A season. The fall season presents safety concerns due to inclement weather.

In viewing this as a sector allocation only, we do not believe this requires the Council to adjust the CDQ quota.

Ron & Julie Kavanaugh
FV Sylvia Star LLC
PO Box 3890 Kodiak AK 99615
sylstar@ak.net

* Kodiak Residents, pot fishing P-cod in Kodiak, Chignik, Sand Point, and Akutan with groundfish history dating back to 1990.



March 29, 2006

Ms. Stephanie Madsen
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska
99501-2253

RE: Amendment 85 - P. Cod Allocations

Dear Madame Chair,

Adak Fisheries is primarily dependant on the P. cod fishery in the Aleutian Islands. While most other Bering Sea processing plants are broadly diversified, Adak lives or dies based on access to P. cod. Our access will be determined by the Council action on Amendment 85, particularly with reference to the choice of Alternatives under Part II.

Part II determines the interaction of a TAC split of the Bering and Aleutians with the sector allocations. Adak Fisheries supports adopting a CV trawl allocation in the Aleutian Islands based on recent harvest patterns. Since the adoption of SSL mitigation measures in 2001, there has been a significant shift in harvest patterns by sector. Only option 6.4 captures those harvest patterns.

Adak Fisheries requests that the Council:

- Select option 6.4 based on the years 2002-2003, which also reflects the continuing fishing patterns by various sectors through 2004 and 2005.

The analysis states clearly that Options 3 & 5 have identical impacts and that they do *"not appear to meet the concerns described in the problem statement."*

Likewise, Option 4, maintains a "race for fish" between sectors by area, and within sectors by area. It is the impact of that race that has forced Adak to seek relief through a state water fishery.

Adak Fisheries believes that the Council should be pursuing a TAC split between the Bering and Aleutians. Doing so would provide a more stable access to the AI cod resource by the catcher vessel sectors upon which we are dependent. It is also a precautionary measure to spatially disperse effort in proportion to biomass. Finally, it is a more direct and efficient way of addressing the concerns of our community than extending a state water trawl fishery into the future.

The need to take action now on Part II is embedded in the problem statement. However, in the event the Council defers action on Part II, the default alternative (Option 3) will be most disruptive to all sectors. Thus, the Council should commit to not implement a TAC split prior to implementation of final action of the decision under a trailing amendment.

Adak Fisheries also supports the following general actions under Amendment 85:

- Separate allocation of cod to the AFA trawl CV sector combined with the "3 amigos" of at least 22%.
- Allocation to non-AFA trawl CVs in Federal and parallel P. cod fisheries in the Aleutian Islands that at least maintains their recent harvest levels.
- Provide an opportunity for new participation in the CV Pot and Hook-and-line CVs <60' and jig vessels in Federal and parallel P. cod fisheries the Aleutian Islands.
- Adopt the CV rollover hierarchy in Alt. 4.2.

Because <60' fixed gear vessels have almost no history in AI cod fisheries, none of the options provide a meaningful AI allocation to <60' Pot and Hook & Line, plus Jig. This precludes any development of a small boat cod fishery, except through a state water P. cod fishery. Adak Fisheries asks that the Council:

- **Make a pro-rata adjustment of AI sector allocations to provide up to 10% of the AI allocation to the <60' Pot and Hook-and-line CV sector and the Jig sector for harvested in the Aleutian Islands.**

The Council initially adopted a 1.4% allocation of the fixed gear allocation to this sector at the request of representatives of the Adak community. A variety of circumstances have precluded the ability to make use of this allocation.

- Construction of the small boat harbor in Adak just occurred in 2005.
- Table 3-6 (page 91) shows that only 5 CV Pot vessel under 60' hold AI endorsements.
- In 2005 the season closed April 9th for the 1.4% allocation (including rollovers from jig).

The attached page, shows how highly dependent Adak Fisheries and the community of Adak are on P. cod and the outcome of Council action on Am. 85.

Thank you for considering our concerns.


dave fraser

Adak Fisheries, LLC
100 Supply Road
Adak, Alaska 99546

Putting Adak's Dependency on P. Cod in Perspective:

It may be argued that Adak is "asking for too much," of the AI cod allocation to be made available to the CV sectors upon which it depends. Our request needs to be put in perspective. Compared to an average Bering Sea AFA processor, what we are trying to survive on is a drop in the bucket. Here are some comparisons:

Pollock:

- The average AFA shorebased processor will do 92,667 tons of pollock this year - estimated wholesale value \$75,000,000.
- Adak Fisheries will do 1000 tons of pollock this year, 1% of what an average AFA processor will do.

Crab:

- The average AFA shorebased processor will do about 6,000,000 lbs of crab this year - estimated wholesale value about \$22,000,000
- Adak Fisheries' crab allocation is about 62,000 lbs this year - wholesale value about \$300,000, less than 1.5% of what an average AFA processor will do.

Cod:

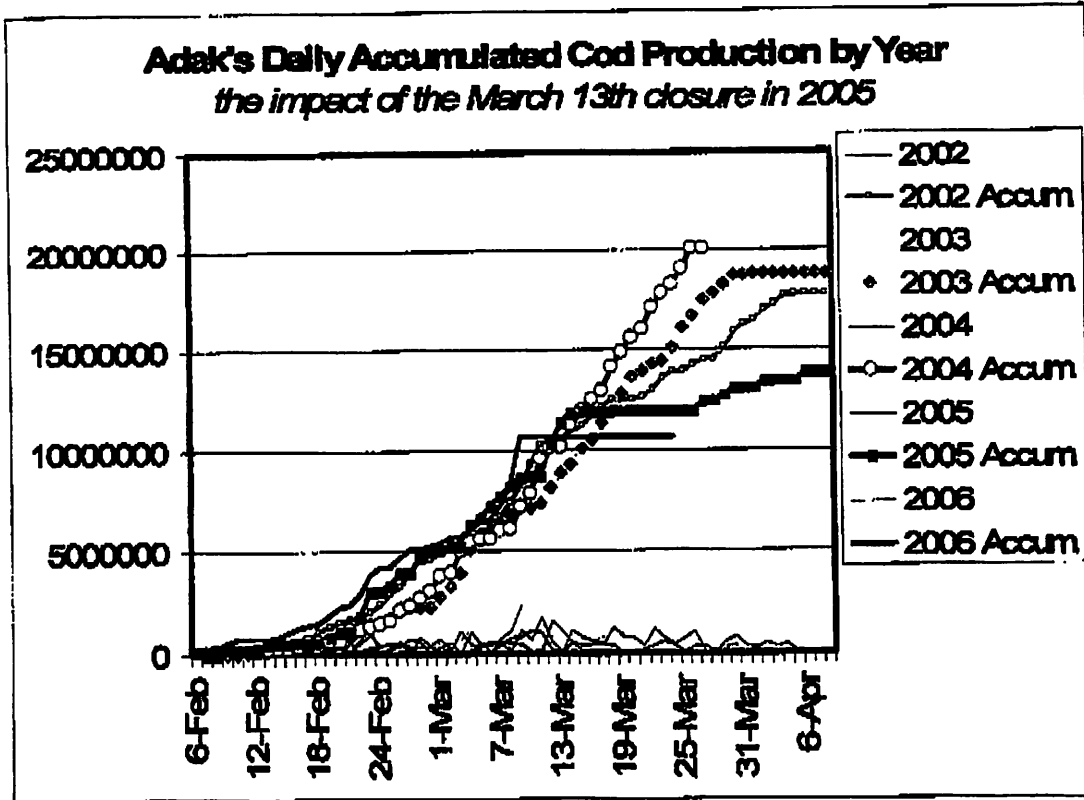
- The average AFA shorebased processor will do about 4,000 tons of P. cod this year - estimated wholesale value about \$6,000,000.
- Adak Fisheries has done up to 10,000 tons in a year, but as a result of continuing compression of the seasons as the result of the race between BS and AI, we did only 5,000 this year's federal season.

For pollock, crab and P. cod combined, (and excluding salmon - of which Adak has none) the average AFA shorebased processor will gross 10 times what Adak Fisheries will gross.

Even if the full AEC A season pollock was harvestable, Adak Fisheries would still only gross about 2% of an average AFA shorebased processor.

Alt. 6.4 of Amendment 85 (the most favourable alternative) would provide around 11,674 tons to trawl CVs fishing the Aleutians, or about 30% of the combined BSAI trawl CV allocation. However, Adak Fisheries must still be competing with other AFA processing companies with floaters such as Stellar Sea, the Katie Anne and the Independence that also process in the Aleutians.

In each of the last 3 years the Aleutian Island trawl P. cod fishery has closed earlier as the result of the race with the Bering Sea P. cod fishery. The net effect is that the CV trawl cod fleet and Adak Fisheries have been "cut off at the knees" earlier each year.

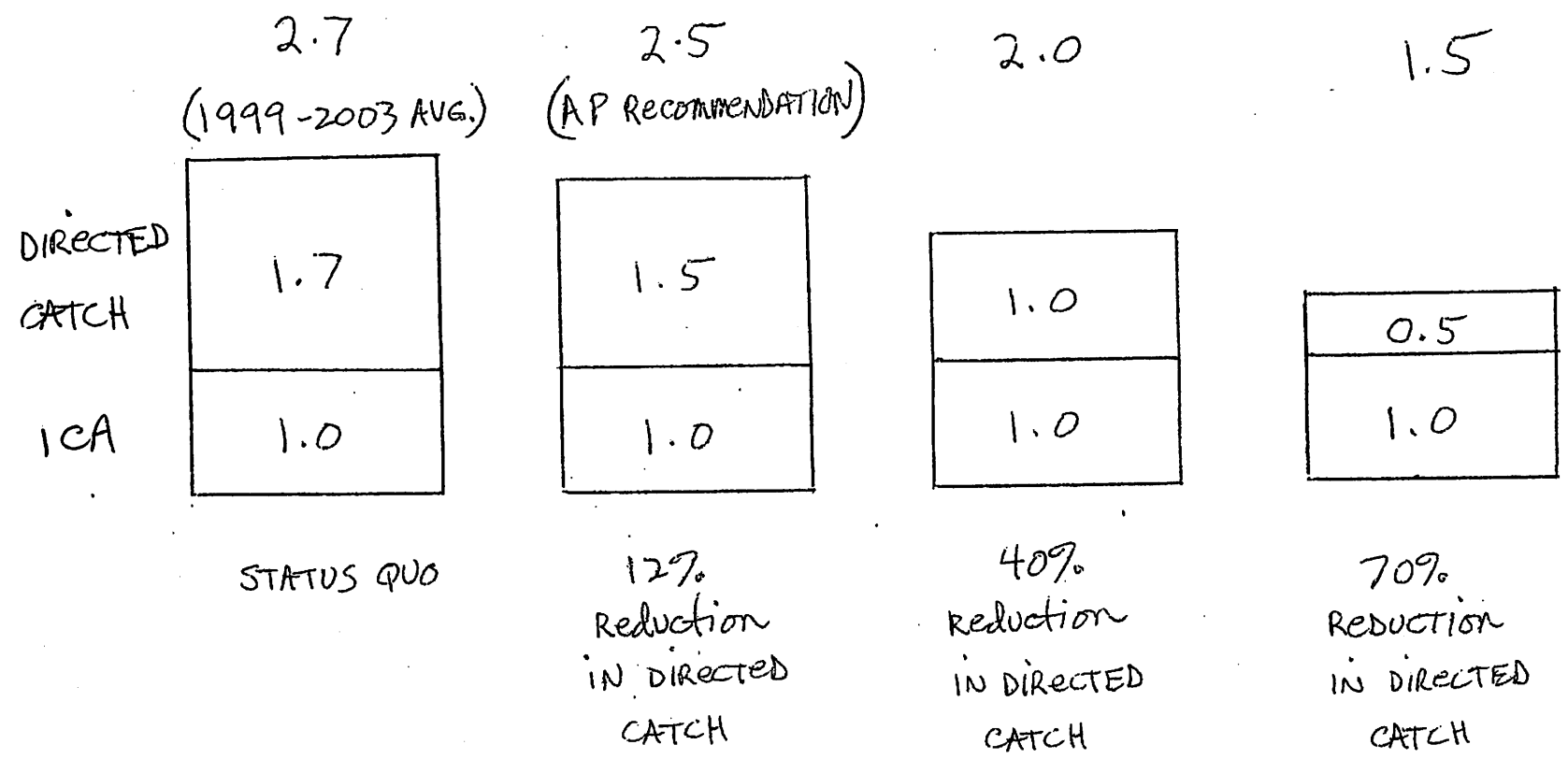


Cod catches by area

Year	BS	AI	total	ABC	AI% ABC	AI trawl	trawl % of AI
1998	156,526	34,726	193,252	210,000	16.5%	20,531	59.1%
1999	145,865	28,130	173,995	177,000	15.9%	16,437	58.4%
2000	151,372	39,684	191,056	193,000	20.6%	20,362	51.3%
2001	142,452	34,207	176,659	188,000	18.2%	15,826	46.3%
2002	166,552	30,801	197,353	223,000	13.8%	27,929	90.7%
2003	176,659	32,455	209,114	223,000	14.6%	31,478	97.0%
2004	184,945	28,865	213,810	223,000	12.9%	25,766	89.3%
2005	143,492	20,911	204,877*	206,000	10.2%	18,975	90.7%

- from Nov. 2005 SAFE document (* 2005 total from NMFS in-season reports)

AFA CP Sector ALLOCATIONS



C-3

mike Hyde
AMERICAN SEAFARERS

**City of Adak
Adak, Alaska**

Resolution No. 2006-01

A RESOLUTION SUPPORTING LETTER RE: AMENDMENT 85 -P. COD ALLOCATIONS

WHEREAS, the community of Adak dependent upon the P. Cod fishing industry to provide jobs to local residents, and income tax for a stable economic base; and,

WHEREAS, - 95% of the city's tax base is from raw fish tax as well as tax on fuel sales to fishing boats delivering to Adak; and,

WHEREAS, the vast majority of the raw fish tax since crab rationalization comes from cod.

WHEREAS, fish processing is the largest single source of private employment on Adak; and,

WHEREAS, all other local businesses are completely dependent on the fishing industry; and,

WHEREAS, the city has invested over 6 million in the development and construction of a small boat harbor to support a local fishing fleet; and,

WHEREAS, as the race with the BS cod fleet intensifies, the season has closed earlier each year resulting in less cod landed in Adak in the last couple years.

NOW THEREFORE BE IT RESOLVED, by the City of Adak, that the City of Adak supports Adak Fisheries letter dated March 28, 2006 to the North Pacific Fishery Management Council RE: Amendment 85 - P. Cod Allocations and that Adak needs stable access to the AI cod resource by those catcher vessel sectors upon which the economic viability of the community is dependent.

Passed and adopted by Adak City Council this 1ST day of April, 2006.



William Tillion, Mayor

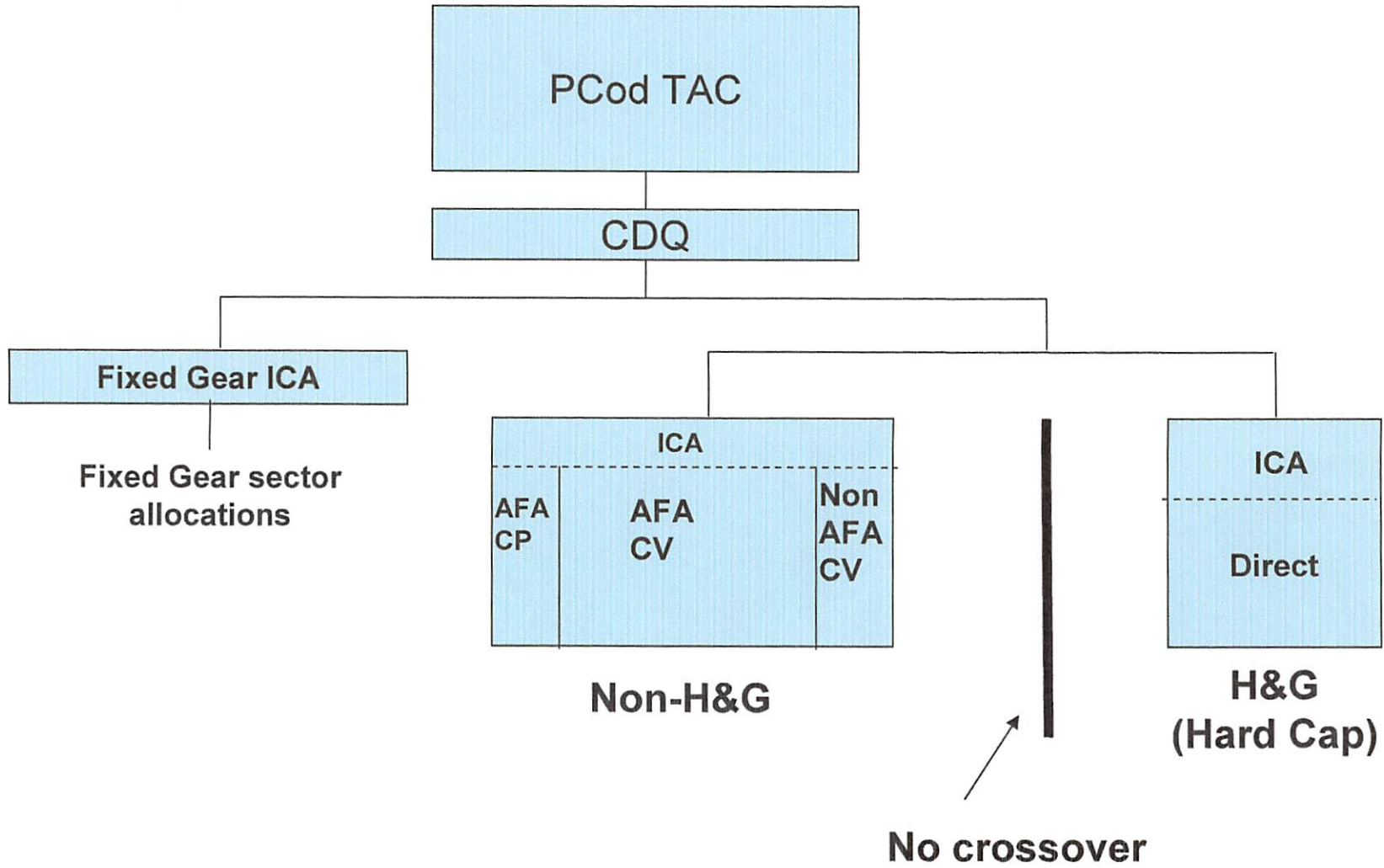
Attest:

 FOR

Chrissy Dushkin, City Clerk

STEVEN L. HINES, City MANAGER

Amendment 85 Sector Allocations and ICAs



DAVE FRASER
C-3

Some of the touchstone words of the problem statement are:

- Significant Investment
- Dependence
- Stability
- Consideration of socio-economic and community factors.

These are precisely the words that we would employ to describe the problem facing Adak Fisheries and the community of which we are a part.

We have made significant investment, we depend almost entirely on cod for our revenue, the stability of the company and community have been eroded by the race between the Bering and the Aleutians for the cod quota. And so we would ask the council to consider the economic impacts on our company and community when selecting options under Am. 85.

Adak Fisheries depends on trawl catcher vessels for cod. Most of the cod we buy comes from AFA CVs, however, we are also very dependent on a fleet of smaller non-AFA vessels who work in the parallel fishery in state waters. We want to maintain the ability of both fleets to deliver fish to Adak.

The AP motion "lowballs" the allocations to both the AFA and Non-AFA CV trawl sectors. In that regard it is important to note that there is a fine print footnote on page 188 and elsewhere that states that up to 2% of the cod harvest is not accounted for during the years that motherships weren't required to file fish tickets.

Relative to the non-AFA CVs we note from table 3-60 on page 184 that in 2002 & 2003 the catch of the non-Amigos was 8562 tons. From table 1-133 on page 289, we see that 87% (7478 tons) of the non-Amigo non-AFA CV catch in those years occurred in the Aleutians.

We are concerned that splitting the AFA/non-AFA sectors without splitting the AI from the BS will severely constrain the ability of the small boat trawl fleet to fish in a parallel mode in the Aleutians.

Adak Fisheries testified to the BOF and the Joint Board./Council meeting that we believe that Am. 85 could address the problem we are facing.

We asked the BOF for a short term statewater trawl fishery until the Council took action on part II of AM. 85.

Long term we believe the CV trawl fishery in the AI is best managed as an integral part of the federal fishery.

We agree that final action on Part II may not be appropriate at this meeting. People do need to see the final allocations to sectors before they can focus on the impacts of the area distribution of the allocations.

We ask that the Council select Option 6.4 as the preliminary preferred alternative. The Council should also explicitly state that it can select area allocations within the range of percentages found in the full set of Part II alternatives.

Prepared by William Orr
Iquique US

IMPACT ON FUTURE HARVEST OPPORTUNITIES

Current Trawl CP Allocation	23.50%
2006 Cod ITAC	179,450
Allocation based on 2006 TAC	42,171 mt
Value per round ton	\$2,000
Value of Allocation	<u>\$84,341,500</u>
Less 1.0% for AFA Trawl CP	22.50%
Harvest for H & G Fleet	40,376 mt
Value to H & G Fleet	<u>\$80,752,500</u>
AP Recommended Allocation	14.00%
Harvest for H & G Fleet	25,123
Value to H & G Fleet	<u>\$50,246,000</u>
Reduced Value	\$30,506,500
Reduction as percentage	37.78%

IMPACT ON RECENT HARVEST

Non AFA Trawl CP	2000-2003	16.20%	Table 3-63 Option 2.6
2006 -based allocation		29,071	
Value		<u>\$58,141,800</u>	
Reduction in Value based on AP		\$7,895,800	
Reduction as Percentage		13.58%	

EQUITY

	<u>Trawl CV</u>	<u>Trawl CP</u>	
Current Allocation	23.50%	23.50%	
2004 Harvest	20.80%	20.90%	Table 3-12
2005 Harvest	18.90%	18.80%	
AP Recommendation	21.10%	16.50%	

CUMULATIVE IMPACTS

- Amendment 79
 - Reduced revenue based on lower valued products
 - Increased costs due to factory modifications and monitoring expenses

- Amendment 80
 - Reduced revenue due to lower harvest
 - Lower Allocations
 - Reduced PSC allowance

Amendment 85 problem statement:

“...the current allocations do not correspond with *actual dependency* and *use* by sectors... The basis for determining sector allocations will be *catch history* as well as consideration of *socio-economic and community factors*.”

Actual dependency (Tables 4.1 and 4.2, pages 322-323):

- AFA trawl CP: 1.7%
- AFA trawl CV: 9.9%
- Non-AFA trawl CP: 21.2%
- Non-AFA trawl CV: 34.7%

Use, historic use, catch history:

- The American Fisheries Act is a permanent change in the nature of trawl fisheries. Since implementation of the AFA, fishermen have adjusted business practices to reflect the new post-AFA paradigm. The only relevant history to use, when anticipating future needs, is that which occurred after implementation of the AFA (i.e., 2000 and forward).
- The most recent and most complete set of years in the analysis, post-AFA, is 2000-2003. Note that the other allocation action in front of the Council (Amendment 80) does not include drop years at the sector level.

Socioeconomic and Community factors:

- The Advisory Panel recommends a 3% allocation to jig + <60 HAL/Pot CVs.
- Where does this come from?
 - Sectors that benefit from the rollover of the unused allocations? This may be hard to predict.
 - All sectors pro-rata?

The result: Table 3-68, Option 2.6 2000-2003, no drop years, pro-rata funding of 3% small boat allocation (page 195, “Effect of 3% small boat allocation on the BSAI Pacific cod sector allocations”):

<60 HAL/Pot CVs	2.0%
AFA Trawl CPs	0.9%
AFA Trawl CVs	18.0%
Jig CVs	1.0%
Longline CPs	49.0%
Longline CVs >60'	0.3%
Non-AFA Trawl CPs	15.9%
Non-AFA Trawl CVs	2.8%
Pot CPs	1.4%
Pot CVs >60'	8.9%
TOTAL	100.0%

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April 6, 2006

By Hand Delivery

Stephanie Madsen, Chair
North Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, AK 99501-2252

Re: Amendment 85 to the BSAI Groundfish FMP
Agenda Item C-3

Dear Madam Chair:

This letter is respectfully submitted on behalf of Fishermen's Finest, Inc., which operates two non-AFA catcher processor vessels that fish for Pacific cod, Jubilee Fisheries, Inc., which operates one non-AFA catcher-processor vessel that fishes for Pacific cod (and also two longline catcher processor vessels that fish for Pacific cod), and a number of other operators of non-AFA trawl catcher processors. My clients are gravely concerned about the unfairness to non-AFA trawl catcher processors of the allocation recommendations that the Advisory Panel adopted yesterday.

The Amendment 85 Problem Statement articulates the problem that Amendment 85 is intended to address as follows: "the current allocations do not correspond with actual dependency and use by sectors."¹ We wholeheartedly support the effort to conform the BSAI Pacific cod allocations to the existing realities of actual use and dependency by sector, but the AP proposal, at least when it comes to the non-AFA trawl catcher-processor vessels, is not calculated to achieve that goal.

¹ See Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis for Proposed Amendment 85 to the Fishery Management Plan for Groundfish of the Bering Sea/Aleutian Islands Management Area (Allocation of Pacific Cod among Sectors and Apportionment of Sector Allocations between Bering Sea and Aleutian Islands Subareas (Public Review Draft, March 2006) (hereinafter referred to as the "Amendment 85 Document" or "A.85 Doc."), at, e.g., vi (emphasis added).

Actual Usage

The following charts show the actual harvesting of Pacific cod in recent years by sector and how it would be affected by the AP proposal. The first column of figures is the 2000-2003 average harvest of Pacific cod (by percentage in the first chart and by tonnage in the second) and is taken directly from Table 3-66 on page 193 of the Amendment 85 Document.² The second column shows the allocation shares proposed by the AP and, in the second chart, the tonnage that would result from application of those shares to the 2005 ITAC. The third column shows the difference between the two figures in the first two columns, and the final column in the first chart shows the percentage change that would result from adopting the AP recommendation.

Sector Percent of P. cod

Sector	00-03	AP	Difference	% change from 00-03
<60 ft HAL/Pot CVs	0.7%	2.0%	1.3%	186%
AFA Trawl CP	0.9%	2.5%	1.6%	178%
AFA Trawl CV	19.6%	20.3%	0.7%	4%
Jig CV	0.1%	1.0%	0.9%	900%
Longline CPs	50.1%	49.0%	-1.1%	-2%
Longline CVs >60'	0.3%	0.2%	-0.1%	-33%
Non-AFA Trawl CP	16.2%	14.0%	-2.2%	-14%
Non-AFA Trawl CV	1.6%	0.8%	-0.8%	-50%
Pot CPs	1.4%	1.7%	0.3%	21%
Pot CVs > 60'	9.1%	8.5%	-0.6%	-7%

² The express purpose of Amendment 85 to conform allocations to existing realities clearly is best accomplished by looking to the most recent usage data available (over several years for reliability). Basing the decision upon usage in earlier periods that extend to as long as a decade ago would perpetuate the disconnect between the allocations and actual current usage which is the very problem that Amendment 85 is intended to solve. In the case of the non-AFA trawl CP sector, the AP proposal of a 14% share would push them back in time to the 1990s, even as some other sectors would receive more than their actual recent participation (or dependency).

Sector MT of P. cod*

Sector	00-03	AP	Difference
<60 ft HAL/Pot CVs	1,334	3,811	2,477
AFA Trawl CP	1,715	4,764	3,049
AFA Trawl CV	37,348	38,682	1,334
Jig CV	191	1,906	1,715
Longline CPs	95,466	93,370	(2,096)
Longline CVs >60'	572	381	(191)
Non-AFA Trawl CP	30,869	26,677	(4,192)
Non-AFA Trawl CV	3,049	1,524	(1,524)
Pot CPs	2,668	3,239	572
Pot CVs > 60'	17,340	16,197	(1,143)

*based on 2005 TAC, less 7.5% CDQ
 190550

2005 Actual H&G catch 30,534
 2005 % of ITAC 16%

Source: NMFS catch accounting system, 2005
 (Data request was not made for 2004 but based on
 Table 3-12 of A. 85 Document, the H&G percentage
 was likely higher in 2004 than 2005)

It is obvious from a mere cursory glance at these charts that the AP proposal would not conform the allocations to actual usage by sector, and, moreover, that the AP deviations from that goal would disproportionately hurt, among others, the non-AFA trawl CPs, who would lose 2.2% of the total fishery, which represents a loss of 4,192 metric tons of cod (based upon the allocation percentages applied to the 190,550 mt 2005 ITAC). Using the conservative estimate in the Amendment 85 Document that each percent of the share is worth \$2 million (*see* Amend. 85 Doc. at 151), this translates into lost revenue of roughly \$4.4 million annually.

It is also important to recognize that the options presented by the Amendment 85 Document are all based upon data that at best is several years out-of-date. Option 2.6, which is the option that is most reflective of actual current participation in the fishery, documents that during the four year period starting in 2000 and ending with 2003, the non-AFA trawl CP sector averaged in excess of 16% of the Pacific cod harvest.

To the extent that more recent data is available, it confirms that the 16.2% level of participation during that prior four-year period is not an aberration. As is noted at the foot of the chart on page three of this letter, the actual Pacific cod catch by non-AFA trawl CPs in 2005 was 30,534 metric tons, which is almost exactly 16% percent of the 2005 ITAC of 190,550 mt. The data necessary to determine the specific percent participation for 2004 has not been obtained, but based on the combined trawl CP data in Table 3-12 of the Amendment 85 Document (at page 105), it is almost certainly higher.³

Those precise figures are not essential, however, to make the basic point, which is that the more recent available data confirm that the non-AFA trawl CP sector's 16.2% average share for 2000-2003 is part of a larger, steady trend of actual usage by this sector over the past six years at a participation level of 16% or more.

Thus, the AP's proposal to relegate the non-AFA trawl catcher-processors to a 14% share emphatically does not reflect the non-AFA trawl CP sector's current, or even its relevant historical, participation in this fishery.⁴

Actual Dependency

The non-AFA trawl CP sector is heavily dependent upon Pacific cod; the AFA CP sector is not.

As noted above, the existing reality over the past six years is a steady actual non-AFA trawl CP cod catch history averaging in excess of 16%. Very serious hardship would result to the non-AFA trawl CP fleet from a reduction of their allowable catch down to 14%. A 14% share would reduce their permitted catch by more than 2% of the fishery, which would mean a loss to them of more than one-eighth (12.5%) of their catch ($16\% - 14\% = 2\%$; $2\%/16\% = 12.5\%$). On the conservative assumption in the Amendment 85 Document that each percent

³ Table 3-12 shows a combined AFA and non-AFA trawl CP share of 20.9% in 2004, as compared to 18.6% in 2005. It does not separate out the different sectors' shares.

⁴ By contrast, there is no basis in the record to support a claim that the AFA factory trawlers have a history of participation at the AP's proposed level for that sector of 2.5%. See the charts on pages two and three of this letter.

share is worth \$2 million, the reduction from 16.2% (the 2000-2003 average) to 14% would cost the non-AFA trawler CPs \$4.4 million annually (and the real cost of the reduction from the actual 2004-2005 catch would be even greater).

Moreover, there is a very important additional fact that the Amendment 85 Document fails to consider at all: the non-AFA trawl CP sector is dependent upon cod not only as a targeted fishery, but also as an incidental component of the flatfish fisheries that the non-AFA trawl CP vessels target when they are not targeting cod. Almost half of the non-AFA trawl CP cod harvest last year was taken as bycatch in their flatfish and mackerel targeted fisheries. Substantial cod bycatch is inevitable for their participation in those fisheries, and that bycatch is subject to mandatory retention. For these reasons, a reduction in their cod allocation will affect their entire BSAI fishing effort.⁵

This presents a very real, practical problem to the non-AFA trawl CP vessels. If they take the 2.2% loss (that the AP is proposing) in the target cod fishery, they would lose (under the conservative assumptions in the example given above) at least \$4.4 million annually – and the lost catch history in the cod target likely will adversely affect them in future cod reallocation battles. If, alternatively, they take the loss in the flatfish fisheries, then their overall catch of flatfish will be lower and they will lose not only the cod value of (at least) \$4.4 million annually but the value of the target flatfish as well.⁶

In this way, while somewhat more than half of the non-AFA trawl CP cod harvest is in the targeted cod fishery, the non-AFA trawl CP sector is dependent upon the cod allocation for

⁵ Table 3-35 does *not* show that the non-AFA trawl CP vessels' dependence on cod extends to only 21.2% of their annual fish plan. Table 3-35 does indicate that during 1999-2003, 21.2% of their revenues was attributable directly to Pacific cod (which, by the way, is many times that table's corresponding figure of 1.7% for the AFA factory trawlers); but it also shows that 65.2% of their revenues was from sales of other BSAI groundfish. Over the course of 1999-2003, 25 non-AFA trawl CP vessels fished in non-cod target fisheries, and 25 (same vessels) targeted BSAI cod. Of those 25 in the fleet, only 2 did not fish in the Gulf of Alaska at some point in during that period. Thus, 21.2% plus 65.2% = 86.4% of the non-AFA trawl CPs' annual revenues in those years were dependent on cod, and for the two vessels that did not fish in the Gulf of Alaska, 100% of their revenue was BSAI cod-reliant. It should also be pointed out that, for reasons being developed at the hearings, Table 3-35 overstates cod revenues for AFA CPs and understates the non-AFA vessels' dependence on cod.

⁶ As the Council knows from its consideration of Amendment 80, the non-AFA trawl catcher-processors effectively have nowhere else to go beyond the Amendment 80 species in the BSAI that are currently subject to being rationalized at this Council. They will be "sideboarded" to their participation in the Gulf of Alaska, so they cannot exceed past participation in those fisheries once Amendment 80 is implemented.

essentially its entire BSAI fishing effort. The Council should recognize that overwhelming actual dependency and should adopt an allocation in Amendment 85 that reflects this existing reality.

By contrast, the AFA CP sector is not similarly dependent upon cod. During 2000-2003, according to Table 3-66, it harvested only 0.9% of the cod catch. Although there may be some reason to believe that that figure is a bit (but only a bit) inaccurate, their actual harvest is in any event dramatically lower than the 6.1% share limit upon their participation in the cod fishery that was established pursuant to the AFA. That the AFA CP vessels have not even come close to fully harvesting their sideboard caps since the AFA took effect is proof, in and of itself, that the AFA CP sector is not dependent upon the higher level of participation in the cod fishery that the AP is now proposing for it.⁷

Legal Analysis

The Council's decision in this matter is governed both by the Magnuson-Stevens Act and the American Fisheries Act.⁸

Under the Magnuson-Stevens Act, National Standard 4 provides that: "Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be: (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges." 16 U.S.C. § 1851(a)(4). The Secretary of Commerce has elaborated upon these requirements by regulations codified at 50 C.F.R. § 600.325(c). There is no doubt that Amendment 85 is an allocation of fishing privileges under National Standard 4 and § 600.325(c)(1). Under § 600.325(c)(3)(i)(A), the particular allocation chosen should be "rationally connected to the

⁷ This is not surprising, of course, since the AFA vessels have exclusive access to pollock, the largest biomass in the BSAI and certainly the most valuable of the trawl groundfish species. Indeed, after the AFA took effect, all but one of the AFA factory trawlers chose to stop targeting cod altogether (this is only one of the changes to the fishery over the past few years that make reliance upon earlier catch data an unreliable indicator of present, or even relatively recent, reality).

⁸ And also, of course, by the constitutional guarantee of due process of law and the specific provisions of the Administrative Procedures Act, under which all governmental bodies are held to a standard of making decisions that are rationally related to the public purpose to be served and acting without arbitrariness, caprice, or bias. *See* U.S. Const., Amend. V; 5 U.S.C. § 701 et seq.

achievement of OY or the furtherance of a legitimate FMP objective.” Moreover, “the motive for making the particular allocation should be justified in terms of the objectives of the FMP; otherwise, the disadvantaged user groups or individuals would suffer without cause.”

On this latter point, the Secretary provides an example that is closely analogous to the situation here under the AP proposal: “For instance, an FMP objective to preserve the economic status quo cannot be achieved by excluding a group of long-time participants in the fishery.” 50 C.F.R. § 600.325(c)(3)(i)(A). Here, an FMP objective to conform allocations to current usage and dependency cannot be achieved by deviations in favor of certain sectors and against others for no legitimate, established reason.

Of course, an allocation may impose a hardship on one group if it is outweighed by the total benefits received by another group or groups, that is, if a restructuring of fishing privileges would maximize overall benefits. *Id.* § 600.325(c)(3)(i)(B). To rely upon this justification, the Council must make an initial estimate of the relative benefits and hardships imposed by the allocation, and compare its consequences with those of alternative allocation schemes, including the status quo. *Id.* In this case, the AP is proposing to give Pot CVs less than 60 feet a 186% increase over their current usage, to 2.0% of the fishery, and similarly it would give Jig CVs a 178% increase over their current usage, to 1.0%. This represents a dramatic deviation from the existing realities within those sectors and in so doing it would reduce the pool available to all the other sectors by 2.2%. (See chart on page two of this letter.)

Assuming nevertheless that the Council would be justified in shifting that 2.2% to those sectors if its consideration of the Magnuson-Stevens Act factors (to be discussed shortly) led it to conclude that encouraging these entry level small boat sectors would likely result in substantial public benefits of a nature recognized by the Act, for example, a predicted salutary impact upon coastal communities and related economic and social consequences, *see, e.g.*, 50 C.F.R. § 600.325(c)(3)(iv), the question then becomes whether there is any legitimate basis to take that 2.2%, as the AP is proposing to do, entirely from other non-AFA sectors.

Under the AP proposal, only the other non-AFA sectors would have the burden of contributing to that 2.2% that would go to the two small boat sectors. The largest percentage of the fishery that would be lost by any one sector would be the non-AFA trawl CP sector; its loss would be 2.2%. The second largest loser of catch share would be the longline CP sector, whose loss would be 1.1%. Both of these sectors have a strong history of use and dependency upon the cod fishery. By contrast, the AFA sector, which has had a minimal such history since the AFA took effect, would be given the largest *increased* share of the fishery under the AP proposal – 1.6%.

What considerations could justify such a scenario? 50 C.F.R. § 600.325(c)(3)(iv) identifies factors that the Council should consider in designing an allocation scheme under National Standard 4. Such factors should of course be relevant to the FMP’s objectives; they may include the “economic and social consequences of the scheme” and “dependence on the

fishery by present participants and coastal communities.” Clearly, the stated objectives of Amendment 85 – to conform allocations to actual usage and dependency by the various sectors – are consistent with these considerations. But the AP’s proposed imposition of the share reductions that would be necessary to fund increases to the small boat sector allocations solely upon non-AFA sectors, and its proposed affirmative grant of extra fishing privileges, beyond actual current usage or dependency, to the AFA CP fleet, is not justifiable by reference to any such factors. To the contrary, the exclusivity in the pollock fishery that the AFA has given to the AFA CP vessels is a factor that cuts strongly against allocating unneeded shares to those vessels while stripping non-AFA CPs of such shares upon which they have demonstrably been dependent over a period of many years.

A separate section of the Magnuson-Stevens Act, 16 U.S.C. § 1853(b)(6), also requires the Council, as a condition to establishing a limited access system for a fishery, to consider a similar set of relevant factors including “present participation in the fishery” as well as “historical fishing practices in, and dependence on, the fishery,”⁹ and the same questions would apply to the legality of the AP proposal under this provision.

These questions become particularly acute in the present context due to the applicability of the American Fisheries Act. Congress, recognizing that it was harming other vessels by giving the AFA vessels the exclusive right to fish for pollock in the BSAI area, expressly provided that: “The North Pacific Council shall recommend for approval by the Secretary such conservation and management measures as it determines necessary to protect other fisheries under its jurisdiction and the participants in those fisheries, including processors, from adverse impacts caused by this Act or fishery cooperatives in the directed pollock fishery.” AFA § 211(a). The AFA’s protections for fishermen and processors in non-AFA fisheries are clearly intended to restrict AFA-eligible vessels’ participation in those fisheries. Under the AFA, a single user group currently has exclusive access to 75% of the BSAI two million metric ton overall cap and also enjoys shared access to the remaining 25% of the cap. The non-AFA vessels are excluded from any access to the pollock fishery, and now the AP is proposing to take away from them a significant portion of the cod fishery that, over a demonstrated period of six years, they have used and are dependent upon, while at the same time augmenting the fishing privileges of AFA CP vessels that have neither been using nor depending upon the cod fishery at more than a minimal level during that same relevant period. That proposal does not comport

⁹ In this context, the phrase “historical fishing practices in, and dependence on, the fishery,” clearly is intended to be read as a single factor that recognizes that historical practices often may evidence current dependence. In this case, however, the changes wrought by the AFA and other recent regulatory initiatives deprive historical practices from more than a few years ago of much relevance to the question of current dependence. The fact that many AFA trawlers targeted cod before the AFA so dramatically changed the rules and that, with one exception, they now no longer target cod, is just one clear indication that the historical usage has less relevance in this case than it may have in some others.

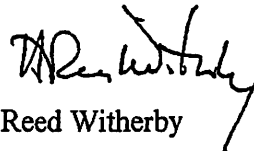
Stephanie Madsen, Chair
North Pacific Fishery Management Council
April 6, 2006
Page 9

with this Council's obligation to "protect other fisheries . . . and the participants in those fisheries . . . from adverse impacts caused by this Act or fishery cooperatives in the directed pollock fishery."¹⁰

Conclusion

For all the reasons set forth above, the AP proposal is not consistent with the law. There is no principled or legitimate basis upon which deviations from actual usage and dependence upon the Pacific cod fishery that burden non-AFA sectors but not AFA vessels can be justified. We urge the Council to reject the AP proposal and either to postpone final action on Amendment 85 or to adopt an allocation, such as Option 2.6, that reflects actual current use and dependency on the Pacific cod fishery and that does not unfairly and inequitably discriminate against non-AFA sectors. Thank you for the opportunity to bring these concerns to your attention.

Respectfully submitted,



H. Reed Witherby

HRW/sr

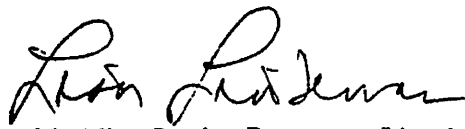
¹⁰ Apparently some AFA representatives have sought to argue that the sideboards established for AFA-qualified vessels pursuant to the AFA are somehow entitlements rather than limits. This assertion is clearly wrong. The NOAA General Counsel has now twice confirmed, based upon the plain language and the legislative history of the Act, that the sideboard requirement was intended to protect non-AFA vessels by limiting AFA vessels (that might not be content with the huge favor of being granted exclusive privileges to the pollock fishery) from pushing too far into the other fisheries into which the AFA relegated those non-AFA vessels. The letter that Susan Robinson of Fishermen's Finest, Inc., submitted on March 29, 2006, sets forth this point at more length and attaches the NOAA GC opinion dated June 4, 2004. The NOAA GC's second rebuff of the AFA vessels' assertions on this point came to our attention only recently and is submitted herewith.



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
Office of General Counsel
P. O. Box 21109
Juneau, Alaska 99802-1109

February 9, 2005

MEMORANDUM FOR: Chris Oliver, Executive Director
North Pacific Fishery Management Council

FROM: Lisa L. Lindeman
Alaska Regional Counsel 

SUBJECT: Non-Pollock Catch History of the Nine Catcher Processors Listed
in Section 209 of the American Fisheries Act

This responds to your request for reaffirmation or clarification of any previous NOAA General Counsel legal opinions regarding the above-referenced subject. By this memorandum, we reaffirm the legal opinion we issued on June 4, 2004. We are attaching a copy of the opinion for the Council's further consideration.

In summary, the opinion states that pursuant to section 211(b)(2) of the American Fisheries Act (AFA)¹, the Council may consider the combined non-pollock groundfish fishing history of the twenty catcher processors listed in section 208(e) and the nine vessels listed in section 209 of the AFA in determining non-pollock groundfish sector allocations during its development of Amendment 80 to the Bering Sea and Aleutian Islands Fishery Management Plan (proposed allocations of flatfish species and development of a cooperative management structure for the head-and-gut catcher processor sector). However, under the AFA, this combined non-pollock groundfish fishing history is in the nature of a cap, not an allocation to which the twenty catcher processors have a statutory right under the AFA. In addition, the opinion points out that in making such non-pollock groundfish sector allocations, section 211(a) of the AFA requires that the Council consider conservation and management measures necessary to protect the other participants in the non-pollock groundfish fisheries from any adverse impacts from the increased competition caused by the AFA or fishery cooperatives in the directed pollock fishery.

Attachment

cc: Sam Rauch

¹ Div. C, Title II, Pub. L. No. 105-277, 112 Stat. 2681 (1998), 16 U.S.C. 1851nt.



Comparison of BSAI Pacific cod harvest share of total retained catch (mt) by AFA trawl CP sector, including and excluding meal and using WPR versus Blend/Catch Accounting data, 1998 - 2003

Year	WPR - excluding meal		WPR - including meal for AFA CP sector only		Blend/Catch Accounting - includes meal for all sectors	
	Retained catch excluding meal - WPR (mt)	AFA trawl CP % of total retained catch	Retained catch including meal - WPR (mt)	AFA trawl CP % of total retained catch*	Retained catch including meal - blend (mt)	AFA trawl CP % of total retained catch
1998	4,354	2.7%	5,599	3.4%	8,459	4.6%
1999	3,686	2.6%	4,680	3.2%	6,324	4.0%
2000	1,709	1.1%	2,393	1.5%	3,542	2.0%
2001	1,432	0.9%	2,412	1.6%	4,003	2.5%
2002	1,287	0.8%	2,669	1.6%	3,509	2.0%
2003	1,409	0.8%	2,225	1.2%	3,831	not avail.

* Denominator includes meal of AFA CP sector only.

Note: AFA 9 are not included.

WPR = weekly production report.

C-3
NK

Table 1. AFA trawl CP sector retained BSAI Pacific cod harvest (round weight mt), with and without meal

Year	AFA CP sector meal (mt)	retained catch (mt) excluding meal	retained catch (mt) including meal	meal as % of retained catch	AFA CP % of total retained catch by all sectors (no meal)	AFA CP % of total retained catch by all sectors including AFA CP meal (and w/only AFA CP meal included in denominator) ¹	difference in percentage points
1995	377	4,300	4,677	8.1%	2.5%	2.6%	-0.1%
1996	489	3,228	3,717	13.2%	1.7%	1.9%	-0.2%
1997	120	4,556	4,676	2.6%	2.2%	2.2%	0.0%
1998	1,245	4,354	5,599	22.2%	2.7%	3.4%	-0.7%
1999	994	3,686	4,680	21.2%	2.6%	3.2%	-0.7%
2000	684	1,709	2,393	28.6%	1.1%	1.5%	-0.4%
2001	980	1,432	2,412	40.6%	0.9%	1.6%	-0.6%
2002	1,382	1,287	2,669	51.8%	0.8%	1.6%	-0.8%
2003	816	1,409	2,225	36.7%	0.8%	1.2%	-0.4%

Source: Weekly production reports and ADF&G fishtickets, 1995 - 2003.

Note: The AFA 9 are not included. AFA 9 meal data are confidential, as the data indicate only one AFA 9 vessel had cod meal product in one year.

¹Annual retained harvest data for every sector including meal was not available at the time this table was produced. **Thus, only meal from the AFA trawl CP sector is included in the denominator for this calculation (the denominator = total retained catch by all sectors).** These percentages would either stay the same or decrease if meal from all sectors was included.

Table 2. Percent of total retained BSAI Pacific cod (round weight mt) harvested by AFA trawl CP sector, with and without meal, during various series of years

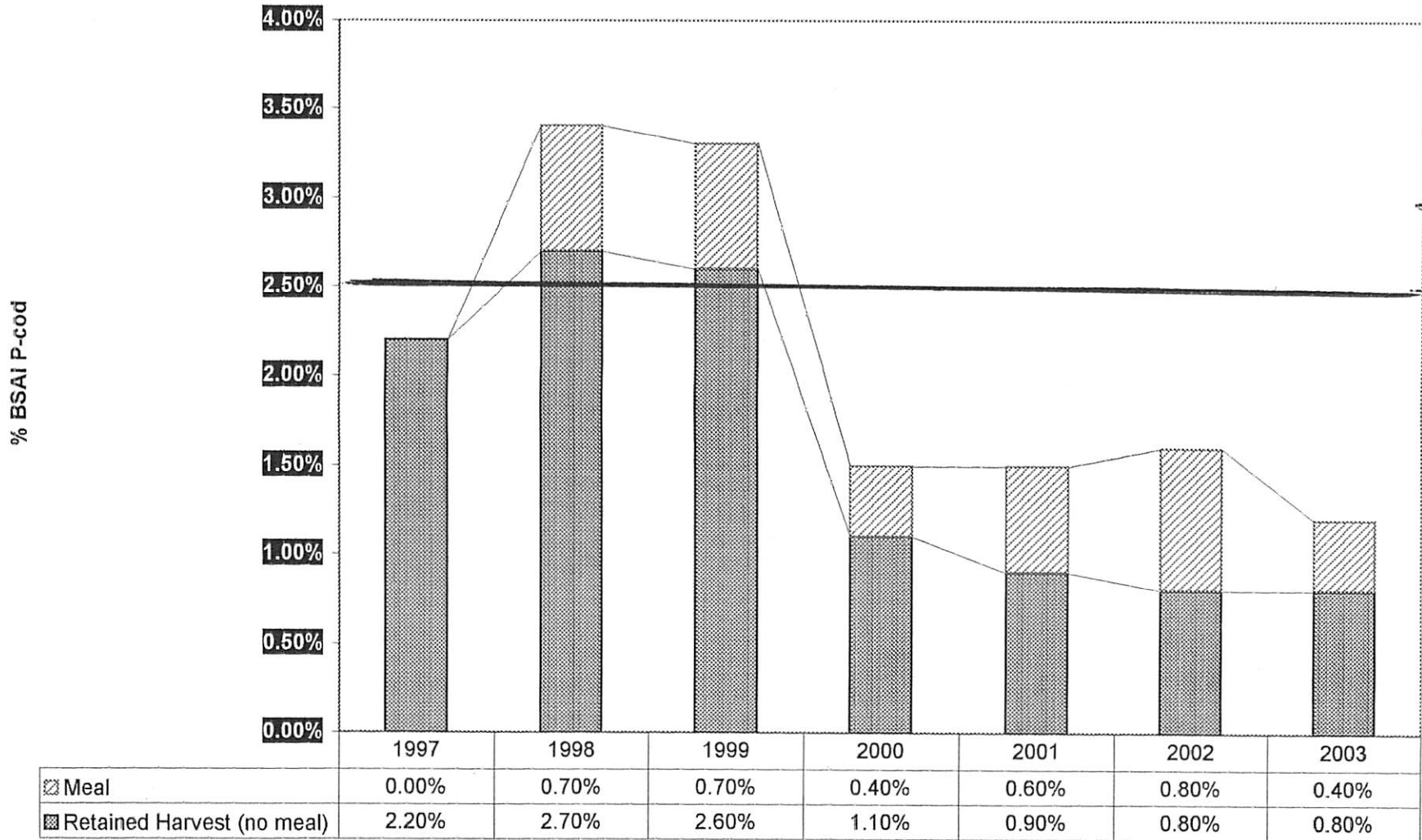
Series of years	% retained harvest by AFA CP (no meal)	% retained harvest by AFA CP (with meal) ¹	Range of potential AFA CP sector allocations under Am. 85 (as % of BSAI Pcod ITAC)
1995 - 2002	1.8%	2.2%	0.9% - 3.7%
1997 - 2000	2.1%	2.6%	
1997 - 2003	1.6%	2.1%	
1998 - 2002	1.6%	2.1%	
1999 - 2003	1.2%	1.8%	
2000 - 2003	0.9%	1.5%	

Note: Retained harvest data are from weekly production reports and ADF&G fishtickets, 1995 - 2003. **The AFA 9 are not included.** AFA 9 meal data are confidential, as the data indicate only one AFA 9 vessel had cod meal product in one year.

Note: The series of years mirror the series of years used for allocation options under Am. 85. No drop year was applied.

¹Annual retained harvest data for every sector including meal was not available at the time this table was produced. **Thus, only meal from the AFA trawl CP sector is included in the denominator for this calculation (the denominator = total retained catch by all sectors).** These percentages would either stay the same or decrease if meal from all sectors was included.

AFA CP Trawl: Retained Catch (with and without meal, WPR data)

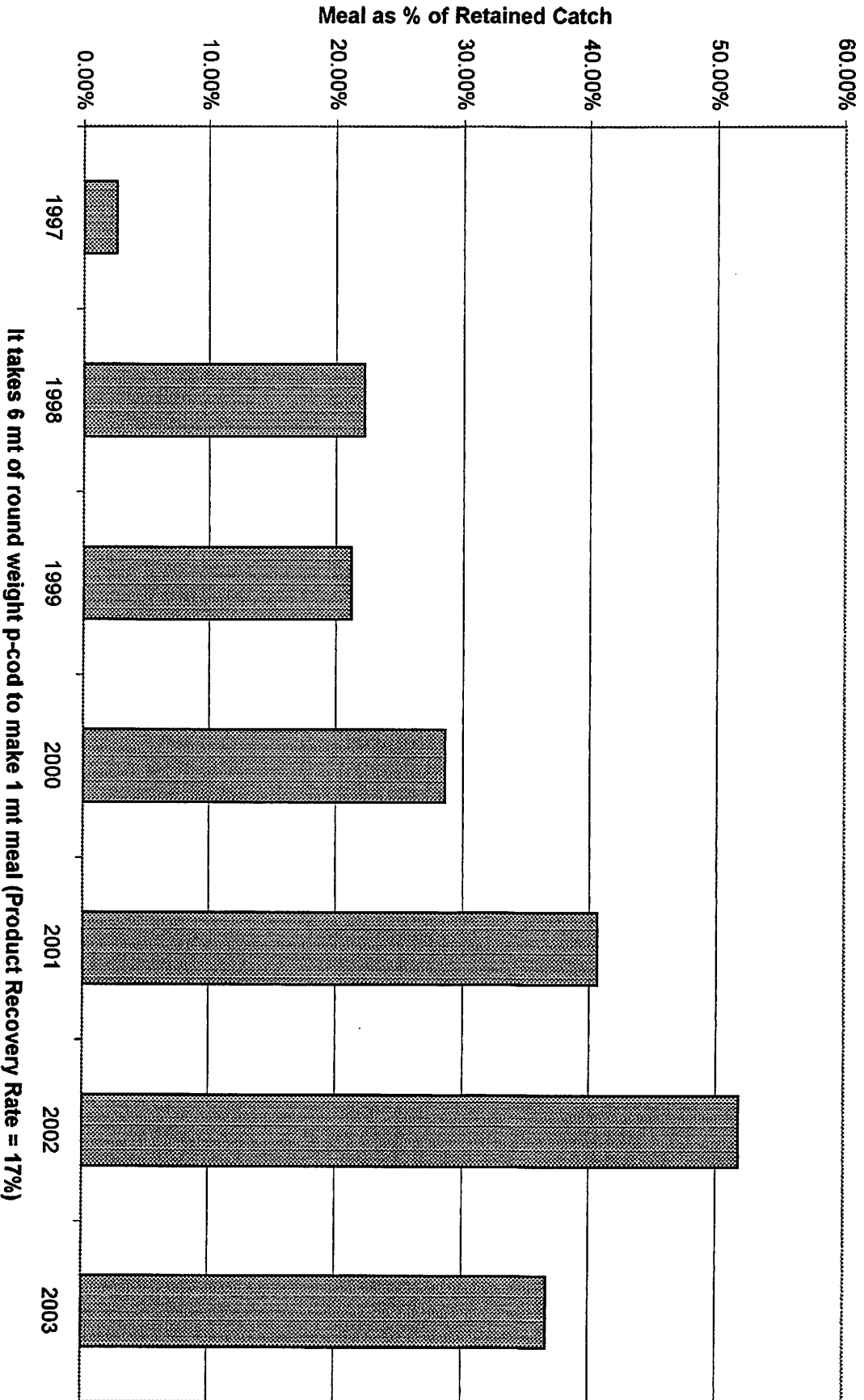


Retained Harvest (no meal) Meal

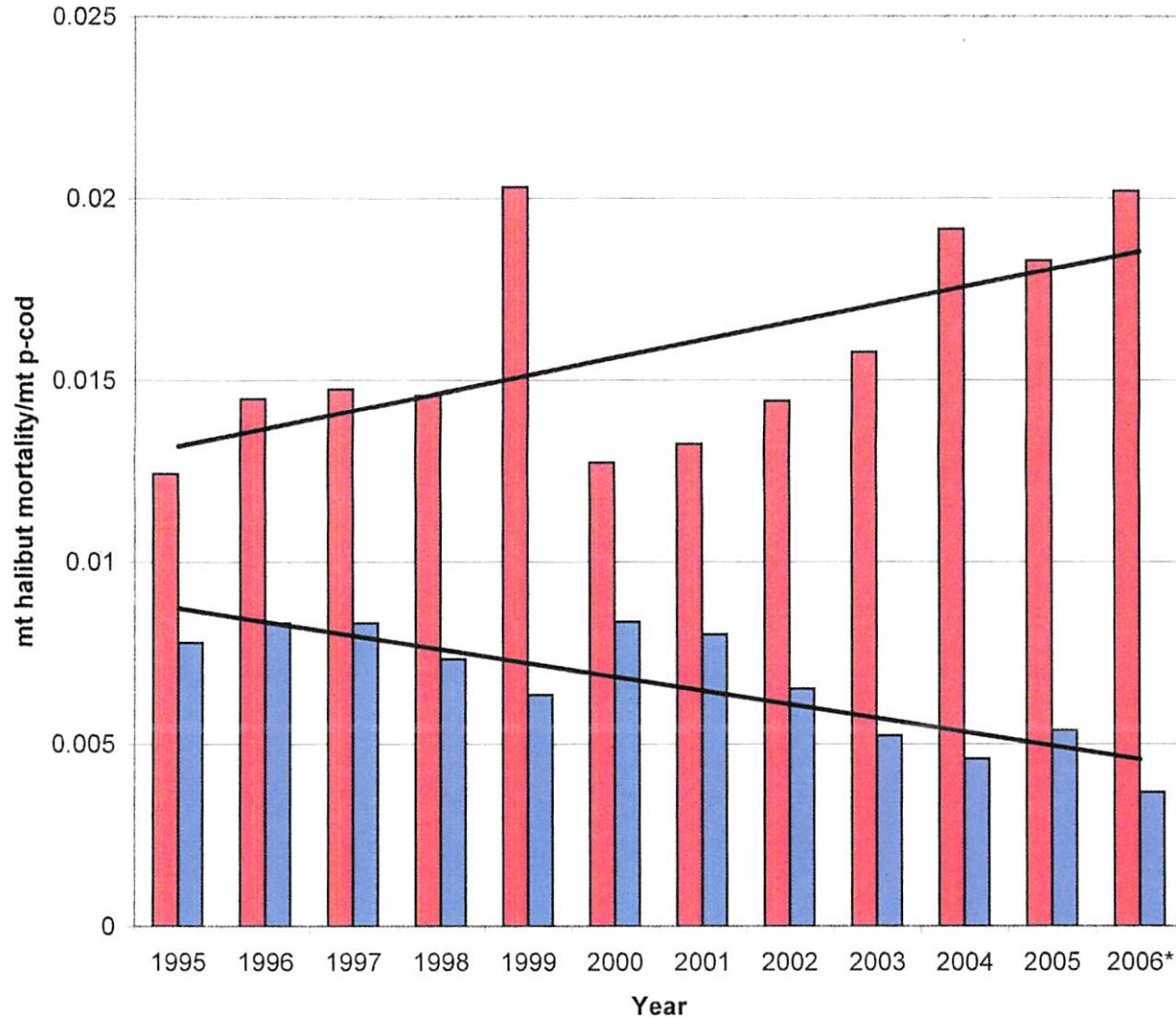
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AFA Trawl CP: Meal as Percentage of Retained Cod Harvest (WPR data)

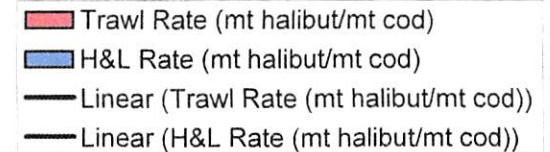


Halibut PSC Use in BSAI P-cod Fisheries: Comparison of Trawl and Hook-and-Line



Trends

- 1.) 1995 = trawl rate is 1.6 X H&L rate.
- 2.) 2005 = trawl rate is 3.4 X H&L rate.
- 3.) 2006 "A" = trawl rate is 5.5 X H&L rate.
- 4.) 1995 - 2005, trawl rate has increased +47%.
- 5.) 1995 - 2005, H&L rate has decreased -31%.



Note: Rate Calculations

1.) **Hook-and-Line Rate** = mt halibut mortality from all BSAI H&L fisheries (CP H&L, CV H&L >60', CV <60' H&L) divided by mt of directed cod catch from CP H&L and CV H&L >60'. Catch from CV H&L <60' is not included. If this catch was included, the overall H&L halibut PSC use rate would be **lower** than depicted.

2.) **Trawl Rate** = mt halibut mortality from cod trawl fishery group (where cod is the target) divided by total cod trawl catch (CP and CV) including directed and incidental harvest.

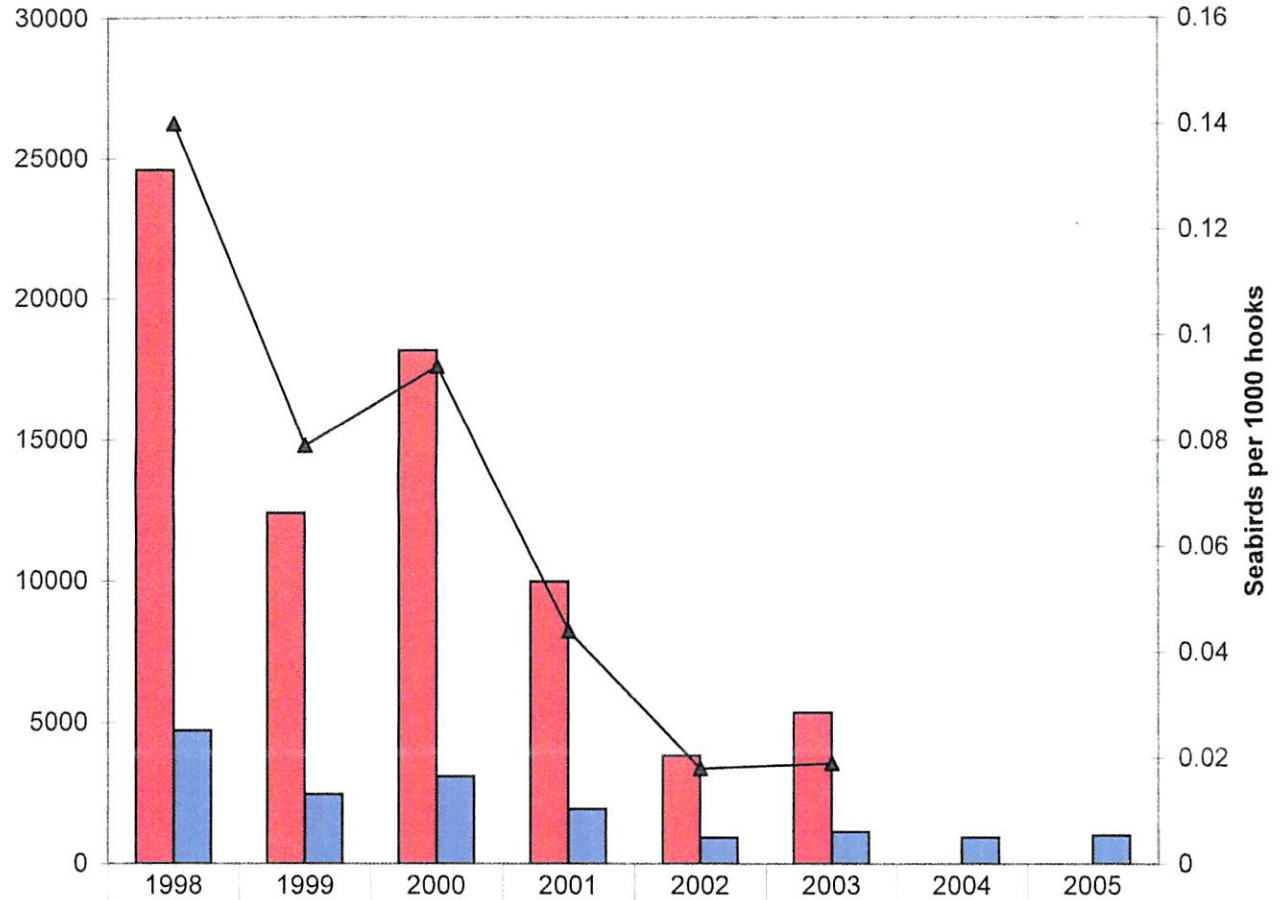
Halibut mortality from incidental harvest of cod is not included. If this mortality was included, the overall trawl halibut PSC use rate would be even **higher** than depicted.

Incidental Take of Seabirds in BSAI Hook-and-Line Fisheries

Trends

- 1.) From 1998 to 2003, the extrapolated bird takes have declined - 78%.
- 2.) From 1998 to 2003, the incidental take rate has declined - 86%.
- 3.) From 1998 to 2005, the observed takes have declined -78%.

Number of Seabirds



Extrapolated Bird Takes (all BSAI H&L)	24602	12418	18191	9992	3835	5351		
Unextrapolated Bird Takes (observed FLL only)	4708	2463	3092	1938	914	1125	931	998
Bycatch Rate (birds/1000 hooks)	0.14	0.079	0.094	0.044	0.018	0.019		

C-3
Donna Parker

Stephanie Madsen, Chair
NPFMC
604 W. 4th Ave., Suite 306
Anchorage, AK
March 28, 2006

RE: Drop Aleutian Islands/Bering Sea P. Cod Split from Amendment 85

Dear Ms. Madsen,

The Sea Storm is an AFA catcher vessel and active participant in the BSAI Pacific cod fishery. All of the proposed alternatives in Part II of Amendment 85 to split sector allocations if the Aleutian Islands and Bering Sea are someday split into two separate sub-regions would negatively impact our vessel.

We urge the Council to sever this action from Amendment 85 and make this decision at a later time when evidence suggests that segregating the two areas might protect the Pacific cod stock(s), when the allocative impacts can be better understood and when appropriate consideration has been given to effects such a split might have on vessels which do not have AI endorsements.

No Conservation Reason to Split BS and AI Cod

The purpose of this proposed action was to set in motion rule making on allocative sector splits should the two sub-areas be split for conservation reasons. At the February meeting the SSC requested background information on the biological basis for managing cod as separate BS and AI stocks rather than a single BSAI stock. Stock assessment scientists from the AFSC provided that background information indicating a conservation reason to pursue the split in the near future does not exist, including the following;

1) The "*BSAI P.cod stock is not overfished or approaching an overfished condition,*" and

2) There is insufficient evidence to confirm the hypothesis that the BS and AI stocks are separate -- specifically genetic studies indicate while there are differences in North American and Asian stocks, there is "*little differentiation between Pacific cod within the North American portion.*"

Proposed Sub-Region Split Formulas

Three very different approaches are taken in the document to allocate the proposed BA & AI P. cod split. All will have an immediate impact on vessels participating in the P. cod

fishery and some will be more negatively impacted than others, depending on which alternative is selected.

- **Alternative 3** is the default position the agency has chosen to take should the Council not choose an alternative if and when the BS/AI split might occur in the future. It attempts to be most fair and objective by allocating equally to each sector a share of the BS and AI TACs. So, for instance, if the TAC split were thought to be 15% for the AI and 85% for the BS, each sector's allocation would be split 15% in the AI and 85% in the BS. *The problem with this alternative is that more than half the fleet is without AI endorsements and some sectors have not fished in the AI in recent years and so would have to change their fishing patterns.*
- **Alternative 4** is closest to status quo and most flexible insofar as individual vessels in all sectors could fish in their chosen area until that area's separate TAC was reached and the area closed. *The problem with this alternative is that it may incite a race for fish in the two separate areas forcing premature closure in one or both areas. For instance, those with AI endorsements may choose to fish hard in the Bering Sea first, causing it to close first and then moving to the AI where less than half the fleet with endorsements could follow.*
- **Alternative 5** is the same as Alternative 3 except that it would be the chosen position of the Council rather than the default position of the agency.
- **Alternative 6** is the Council's Preliminary Preferred Alternative and the most dangerous of all the alternatives insofar as it cements sector participation in the two regions based on recent participation. The sub-options vary on which recent years might be chosen, but the one most discussed is option 6.4 which is based on sector participation in 2002 and 2003. If the TACs shrink in one area and expand in the other, the sectors will be affected disproportionately. So for instance, the CV trawl would be awarded 43.4% of the AI TAC, or about 1/3 of its sector allocation, based on its catch history in those two years. Even though its catch history in that region a decade ago was only 47 tons and in 2001 was only half of what it was in 2002 & 2003 (the years included as option 6.4) it would be frozen at the highest participation level.. The AFA CPs also see a large increase during those years to 38.9% of the AI. In all other sub-options its share would be much less - between 4.6% and 13.8%. This large increase to the AFA CV and CP sectors comes at the expense of other sectors which are pretty much zeroed-out of the AI, with the exception of Non-AFA CVs which doubled their participation to 13.3% in those years from all other proposed sub-options. This sub-option is described as the one that best reflects recent participation, but it's hardly a trend, it's a two year blip. *The problem with this alternative is that it puts too many eggs in one basket if TACs in the two sub-areas change in the future. For instance, if the AI TAC took a nose dive to 5% of the combined TAC, one-third of the AFA CV TAC would take a nose dive as well. Conversely, if the BS TAC took a nose dive, the long line, pot, jig and H&G fleet would unduly suffer the consequences. Similarly, funding of a state water fishery in the AI would be unfairly shouldered by those sectors with larger AI allocations. Finally, the sectors with very small allocation in either of the two sub-regions, further subdivided by seasonal*

apportionments, may be so small the agency might not open the fishery for that sector. And, like all other alternatives, those without endorsements (60 vessels in the AFA CV fleet) would not have access to one-third of that sectors allocation.

Area Endorsements.

The Sea Storm has a long history of participation in the BSAI cod fishery. However, it does not have an AI endorsement and would be negatively impacted by all the current proposals to split the Bering Sea and Aleutian Islands into two separate sub-areas with separate TACs.

Based on the area endorsement discussion recently added to the document, more than half of the total AFA CV LLPs (60) are endorsed only for the BS; the remaining (43) are endorsed for the BSAI. In the non-AFA trawl CV sector, the majority (44 of 50) of the eligible licenses are endorsed only for the BS. Thus only six LLPs in this sector can be used to fish in the AI. In the >60' pot CV sector, the great majority (48 of 53) licenses are endorsed only for the BS. In the <60 fixed gear sector, of the 116 total licenses being used on <60 vessels, 90 are only endorsed for the BS. As noted in the document, only those vessels with AI endorsements will be permitted to fish in AI federal waters, causing those vessels without AI endorsements to either race for their harvests in the BS, forfeit their AI catch history or perhaps trade it at a diminished value.

The document concludes that the AFA sectors have the ability to manage their separate sub-area allocations through the AFA coop structure. This is an optimistic view not shared by those of us without AI endorsements. *If the Council chooses a methodology to allocate separate AI and BS TACs now or in the future, we strongly urge the Council to consider an option that would rescind the separate AI and BS area endorsements so that all are BSAI area endorsement and all participants have equal access to their catch history.*

Finally, the Sea Storm endorses all the positions of United Catcher Boats (UCB) on Amendment 85.

Thank you for consideration of our views on this important amendment package.

Sincerely,


Donna Parker

BSAI P. Cod Split

A step-wise process to establish a methodology to split Pacific cod sector allocations between the Bering Sea and Aleutian Islands:

- 1) Take final action to approve Amendment 85 establishing new sector allocations for BSAI P. cod.
- 2) Initiate an analysis that would look at combining separate BS and AI LLP endorsements into a single BSAI endorsement when applied to the P.cod fishery. (This could be included as an additional element in the analysis of BSAI Trawl C/V Eligibility under agenda item C-4 or as a separate or trailing action to A. 85.)
- 3) Initiate an analysis that would develop a proposed halibut PSC split should the BSAI region be separated into two sub-areas.
- 4) Initiate an analysis, using the information from above analysis, to develop elements and options for a methodology to split BSAI P. cod sector allocations should the two regions be split for conservation reasons.

Alaska Crab Coalition
3901 Leary Way N.W. Suite #6
Seattle, Washington 98107
206.547.7560
Fax 206.547.0130
accrabak@earthlink.net

April 7, 2006

**ALASKA CRAB COALITION RECOMMENDATIONS TO THE NPFMC ON
AGENDA ITEM C-3 BSAI PACIFIC COD ALLOCATION, AMENDMENT 85;
FOCUS ON SHOREBASED POT CATCHER VESSELS GREATER THAN 60 FEET
IN LENGTH**

Recommendations:

ACC comments in items 1, 2 and 3, concur with the United Catcher Boats correspondence and recommendations on these issues. The ACC supports the rationale for the UCB recommendations on these issues as they also apply to the shorebased pot catcher vessels.

1. 3.4.3.2; page 186; Component 2, Sector Allocations: Option 2.1, 1995-2002, Suboption 1, drop a year, exclude AFA 9.

ACC notes that this option is in essence a status quo option at 8.6 percent of the BSAI cod ITAC to pot catcher vessels. This is the average catch for the >60 foot pot vessels from 1995-2003, (Table 3-61, page 187).

Option 2.1, with a drop year and excluding the AFA 9 results in using the widest set of possible years, from 1995 – 2002. This includes years when nobody was fishing for “catch history.” It also includes a number of years prior to the establishment of SSL provisions, which has disrupted the catch history of pot boats.

It is also noteworthy that the pot sector produces the highest quality shorebased product and it has the lowest bycatch of halibut and it is exempt from halibut bycatch restrictions.

2. 3.4.3.4; page 223; Component 4, Rollovers between gear sectors; Option 4.2.2.

Projected unused allocations to any sector delivering inshore must be considered for reallocation to other inshore groups before being considered for reallocation to any offshore sector. This provides a hierarchy for rollovers from vessels that deliver inshore to other vessels that deliver inshore.

3. 3.4.4, Part II; Page 267; Alternative 6, Apportionment of BSAI Pacific cod sector allocations to BS and AI subareas.

ACC recommends this section be dropped from the Amendment 85 analysis, and that it be considered at a later date. The purpose of this section was to determine an allocative formula should the BSAI cod TAC be split in the future. It seems premature to make this decision at this time because the impacts cannot be understood until the other components of Amendment 85 have been decided.

It also should be noted that of the 48 pot catcher vessels qualified for the Bering Sea cod fishery, only three of those have permanent AI LLP endorsements and would be eligible to fish for cod in the Aleutian Islands. The average catch of cod in the Aleutians by pot boats from 1995-2003 ranges from 5.8 to 4.3 per cent of the total retained catch of pot boats during that period. The catch has been declining even more in 2004 and 2005.

4. From the Council motion of February 10, 2006, ACC notes that the “Council recommends that the catch accounting system be modified such that future shoreside landings by pot catcher processors are counted against the pot catcher processor sector allocation.” The Council requested that information on this issue be included in the analysis such that the Council could recommend this change at final action on Amendment 85.” (Reference NPMC Action memo, Agenda C-3, April 1, 2006, attachment, Item C-3(a)(2)).

Arni Thomson
Executive Director
Alaska Crab Coalition

Kevleen K LLC

101 Nickerson, Suite
Seattle, WA 98109
206-282-6996

C-3

March 29, 2006

North Pacific Fishery Management Council

605 West 4th Avenue Suite 306

Anchorage, AK 99501-2252

RE: Amendment 85

The Kevleen K has fished pot cod and delivered shoreside in the BSAI cod fishery since 1988. We have fished in the same general area every year. In the years before the implementation of the Stellar sea lion RPA protection areas, we started the fishing year with opilio on January 15th, and then after finishing opilio, we fished cod into the second semester, into April and then resumed fishing cod again on September first until the start of Bristol Bay king crab on October 15th. Following the development of the RPA'S, we started fishing January first for cod, then stopped to fish opilio, then we switched back to fish cod again after opilio. The RPA'S eliminated the second semester cod season allocation, so pot boats had nothing to fish until September first.

I would like to see the Pot CV > 60' sector get an allocation of 9% of the BSAI TAC. Also pot cod is considered the best quality cod delivered shoreside and brings a higher price, which means more tax revenue for the State of Alaska. The council should also consider that the pot sector has the lowest bycatch of halibut and it is exempt from halibut bycatch restrictions.

The Kevleen K has never fished in the Aleutian Islands area, we have always fished in the Bering Sea area so any plan that would require us to fish out in the AI area would be unfair. There are very few pot cv boats with catch history in the AI area, in fact there are only 5 pot boats LLP's. Currently there are 48 LLP'S for the BS area. If the subareas are established, the vessels with AI endorsements which is a small proportion of the fleet, would be allowed to harvest the entire AI sector allocation. I would support no action on splitting the BSAI into BS and AI subareas.

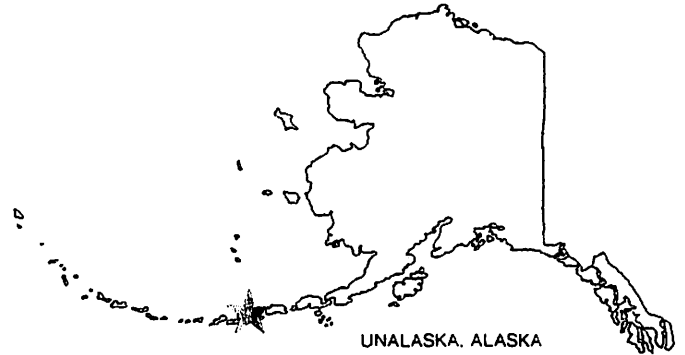
Sincerely,

Lance E Farr

C-3

CITY OF UNALASKA

P.O. BOX 610
UNALASKA, ALASKA 99685-0610
(907) 581-1251 FAX (907) 581-1417



April 6, 2006

Stephanie Madsen, Chair
North Pacific Fishery Management Council
605 W 4th Avenue Suite 306
Anchorage, Alaska 99501

Subject: C-3 BSAI Pacific Cod Allocation Amendment 85

Dear Chair Madsen:

On behalf of the City of Unalaska, I am writing to you today in support of the Unalaska resident 60-foot-and-under fixed-gear and jig fleet and their concerns with the proposals listed under issue C-3 Bering Sea Aleutian Island Pacific Cod Allocation Amendment 85. Attached to this letter is Resolution 2006-18 adopted by the Unalaska City Council in support of the 60-foot-and-under-fixed-gear and jig fleets positions on the issues included in Amendment 85.

For well over a year, the City of Unalaska has been supporting the local resident 60-foot-and-under fixed-gear and jig fleet's position before the North Pacific Council on the Bering Sea / Aleutian Island Pacific Cod allocation issue. The local cod fleet does not support requiring that the 60-foot-and-under fixed-gear and jig fleet comply with qualifying years and catch history requirements in order to be able to participate in this fishery. The local Unalaska fleet prefers that this fishery stay open access or status quo in nature and continue as an entry level fishery, not just for the Unalaska small boat fleet, but also for other 60-foot-and-under vessels that fish cod in this area. The City of Unalaska supports their position on this issue.

The local fleet strongly feels that if they had to comply with qualifying years and catch history requirements, they would be disenfranchised from a fishery that takes place in and around local waters. The City has also supported the continuation of the 2% jig allocation and proposed rollover provisions to the 60-foot-and-under fleet as well as new seasonal apportionments for the jig sector under option 3.4. Now we are asking that the North Pacific Council support an increase in the allocation to the fixed gear 60-foot-and-under fleet from 0.71% to 2%. The qualifying years and catch history requirements that are under consideration would mean the majority of the qualifying vessels that work this fishery would come from outside the community of Unalaska. This would force local harvesters that want to enter this fishery to

purchase someone else's LLP license to fish, which would not only be very costly, it would mean the jig rollover provision in Amendment 77 would be of little benefit to the local Unalaska 60-foot-and-under-fixed-gear fleet. This issue is of further concern to the local fixed-gear fleet because of the changes made to the Pacific Cod rollover provision in Amendment 77. This provision, which just went into effect during last year's fishing season, allows the jig quota, which has 2% percent of the TAC, to be rolled over to the 60-foot-and-under pot and hook-and-line vessels first. The rollover from the jig sector, plus the fixed-gear 60-foot-and-under allocation of 1.4% of the Pacific Cod fixed-gear Total Allowable Catch (TAC), has turned this fishery around by providing enough quotas to allow for a longer fishery, attracting more local vessels to participate in the fishery, and opening up more markets with higher ex-vessel prices for this fleet.

As a community, we feel that if this fishery stays in an open-access mode, it will provide entry level opportunity for local harvesters, and it will play an important part in the development of a small boat fleet for this community. We see this sector as an area where there will be some growth during the next few years. Also under consideration is an increase in allocation to the fixed gear 60-foot-and-under fleet from 0.71% to 2% of the TAC, which is only 1.3% percent increase. This increase is being supported by the Unalaska Native Fishermen's Association, and other harvesters that fish in this sector through testimony before the North Pacific Council. When combined with the 2% jig allocation under this section, this increase would result in 4% of the total Pacific Cod TAC, or an allocation of 7,600 MT (16.7 million pounds) of cod.

When Amendment 85 is adopted, the 60-foot-and-under fleet is not likely to be allowed to fish on the 60-foot-and-over fixed-gear sector quota before fishing their own allocation, which would impact their "A" season catch amount. That impact is magnified when added to the amount of cod that all sectors lost in TAC to support the Adak state water fishery. It is also possible that passage of Amendment 85 may provide for increase to the CDQ sector. With declining cod quotas forecasted for the next few years for the Bering Sea quota, this will really have serious impacts on this 60-foot-and-under fleet.

We should also remember that the 1.3% increase to this sector could be funded from very small TAC reductions from other cod sectors. In the Initial Review draft document on pages 180, 181, and 182 you can see the effect on other sectors from sub-option 3 an increase to 3% of the TAC and sub-option 4 which moves it up to 4% for the small boat sector it isn't much of an impact to the other sectors. The 60-foot-and-under sector's allocation at 0.7% is one of the lowest among all cod fishing sectors, and the cod "A" season is when the total 60-foot-and-under fixed gear sector TAC is allocated. As a consequence, any increase to the 60-foot-and-

under fixed-gear sector is especially important for this group of harvesters. With the improved prices this year, we are already seeing increased effort within this sector, this sector has already taken there 2006 sector allocation of 0.7% plus a percentage of the 60' > foot and over fixed gear quota and is now working on 1,300MT of jig rollover from the first trimester, which NMFS has announced the closer for this sector on April 9th 2006. This action leaves only the jig fishery open and this fixed gear sector won't get anymore allocation of cod until the next jig rollover in August. This increase in fishing effort is good for the development of are local fleet and for increased economic activity in Unalaska.

At the June 2005 North Pacific Council meeting, the Council added Option 3.4. This option will allow the majority of the jig allocation to be harvested during the best fishing time of the year. The City of Unalaska joins the local fleet in supporting the proposed 60 / 20 / 20 trimester option. The City also supports the continuation of the 2% allocations for the jig fleet, and we support the proposed increase to 2% for the 60-foot-and-under fixed-gear fleet for a total allocation of 4% of the Pacific Cod TAC.

As a community, we support this fishery staying in an open-access mode, and providing entry level opportunity for local harvesters, particularly since this position will play an important role in the development of a small boat fleet for our community. We see this sector as an area that will grow over the next few years. The City's \$23 million boat harbor should be under construction in the spring of 2007, and that harbor will provide moorage and services for this sector. These harvesters in this sector are an important part of the community; many of them are landowners in the community and support our schools and our local businesses.

Once again, Chair Madsen and Council Members, we thank you for taking the time to consider our comments on this issue that is of the utmost importance to the community Unalaska.

Sincerely



Frank Kelty,
Resource Analyst

CC: Mayor Shirley Marquardt
Unalaska City Council Member
Chris Hladick, City Manager

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2006-18

A RESOLUTION OF THE UNALASKA CITY COUNCIL IN SUPPORT OF 60-FOOT-AND-UNDER FIXED-GEAR AND JIG FLEETS IN ISSUES PERTAINING TO AMENDMENT 85 BERING SEA / ALEUTIAN ISLAND PACIFIC COD SECTOR ALLOCATIONS

WHEREAS, the current Pacific Cod allocations among trawl, jig, and fixed-gear harvesters were implemented in 1997 and the CDQ allocation went into effect in 1998, and are, therefore, due for a review; and

WHEREAS, harvest patterns for Pacific Cod have varied among the sectors resulting in annual in-season reallocations of total allowable catch, and in the future, the basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors; and

WHEREAS, for two years, the City of Unalaska has been supporting the local resident 60-foot-and-under fixed-gear and jig fleet's position that the Unalaska resident 60-foot-and-under fixed-gear and jig fleet be exempt from qualifying years and catch history requirements for participating in the cod fishery; and

WHEREAS, the Unalaska City Council has supported the continuation of the 2% jig allocation and proposed rollover provisions to the 60-foot-and-under fleet, as well as new seasonal apportionments for the jig sector; and

WHEREAS, the City of Unalaska also supports the proposed increase in the 60-foot-and-under fixed-gear allocation from 0.71% to 2% of the cod total allowable catch (TAC); and

WHEREAS, supporting the local fleet position on provisions included in Amendment 85 will play an important role in the continued development of a local small boat fleet that delivers to the local processing plants and would utilize Unalaska's proposed new \$23 million small boat harbor, thereby supporting local businesses, schools, and strengthening the local tax base.

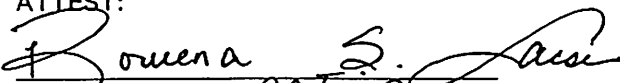
NOW THEREFORE BE IT RESOLVED THAT the Unalaska City Council supports the exemption of the 60-foot-and-under fixed-gear and jig fleet from qualifying years and catch history requirements, and recommends support for the continuation of the 2% jig sector allocation as well as the proposed seasonal allocation and jig rollover provisions, and

BE IT FURTHER RESOLVED that the City of Unalaska supports the increase in the cod allocation to the 60-foot-and-under fixed-gear fleet from 0.7% to 2% of the Pacific Cod TAC, which, when combined with the 2% jig allocation, would provide a total of 4% of the Pacific Cod TAC.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 28th DAY OF March, 2006.


MAYOR SHIRLEY MARQUARDT

ATTEST:


CITY CLERK - acting



Alaska Mist
Aleutian Lady
Alaska Leader
Bristol Leader
Bering Leader
Baranof
Courageous
Blue Star
Blue Ace
Blue North
Blue Pacific
Blue Gadus
Blue Attu
Clipper Surprise
Clipper Endeavor
Clipper Epic
Clipper Express
Northern Aurora
Prowler
Ocean Prowler
Bering Prowler

Stephanie Madsen, Chair
NPFMC
605 W. 4th Ave. Ste. 306
Anchorage, AK 99501-2252

March 29, 2006

Re: C-3; Amendment 85, BSAI P-cod Allocations

Madam Chair and Members of the Council:

I am writing on behalf of the Freezer Longline Coalition to thank you for addressing BSAI Pacific cod sector allocations, which is long overdue, and for taking final action at this meeting. We believe the Problem Statement adequately describes the need for action under this amendment and we request that you thoughtfully consider this when making the allocation.

The Freezer Longline Coalition is an alliance of 21 freezer longline vessels and vessel owners who have come together to advocate on behalf of the freezer longline sector. The Coalition constitutes over half of all of the freezer longline vessels in the sector, all of which are owned by companies in Alaska and Washington state. A number of the vessels also have CDQ partners and provide significant revenue to local communities and native tribes through the CDQ Program.

The determining factors within the Problem Statement are catch history, consideration of socio-economic and community factors, and dependency on the species. The North Pacific Fishery Management Council has acknowledged that the BSAI Pacific cod fishery is fully utilized and that recent catch patterns have varied significantly from the current allocation framework. Participants who have made significant investments in the BSAI Pacific cod fishery need long term stability in the allocations set by the Council.

The freezer longline sector has averaged over 50% harvest for a significant period of time. From the years of 1997-2003, the freezer longline fleet harvested 50.3% of the annual total allowable catch. In 2005, the sector was responsible for catching over 52% of the harvest for that year.

Letter to Council
March 29, 2006
Page 2 of 2

Given the fact that the current allocation to the freezer longline sector is only 40.8%, rollovers play a significant role in the sector's annual harvest. The longline fleet consistently catches what other sectors leave behind. In order to sufficiently address the Problem Statement, the allocations must be adjusted to reduce the rollover each year and better reflect the average of what each sector actually harvests.

The freezer longline sector has a very significant dependence on BSAI Pacific cod. According to the Council document (which may have provided low figures) the freezer longline sector produces 82.3% of its revenue from Pacific cod. The next closest sector with significant catch history for BSAI P-cod has a dependency of only 21.2%. As you can clearly see, no other sector has the dependency on Pacific cod that the freezer longliners do.

According to the National Marine Fisheries Service's cod model, the cod biomass will continue to decline. This will result in lower TACs for cod in the coming years. As you are aware, because of the 2 million metric ton cap, as cod TACs go down, it is most likely that pollack and flatfish TACs will increase. This trend will negatively affect those with the highest dependency on cod while sectors with less dependency on cod may actually have net increases.

Not only has the freezer longline sector shown consistent, significant catch history and a dependency on the species unmatched by any other sector, but they also are a leader in sustainable fishing practices. I call upon you to consider these factors and the objectives cited in the Problem Statement as you consider the allocation assessment. I request that the longline catcher processor sector receive a minimum allocation of 50% from the BSAI Pacific Cod annual sector harvest. It is my belief that this would be a reasonable and fair allocation to the freezer longline sector.

Thank you for your time and careful thought on this important matter.

Sincerely,



Dave Little
Freezer Longline Coalition



WHO WE ARE

The Freezer Longline Coalition is an alliance of freezer longline companies, vessel owners, and related businesses united in their commitment to sustainable fishing practices within the Bering Sea and Aleutian Islands (BSAI).

The freezer longline sector is the first cod fishery in the world to obtain certification from the Marine Stewardship Council as a sustainable, eco-friendly and well-managed fishery. As our name suggests, freezer longliners are unique vessels that use specialized lines and individually baited hooks (as opposed to nets) to catch fish. Our fishing and processing methods have little to no impact on the ocean floor, ensure a low rate of bycatch mortality, and produce the highest quality products for the highest market prices.

The freezer longline sector, which includes 39 modern vessels with fish processing and freezing capabilities on board, operates in the federal waters of the Bering Sea and Aleutian Islands and is recognized by elected officials, the North Pacific Fishery Management Council, and the entire region as a major component of the Pacific cod fishery.

Our Mission

The Freezer Longline Coalition seeks to continue serving as a leader in sustainable fishing and as a significant economic engine for both the states of Washington and Alaska.

Our Goal

The North Pacific Fishery Management Council will be determining Pacific cod fishing allocation percentages during their spring 2006 meeting. The Freezer Longline Coalition's goal is to ensure that the allocation maintains recent historical catch levels and takes into account the freezer longline sector's dependency on Pacific cod.



RESPONSIBLE FISHING PRACTICES

The freezer longline sector's selective and low-impact fishing practices ensure low bycatch mortality and minimal environmental damage resulting in a sustainable fishery.

Low-Impact Methods

The fishing methods employed by the freezer longline sector are very low-impact and help preserve the delicate balance that sustains life in the ocean.

- Freezer longline fishing methods avoid disturbance of the ocean floor, which minimizes damage to corals, plant life and other sea creatures.
- The sector actively protects the endangered short-tailed albatross and other seabirds through the collaborative "Seabird Avoidance Plan."
- The sector adheres to the North Pacific Fisheries Council's plan to protect Stellar Sea Lions and other marine mammals and the rookeries where they live.

Sustainable Fishing

The freezer longline sector has a very low rate of waste and our careful release program ensures low bycatch mortality. The Freezer Longline Coalition will continue working to see that Pacific cod are plentiful for generations to come.

- Freezer longline vessels can adjust selective gear, bait and methods to target only desired species.
- Unlike the method of bottom trawling in which a large net is dragged along the ocean floor, each longline hook catches one fish at a time.
- As a result of the sector's careful release program, many non-target species are released alive before they come on board.
- Federal fisheries observers are onboard freezer longline vessels to ensure that fishermen are following strict operating guidelines.



**CERTIFIED BY
THE MARINE
STEWARDSHIP
COUNCIL**

The freezer longline sector is the first cod fishery in the world to obtain certification from the Marine Stewardship Council (MSC) as a sustainable, eco-friendly and well-managed fishery.

The freezer longline sector scored better on its MSC evaluation than any other fishery that the independent certifier had seen to date.

The MSC was founded as a way to reward responsibly managed fisheries around the world. Certified fisheries are allowed to affix distinctive blue and white eco-labeling on seafood packaging which gives consumers a quick and easy way to identify the best environmental choices in seafood – those which have not been overfished or harvested in ways that harm the ocean.

An independent assessment of the BSAI freezer longline fleet was conducted by a team of experts led by Scientific Certification Systems, Inc., which examined the status of fish stock, the effect fishing has on the marine environment and the effectiveness of the fishery management system.



HIGHEST QUALITY PRODUCT

Pacific cod caught by freezer longline vessels is a fresh, healthy choice for families and restaurants alike. Quality cod is in high demand at home in the United States and around the world.

Unmatched Freshness

Around the globe, world-class chefs choose to prepare longline-caught Pacific cod in their kitchens – and they are prepared to pay top dollar for our fine fish.

The freezer longline practices ensure the freshest, most delicious cod on the market. Because they are caught with lines not nets, the fish are fresher and undamaged. After fish are caught, they are immediately cleaned, frozen and packaged to lock in freshness and flavor. This unique method of processing ensures that high quality longline-caught Pacific cod is available for purchase year-round.

Fresh Pacific cod yields firm, snow-white fillets with a slightly sweet flavor, adaptable to varying cooking styles. Cod is a favorite in restaurants and at home, and is commonly baked, poached, steamed or sautéed.

Health Benefits

While fad diets come and go, fish continues to remain a staple among health-conscious consumers. Additionally, nutritionists are raising concerns about the harmful effects of red meat and they're suggesting fish as a healthy alternative. It's generally low in calories and high in protein.

Pacific cod is dense with nutritional benefits. By consuming just one, 119-calorie fillet, you'll receive:

- 20 grams of protein; roughly 46% of the daily need
- Omega-3 fatty acids
- Substantial amounts of vitamins B12 and B6, niacin, selenium and phosphorus
- Significant amounts of magnesium and potassium

Doctors and nutritionists commonly recommend that coldwater fish be included as part of a healthy diet to improve cardiovascular health and prevent heart attacks.



ECONOMIC BENEFITS

The freezer longline fleet greatly contributes to the economies of Washington state and Alaska. In fact, a recent study by Natural Resources Consultants found the fleet contributes \$306 million annually to the Pacific Northwest.

At least ninety percent of the sector's current economic contribution to the Northwest is generated from the sale of Pacific cod. The remaining five percent comes from sablefish, halibut and Greenland turbot.

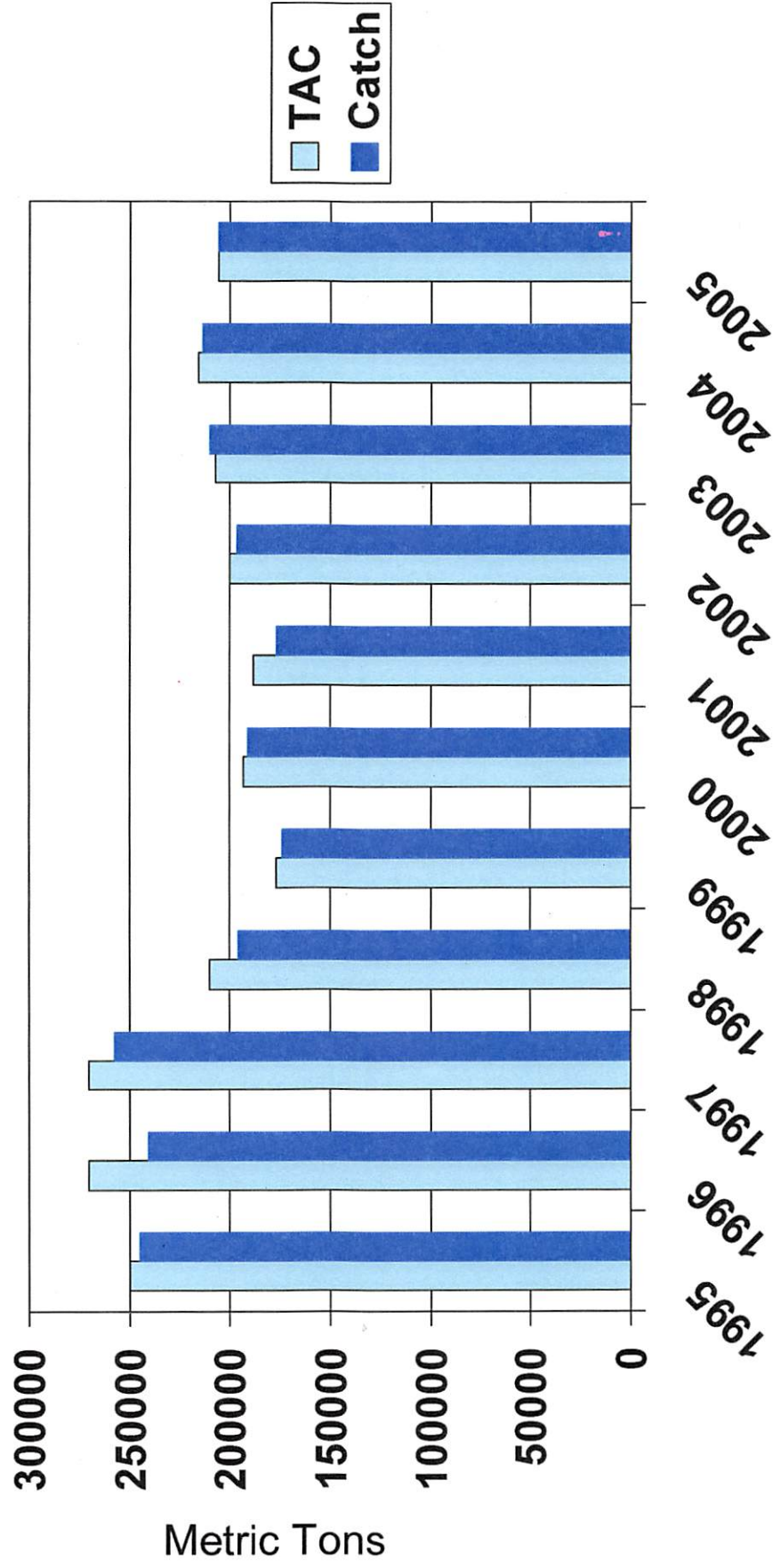
- The freezer longline fleet is based and serviced in Alaska and Washington State.
- In Alaska, fishing is second only to oil as the most profitable industry.
- Freezer longline-caught Pacific cod is marketed and sold by companies based in the Pacific Northwest.
- Freezer longline-caught Pacific cod provides over \$150 million in annual export revenues to the nation.
- The freezer longline fleet employs over 1,500 full-time workers.
- Community businesses that repair vessels and sell supplies rely on the yearlong nature of the freezer longline fisheries in order to sustain jobs.

Overview of Amendment 85 BSAI Pacific Cod Re-Allocation Choices

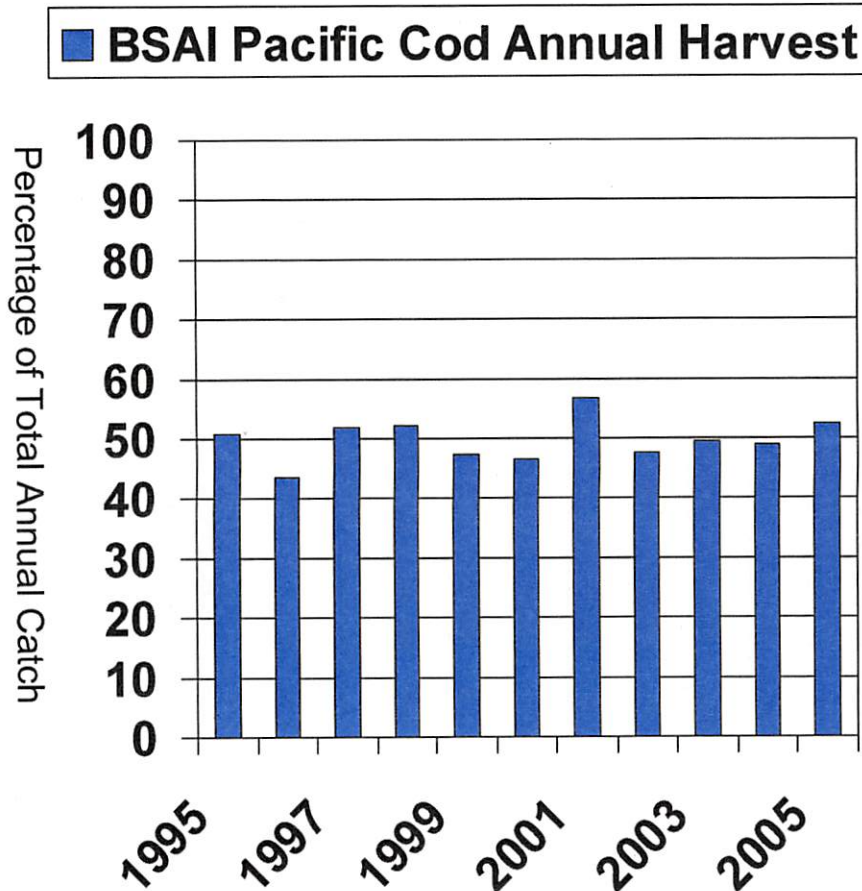
Prepared by
The Freezer Longline Coalition

All information compiled from North Pacific Fishery Management Council EA/RIR for Proposed Amendment 85 to the Fishery Management Plan for Groundfish of the BSAI.

Utilization of Pacific Cod

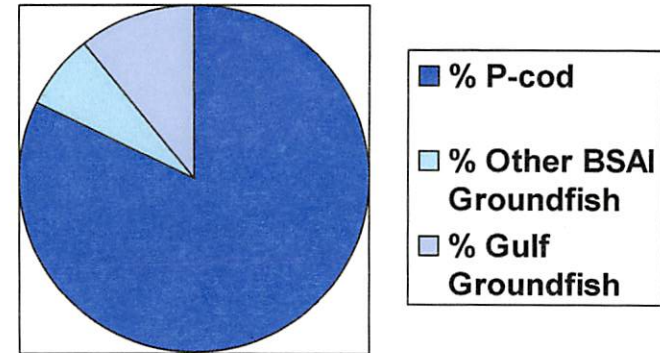


Longline CP's



1997-2003 Catch	- 50.3%
Current Allocation	- 40.8%
2005 Catch	- 52.6%
Proposed Allocation	- 50.0%

Dependency



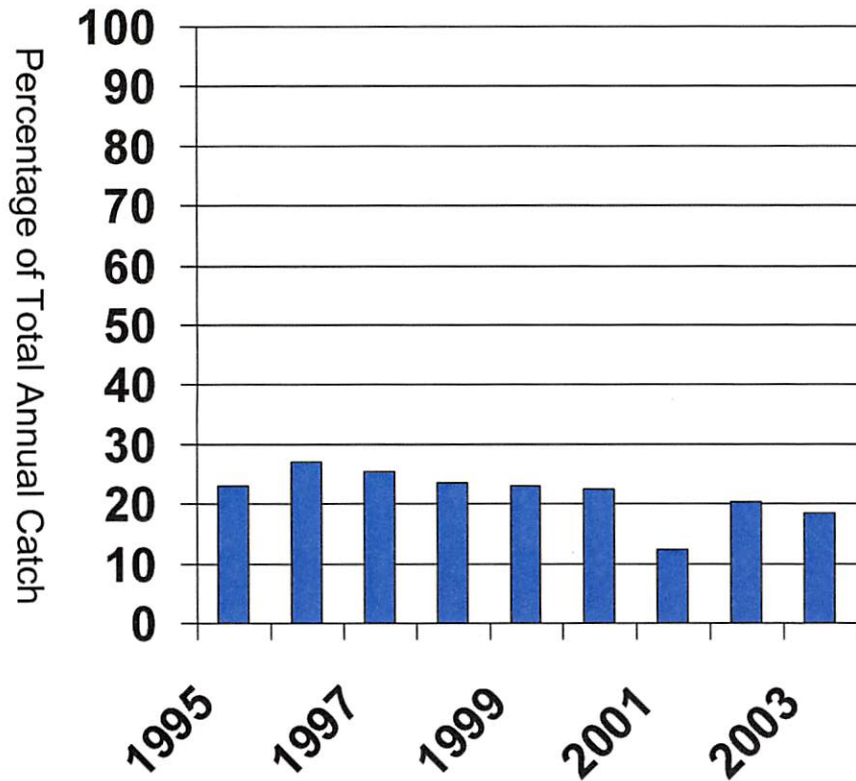
82.3% of Revenue from P-cod*

- The total estimated ex-vessel value for all species in this sector is \$590,662,016; of that P-cod comprises \$486,116,862 of the sector's catch
- The Freezer Longline sector has averaged over 50% harvest for a significant period of time.
- The sector has a very significant dependency on p-cod
- The sector has been very consistent throughout the years of fulfilling their quota and catching what other sectors leave behind

*If ex-vessel crab and halibut are added, dependence on Pacific cod drops to 80%

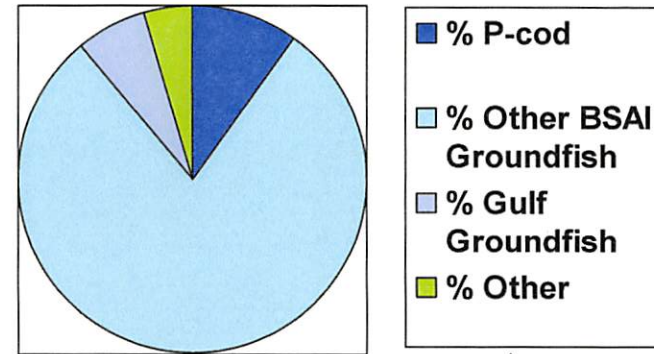
AFA Trawl CV's

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	- 20.7%
2003 Catch*	- 18.5%
Proposed Allocation	- 20.3%

Dependency



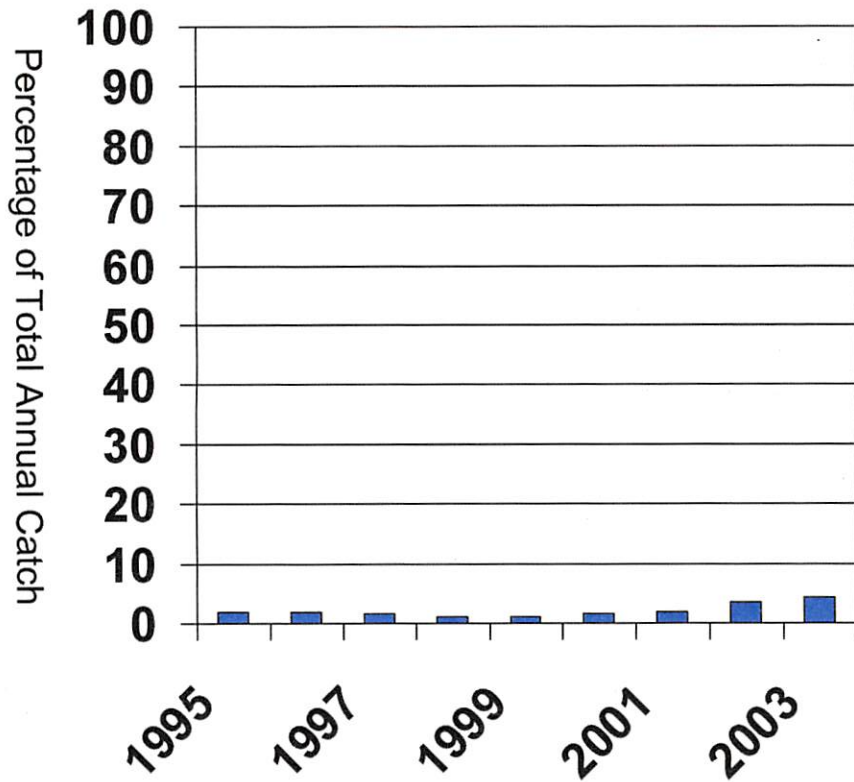
9.9% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$896,798,816; of that P-cod comprises \$88,783,082 of the sector's catch
- The sector has a minimal catch history and has a minimal dependency on the species
- The sector is very reliant on other species for annual revenue
- The Council should consider recent Board of Fish actions when making final allocations

*2005 Catch history was not available

Non-AFA Trawl CV's

■ BSAI Pacific Cod Annual Harvest



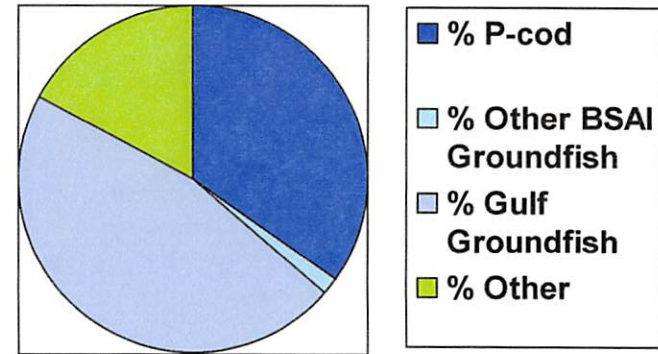
1997-2003 Catch – 2.1%

2003 Catch* – 2.0%

Proposed Allocation – 0.8%

*2005 Catch history was not available

Dependency

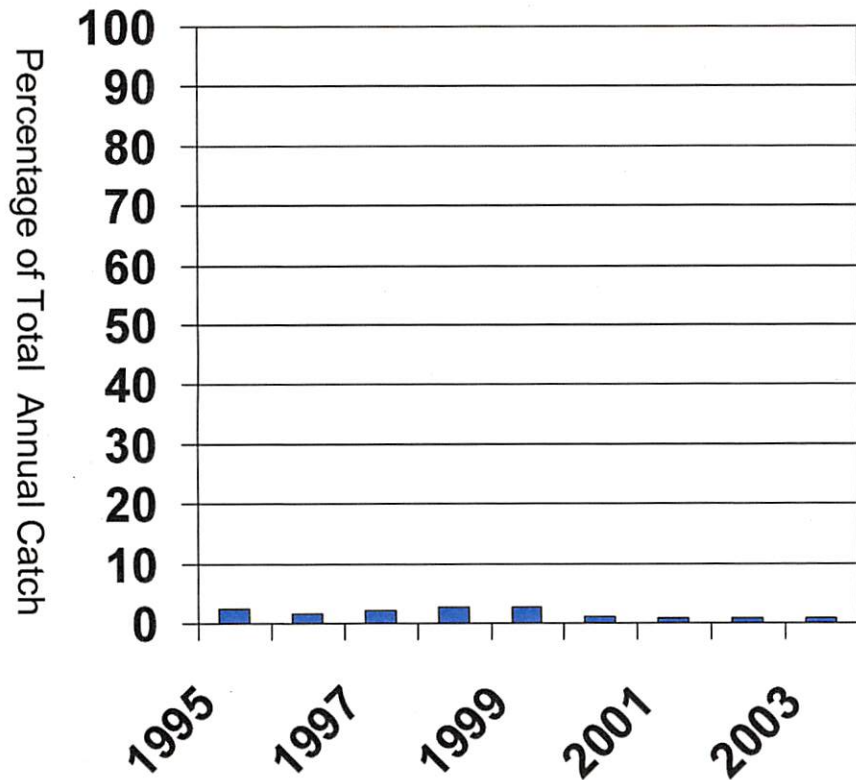


34.7% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$34,320,307; of that P-cod comprises \$1,613,054 of the sector's catch
- The sector has a relatively small annual catch
- Per Component 1, Option 1.1, 1% was moved from non-AFA trawl CV to AFA trawl CV.
- The Council should consider other actions regarding this sector when making final allocations

AFA Trawl CP's

■ BSAI Pacific Cod Annual Harvest

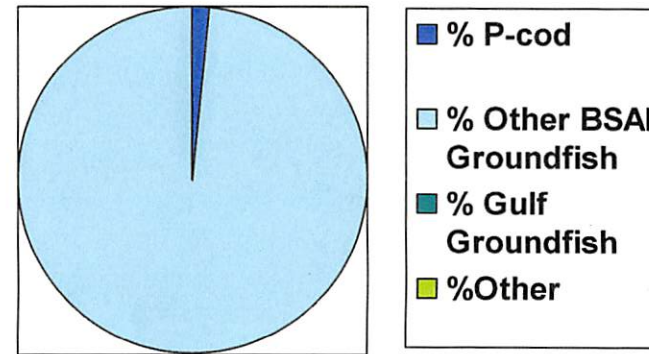


1997-2003 Catch – 1.6%

2003 Catch* – 0.8%

Proposed Allocation – 2.0%

Dependency



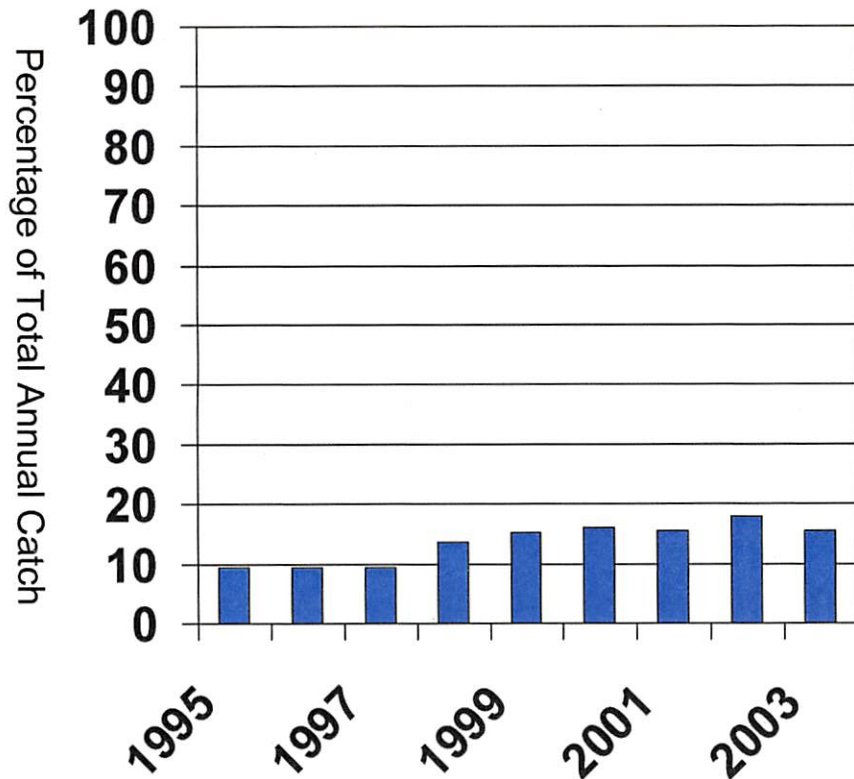
1.7% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$586,518,030; of that P-cod comprises \$9,970,806 of the sector's catch
- This sector has a low catch historically
- They also have a very small dependence on P-cod
- The sector is heavily reliant on other species for profit each year

*2005 Catch history was not available

Non-AFA Trawl CP's

■ BSAI Pacific Cod Annual Harvest

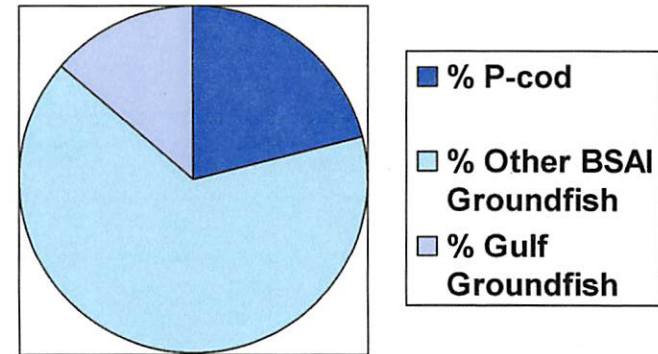


1997-2003 Catch – 14.8%

2003 Catch* – 15.6%

Proposed Allocation – 13.5%

Dependency



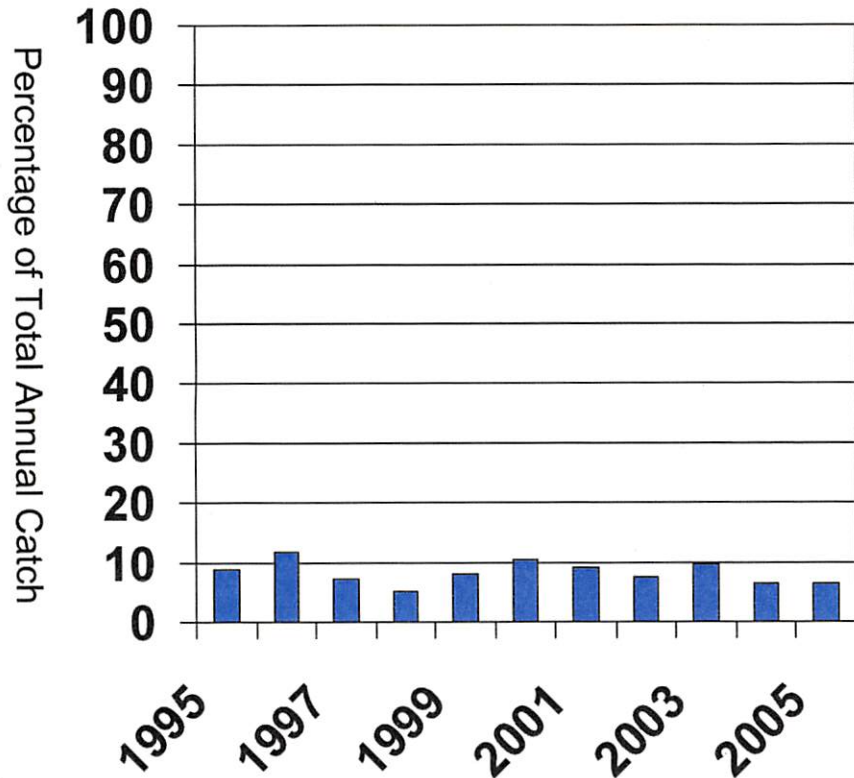
21.2% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$747,719,860; of that P-cod comprises \$158,516,597 of the sector's catch
- This sector has a moderate catch history in relation to the total catch
- The sector also has a moderate dependency on the species

*2005 Catch history was not available

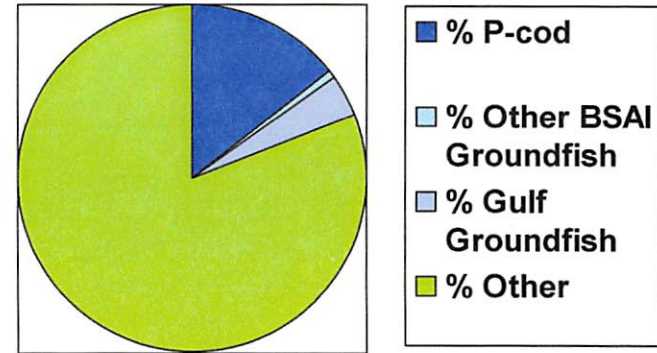
Pot CV's Greater than 60 feet

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	– 8.1%
Current Allocation	– 7.6%
2005 Catch	– 6.4%
Proposed Allocation	– 8.5%

Dependency

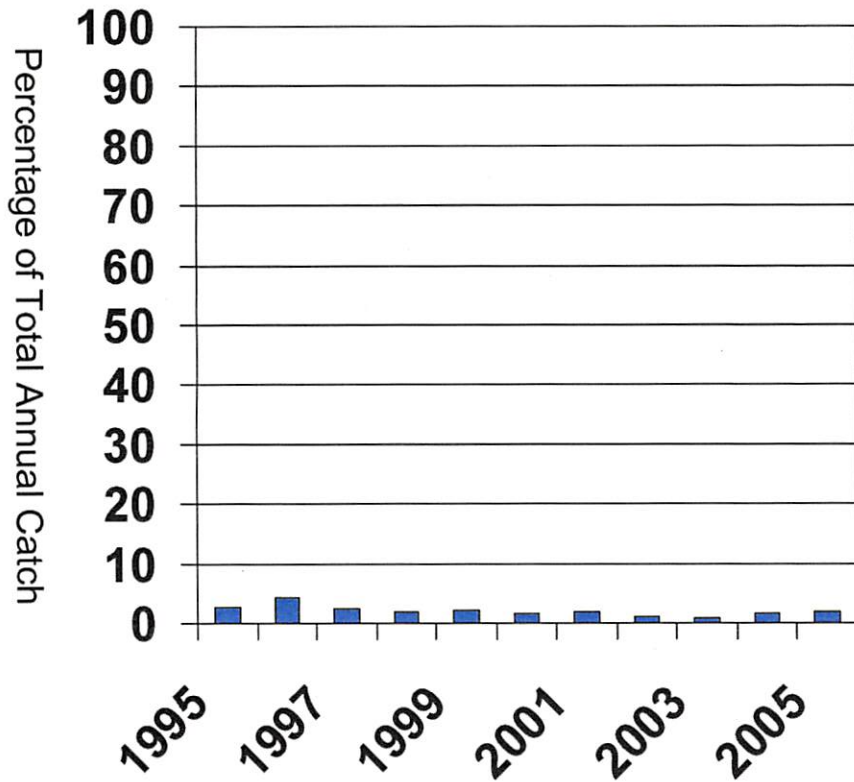


14.5% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$295,309,932; of that P-cod comprises \$42,819,935 of the sector's catch
- This sector has a moderate dependency on the species and has a moderate catch history as well
- The sector's annual harvest has declined in recent years.

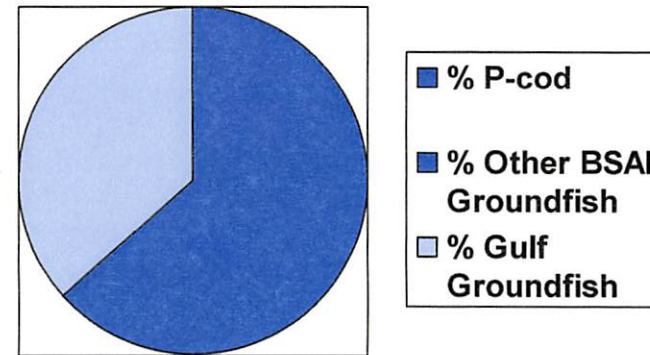
Pot CP's

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	- 1.7%
Current Allocation	- 1.7%
2005 Catch	- 1.8%
Proposed Allocation	- 1.7%

Dependency



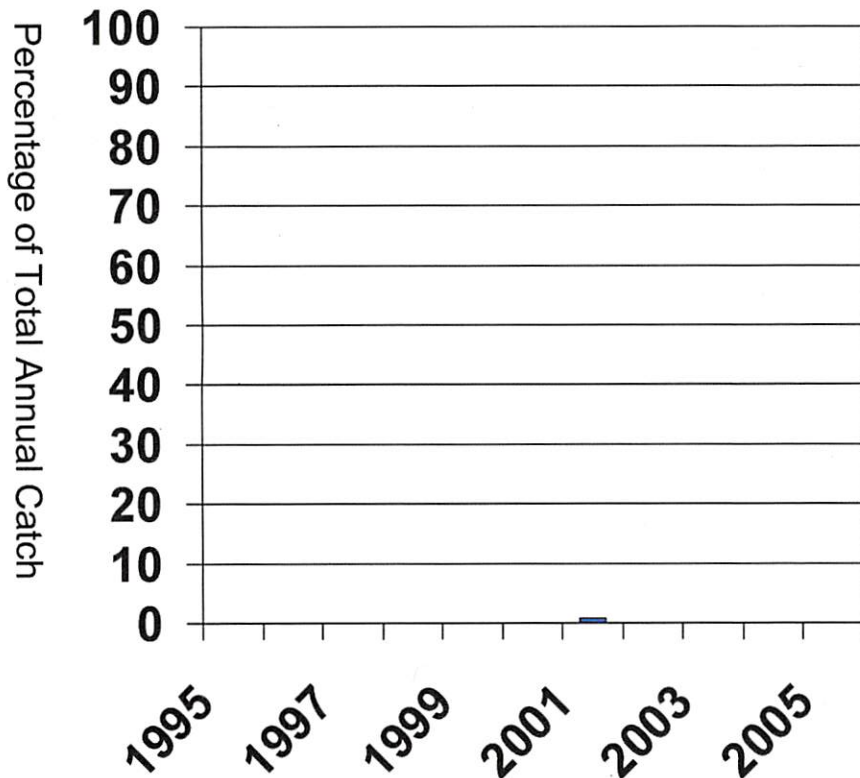
63.3% of Revenue from P-cod*

- The total estimated ex-vessel value for all species in this sector is \$23,298,092; of that P-cod comprises \$14,747,634 of the sector's catch
- This sector has a minimal impact on the total catch with a small catch history

*If ex-vessel crab and halibut are added, dependence on pacific cod drops to 33%

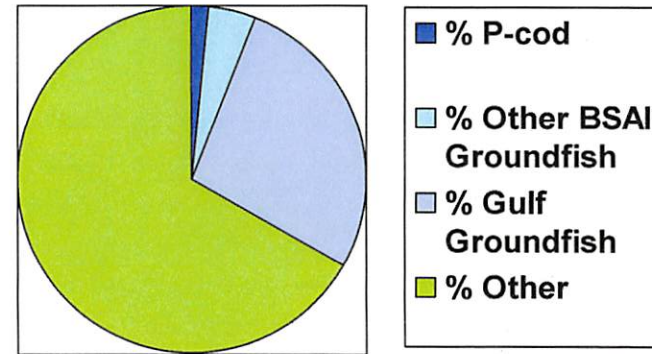
Longline CV's

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	- 0.2%
Current Allocation	- 0.15%
2005 Catch	- 0.1%
Proposed Allocation	- 0.2%

Dependency

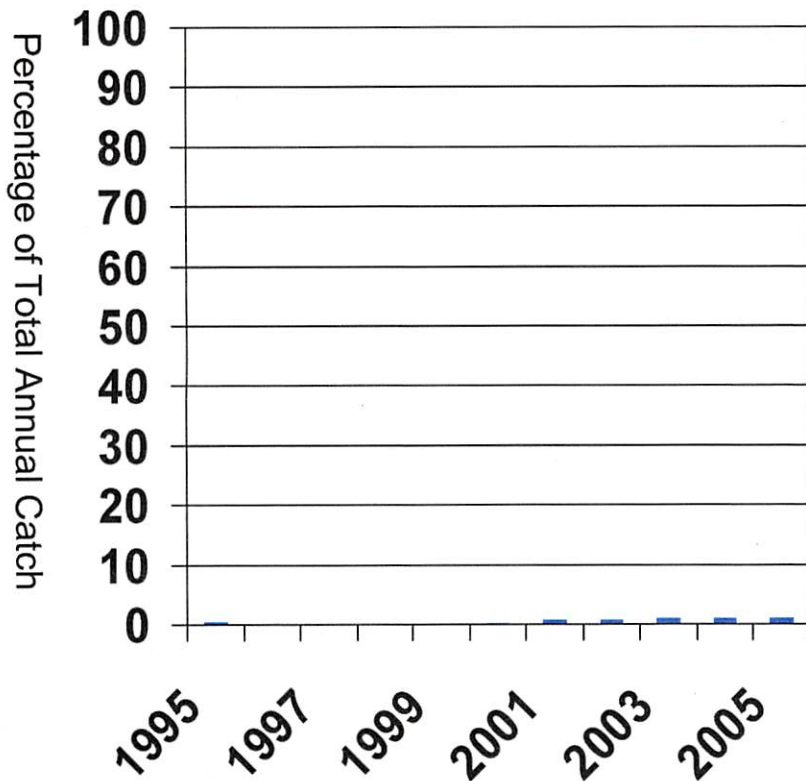


1.6% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$43,952,854; of that P-cod comprises \$703,245 of the sector's catch
- The Longline Catcher Processors have a small impact on annual catch
- The sector does not have a significant reliance on the species with less than 2%
- Pacific cod is a by-catch for this sector

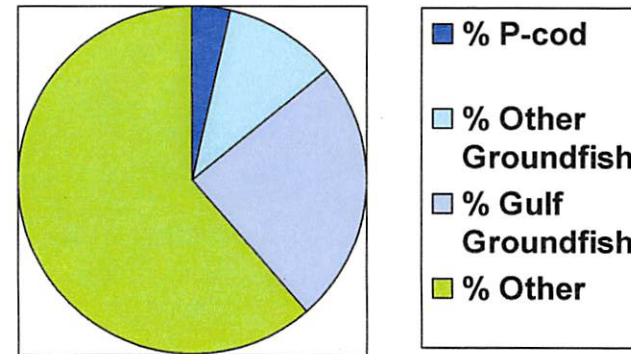
Less than 60 HAL/ Pot CV's

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	- 0.4%
Current Allocation	- 0.71%
2005 Catch	- 1.2%
Proposed Allocation	- 2.0%

Dependency

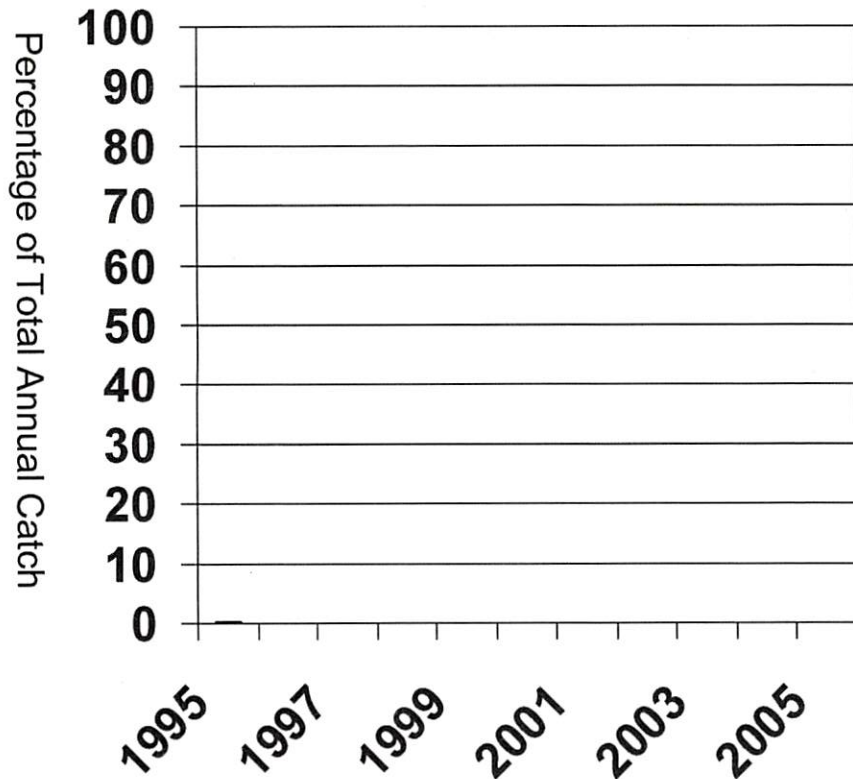


3.7% of Revenue from P-cod

- The total estimated ex-vessel value for all species in this sector is \$65,540,584; of that P-cod comprises \$2,425,001 of the sector's catch
- This sector's catch has a relatively low impact on total harvest
- They also have a minimal dependence on P-cod
- Recent years show a greater catch than in the past giving an upward trend

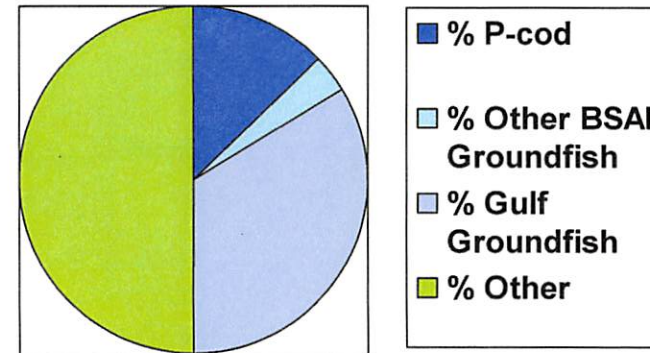
Jig CV's

■ BSAI Pacific Cod Annual Harvest



1997-2003 Catch	- 0.1%
Current Allocation	- 2.0%
2005 Catch	- 0.1%
Proposed Allocation	- 1.0%

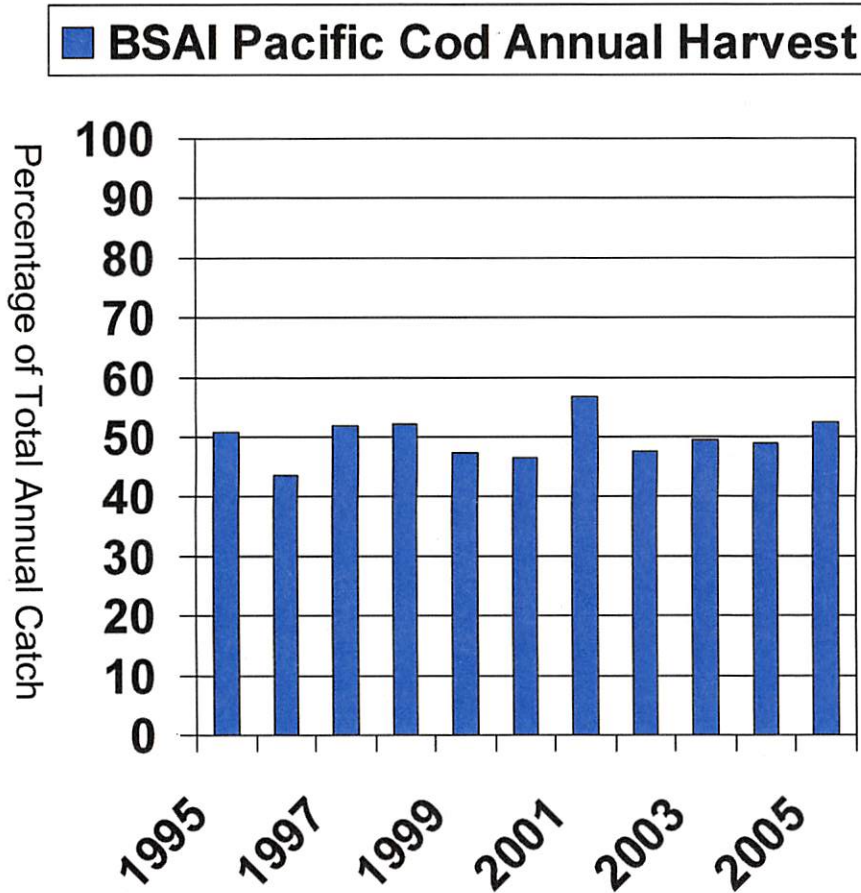
Dependency



12.8% of Revenue from P-cod

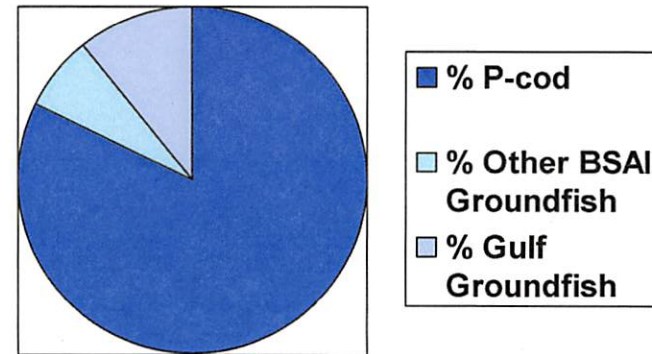
- The total estimated ex-vessel value for all species in this sector is \$5,030,071; of that P-cod comprises \$643,840 of the sector's catch
- This sector's catch has a relatively low impact on total catch
- While the sector does have a low impact on the total catch, the sector is moderately dependent on p-cod
- The Advisory Panel modified Component 2, sub-option 3 to move 1% to the <60' fixed gear.

Longline CP's



1997-2003 Catch	- 50.3%
Current Allocation	- 40.8%
2005 Catch	- 52.6%
Proposed Allocation	- 50.0%

Dependency



82.3% of Revenue from P-cod*

- The total estimated ex-vessel value for all species in this sector is \$590,662,016; of that P-cod comprises \$486,116,862 of the sector's catch
- The Freezer Longline sector has averaged over 50% harvest for a significant period of time.
- The sector has a very significant dependency on p-cod
- The sector has been very consistent throughout the years of fulfilling their quota and catching what other sectors leave behind

*If ex-vessel crab and halibut are added, dependence on Pacific cod drops to 80%

VESSEL SECTOR	Option 2.3 (1997-2003)	PROPOSED ALLOCATIONS
<60 H&L/Pot CV's	0.4%	2.0%
AFA Trawl CP's	1.6%	2.0%*
AFA Trawl CV's	20.7%	20.3%
Jig CV's	0.1%	1.0%
Longline CP's	50.3%	50.0%*
Longline CV's >60'	0.2%	0.2%
Non-AFA Trawl CP's	14.8%	13.5%*
Non-AFA Trawl CV's	2.1%	0.8%
Pot CP's	1.7%	1.7%
Pot CV's	8.1%	8.5%

* Proposed allocation derived from modified AP motion with changes noted.