

North Pacific Fishery Management Council

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



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September 1, 2000

DRAFT AGENDA
145th Plenary Session
North Pacific Fishery Management Council
September 8-12, 2000
Sheraton Hotel
Anchorage, Alaska

The North Pacific Fishery Management Council will meet September 8-12, 2000 at the Sheraton Hotel-Anchorage, Alaska. Other meetings to be held during the week are:

Committee/Panel

Advisory Panel
Scientific and Statistical Committee
ADF&G/Crab Industry Meeting
Halibut Subsistence Committee
Joint Council/Board of Fisheries Committee
Crab Industry Co-op Committee
Crab Buyback Workgroup

Beginning

8:00 am, Wed., September 6, 2000 (Ballroom C)
8:00 am, Wed., September 6, 2000 (Ballroom A)
6:00 pm, Wed., September 6, 2000 (Ballroom A)
9:00 am, Thurs., September 7, 2000 (Room 305-3rd Floor)
1:00 pm, Thurs., September 7, 2000 (Room 305-3rd Floor)
6:30 pm, Thurs., September 7, 2000 (Ballroom C)
6:00 pm, Fri., September 8, 2000 (Ballroom B)

All meetings will be held at the hotel and are open to the public except Council executive sessions. Other committee and workgroup meetings may be scheduled on short notice during the week, and will be posted at the hotel.

INFORMATION FOR PERSONS WISHING TO PROVIDE PUBLIC COMMENTS

Sign-up sheets are available at the registration table for those wishing to provide public comments on a specific agenda item. Sign-up must be completed **before** public comment begins on that agenda item. Additional names are generally not accepted **after** public comment has begun.

Submission of Written Comments. Materials provided **during** the meeting for distribution to Council members should be provided to the Council secretary. A minimum of 18 copies is needed to ensure that Council members, the executive director, NOAA General Counsel and the official meeting record each receive a copy. If copies are to be made available for the Advisory Panel (23), Scientific and Statistical Committee (13), staff (10) or the public (50) after the pre-meeting deadline, they must also be provided by the submitter.

FOR THOSE WISHING TO TESTIFY BEFORE THE ADVISORY PANEL

The Advisory Panel has revised its operating guidelines to incorporate a strict time management approach to its meetings. Rules for testimony before the Advisory Panel have been developed which are similar to those used by the Council. Members of the public wishing to testify before the AP **must** sign up on the list for each topic listed on the agenda. Sign-up sheets are provided in a special notebook located at the back of the room. The deadline for registering to testify is when the agenda topic comes before the AP. The time available for individual and group testimony will be based on the number registered and determined by the AP Chairman. **The AP may not take public testimony on items for which they will not be making recommendations to the Council.**

FOR THOSE WISHING TO TESTIFY BEFORE THE SCIENTIFIC AND STATISTICAL COMMITTEE

The usual practice is for the SSC to call for public comment immediately following the staff presentation on each agenda item. In addition, the SSC will designate a time, normally at the beginning of the afternoon session on the first day of the SSC meeting, when members of the public will have the opportunity to present testimony on any agenda item. The Committee will discourage testimony that does not directly address the technical issues of concern to the SSC, and **presentations lasting more than ten minutes will require prior approval from the Chair.**

COMMONLY USED ACRONYMS

ABC	Acceptable Biological Catch	MSFCMA	Magnuson-Stevens Fishery Conservation and Management Act
AP	Advisory Panel	MMPA	Marine Mammal Protection Act
ADF&G	Alaska Dept. of Fish and Game	MRB	Maximum Retainable Bycatch
BSAI	Bering Sea and Aleutian Islands	MSY	Maximum Sustainable Yield
CDQ	Community Development Quota	mt	Metric tons
CRP	Comprehensive Rationalization Program	NMFS	National Marine Fisheries Service
CVOA	Catcher Vessel Operational Area	NOAA	National Oceanic & Atmospheric Adm.
EA/RIR	Environmental Assessment/Regulatory Impact Review	NPFMC	North Pacific Fishery Management Council
EEZ	Exclusive Economic Zone	OY	Optimum Yield
EFH	Essential Fish Habitat	POP	Pacific ocean perch
FMP	Fishery Management Plan	PSC	Prohibited Species Catch
GHL	Guideline Harvest Level	SAFE	Stock Assessment and Fishery Evaluation Document
GOA	Gulf of Alaska	SSC	Scientific and Statistical Committee
HAPC	Habitat Areas of Particular Concern	TAC	Total Allowable Catch
IBQ	Individual Bycatch Quota	VBA	Vessel Bycatch Accounting
IFQ	Individual Fishing Quota	VIP	Vessel Incentive Program
IPHC	International Pacific Halibut Commission		
IRFA	Initial Regulatory Flexibility Analysis		
IRIU	Improved Retention/Improved Utilization		
ITAC	Initial Total Allowable Catch		
LAMP	Local Area Management Plan		
LLP	License Limitation Program		

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	<u>Estimated Hours</u>
A. CALL MEETING TO ORDER	
(a) Oath of Office	•
(b) Approval of Agenda	•
(c) Election of Officers	•
(d) Approval of Minutes of Previous Meetings	•
B. REPORTS	
B-1 Executive Director's Report	•
C. NEW OR CONTINUING BUSINESS	
C-1 <u>Observer Program</u>	(3 hours)
(a) MRAG Report.	
(b) Observer Committee Report/Council discussion.	
C-2 <u>Pacific cod / Steller Sea Lion Interactions</u>	(16 hours)
Initial review of analysis.	
C-3 <u>Crab Processing Sideboards</u>	(6 hours)
Review discussion paper and take final action.	
C-4 <u>Cook Inlet Bottom Trawl Ban</u>	(2 hours)
Final action.	
C-5 <u>Reports</u>	(3 hours)
(a) MSA Reauthorization issues.	
(b) Socio-economic Data Committee.	
(c) HAPC stakeholder process.	
(d) Status of Western Alaska salmon fisheries.	
D. PUBLIC COMMENTS	
E. CHAIRMAN'S REMARKS AND ADJOURNMENT	

Total Agenda Hours 30

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Certified: Paul Bendixen
Date: 8/28/00

MINUTES Scientific Statistical Committee June 5-7, 2000

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

Jack Tagart, Vice Chair
Steve Hare
Doug Larson

Keith Criddle
Jeff Hartman
Seth Macinko

Doug Eggers
Dan Kimura

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

Inshore Co-op Structure

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

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

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

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

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

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

In addition, we note that

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

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

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

Definition of a Qualified Catcher Vessel

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

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

Open Access Quota Share Pool

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

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

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

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

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

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

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

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

Socioeconomic (Cost/Earnings) Data Collection

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

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

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

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

C-4 STELLER SEA LION PROTECTION

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

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

D-1 AMEND THE TAC SETTING PROCESS

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

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

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

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

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

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

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

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

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

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

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

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

HALIBUT CHARTER IFQ – ANALYTICAL DESIGN

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

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

Some problems with the proposed Analytical Design document follow:

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

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

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

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ADVISORY PANEL MINUTES

June 7-10, 2000

The Doubletree Downtown, Portland, Oregon

Advisory Panel members in attendance:

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

C-1 Halibut Management

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

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

Community IFQ Purchase - elements and options:

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

Element 4. Purchase, sale and use restrictions:

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

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

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

Suboption: Accompany mandated change in year 10 with

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

Motion passed 18-0-1.

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

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

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

C-1 (b) Halibut Donation Program

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

Motion passed 17-0.

C-2 Observer Program

The AP recommends the Council adopt the following:

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

Proposed Action 2 - Alternative A

Proposed Action 3 - Alternative A

Proposed Action 4 - Alternative A - status quo

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

Motion passed 19-0.

Minority Report

The following motion failed 14-3.

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

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

Hazel Nelson

Michelle Ridgway

Dan Falvey

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C-3 American Fisheries Act

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

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

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

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

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

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

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

Motion passed 14-3-1.

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

Motion passed 19-0.

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

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Minority Report - AFA Inshore Co-op Structure

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

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

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

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

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

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

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

*Dave Benson
Stephanie Madsen
David Boisseau*

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

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

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

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

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

C-3 (c) Crab processing caps

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

Motion passed unanimously 19-0.

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

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

Motion passed unanimously 19-0.

Crab harvest vessel exemption

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

Motion passed 17-1-1.

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C-4 Steller Sea Lion Protection

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

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

Prey Competition

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

Localized Depletion

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

However:

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

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

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

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

Motion passed 17-0.

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

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

Freezer Longline Vessels:

Qualification Years:

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

Minimum poundage requirement during each qualifying year:

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

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Catcher Longline Vessels:

Qualification Years:

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

Qualification landings (minimum landing requirements):

Minimum poundage requirement during each qualifying year:

- Option 1: 25,000 lbs. - 50,000 lbs.
 - Option 2: 50,001 lbs. - 100,000 lbs.
 - Option 3: 100,001 lbs. - 300,000 lbs.
 - Option 4: > 300,000 lbs.
- Suboption 1 : Allow catcher vessels less than 60' LOA to use their jig landing as part of their catch history to apply towards a minimum landing requirement.
- Suboption 2 : Allow all catcher vessels to use their jig landing as part of their catch history to apply towards a minimum landing requirement.

Pot Gear Catcher Vessels:

Qualification Years:

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

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

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

Pot Gear Catcher Processor Vessels:

Qualification Years:

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

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AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

Option 1: 25,000 lbs. - 50,000 lbs.

Option 2: 50,001 lbs. - 100,000 lbs.

Option 3: 100,001 lbs. - 300,000 lbs.

Option 4: > 300,000 lbs.

Trawl Catcher Vessels:

Qualification Years:

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

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

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

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

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

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

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

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

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

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

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

Option 3: > 300,000 lbs.

Trawl Catcher Processors:

Qualification Years:

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

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

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

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

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

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

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

AND

Qualification landings (minimum landing requirements):

Minimum pounds required for delivery during each qualifying year:

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

Option 2: > 300,000 lbs.

Jig Gear Vessels:

Qualification Years:

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

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

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

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

AND

- Qualification landings (minimum landing requirements):
Minimum pounds required for delivery during each qualifying year:
- Option 1: A landing only (no minimum poundage required)
 - Option 2: 25,000 lbs. - 50,000 lbs.
 - Option 3: 50,001 lbs. - 100,000 lbs.
 - Option 4: over 100,001 lbs.

Exemptions

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

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

The AP also requests the following:

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

Motion passed unanimously 17-0.

C-5 (d) EFH Stakeholder process

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

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

Motion passed 15-0.

D-1 Groundfish Management

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

Motion passed 12-0.

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D-2 Crab Management

Opilio Rebuilding Plan

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

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

A. Harvest Strategy

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

B. Bycatch Controls

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

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

C. Habitat Protection

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

Motion passed 14-2.

The following substitute motion failed 4/10.

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

Minority Report - Opilio Rebuilding Plan

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

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

Spike Jones

Dave Benson

Stephanie Madsen

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St. Matthew Blue King Crab Rebuilding Plan

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

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

A. Harvest Strategy

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

B. Bycatch Controls

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

C. Habitat Protection

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

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

Motion passed 17-0.

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