


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver   
Acting Executive Director

DATE: September 28, 2000

SUBJECT: Staff Tasking

|                           |
|---------------------------|
| ESTIMATED TIME<br>3 HOURS |
|---------------------------|

We last discussed the status of staff tasking at the June meeting in Portland, where we gave you an extensive assessment of staff workloads, staff hours spent on various projects over the past two years, and our assessment of what could realistically be done between June and October, given existing, priority assignments and staff availability. Based on those discussions you gave us limited new tasking assignments, most of which have been completed. Additional analyses related to crab processing sideboards, and to groundfish processing sideboards/pollock processing excessive share caps has been completed, with Council action also complete or scheduled for completion at this meeting. The Cook Inlet bottom trawl ban has also been completed with Council action in September. It and the DSR retention amendment each need about another week of work by Council staff before we forward it to NMFS. As reported under D-2, Council staff compiled preliminary data related to historical crab harvest and processing in an interactive database which was made available in August.

Two regulatory amendments related to the P. cod fisheries, which were identified as candidates for outside contract help, have not been initiated, partly due to the pending P. cod/SSL measures which could affect the necessity and direction of those actions. The proposed split of the BSAIP. cod pot sector allocation, between catcher processors and catcher vessels was also identified in June for possible contract help; however, Council staff were able to complete that analysis over the summer for initial review at this meeting. A proposal for three separate sideboard pools, originally raised last February, was put on hold in June for future consideration, pending industry efforts to resolve sideboard issues. Council staff involvement in the comprehensive SEIS project is mostly complete, with some potential input required in the next few weeks. We do still have to complete our FMP updates as a parallel part of the SEIS project, which is expected to take three to four weeks of overall staff time over the next month or so. We have also devoted staff effort over the summer to the AFA EIS and to Observer Program issues. The halibut charter IFQ analysis remains the most significant tasking item at this time, for the next two to three months. A brief summary of each staff persons' major tasking for the next few months follows:

David Witherell will be working, along with Cathy Coon, on the HAPC stakeholder process this fall and winter, along with initial development of a salmon bycatch package as discussed in September (pending your further direction). It appears we will also have to do an EIS relative the EFH designation, though the timing on that is uncertain. The BSAI FMP update also has to be completed, and David has Groundfish and Crab Plan Team responsibilities this fall. He also staffs the Ecosystem Committee and associated issues. Cathy is also assisting NMFS with data and GIS related portions of the P. cod/SSL analysis. She may be available for additional projects this fall.

Jane DiCosimo, along with Chuck Hamel, will be fully subscribed with the halibut charter IFQ analysis at least through December. Depending upon discussions under agenda item C-4, and given the expectation of revised data and related, outside analyses in early November, it may be more realistic to schedule this issue for formal initial review in February, and final action in April. The potential GOACCC proposal to allocate

charter QS to communities would likely require a trailing amendment, or would expand the existing amendment analysis. The shark/skate package would also require 2-3 weeks of her time to complete, though that could be postponed until after the new year. Jane also has Plan Team duties this fall and is the staff person for the GOA rationalization initiative and the IFQ and CDQ committees, and is overseeing the GOA FMP update. Chuck's other duties include staffing the Socio-economic Data Committee and tracking initiatives associated with that Committee.

Nicole Kimball is going to be working on the FMP updates mentioned above, and may assist with parts of the halibut charter IFQ analyses. I also expect her to be taking over some of the AFA related burden in the foreseeable future, and she also will be working on Observer Program related issues. Based on our September discussions, we expect that to be a fairly major agenda item in February, with staff work in December and January to respond to various Observer Committee information requests. She has some availability this fall for other projects.

Darrell Brannan, despite his move to Florida, is still working for the Council and will be available to us, fortunately, for another month or so. He has been working behind the scenes in August and September on the AFA EIS, and on a preliminary report to Congress on AFA implementation. This is a very preliminary report as 2000 is the first year of full pollock co-op implementation. After we receive the end-of-year co-op reports, and have time this fall and spring for further research and analysis, we expect to submit a complete report to Congress by March 2001. For Darrell's remaining time with us I expect him to be working on that project, helping finalize the AFA EIS, and helping to finalize RFPs and SOWs related to longer-term outside contracts with our AFA funds, which would occur in 2001. These issues are also where I expect a lot of my time to be devoted, in addition to other administrative and fall budgetary items.

Elaine Dinneford, along with our computer systems/network manager Diane Provost, will continue to provide data support for all of the existing and new projects. She also has an extensive tasking outline related to the long-term compilation, management, and improvement of our various fisheries databases. Helen, Gail, and Maria will continue, as you know, to provide the necessary finance, administrative and clerical staff support that really makes all of this happen. Our new economist, Maria Tsu, will need time this fall to come up to speed on our fisheries issues and process, but could likely contribute to existing or new projects to some extent between now and February.

Item D-3 (a) is a summary of existing and potential tasking in a format similar to the one we provided last June (again, this does not take into account any NMFS staff workload). I have identified the completion level of existing tasks, estimated where possible the required staff time for existing and potential new tasks, and estimated available staff time between now and February. Our Council meeting schedule this fall really impacts staff availability as well, given the time to prepare for meetings, staff them, and follow-up after them. I believe that there is some limited staff time available for new projects at this time, but there are two or three major projects on the potential tasking list that probably cannot proceed very far until after the new year. For your reference I have copied the proposals from last year's cycle, including IFQ program proposals, under Item D-3(b). We did not call for new proposals this past summer. Item D-3(c) is the letter we sent to Governor Knowles after the September meeting, regarding our discussions of salmon bycatch and development of possible reduction measures. As reflected in that letter, I would expect the Council to provide specific direction on that project at the December meeting, when we have the co-op reports and a more detailed proposal from industry.

Outside contracting has some potential, though our baseline Council budget for this year is tapped out with the additional meetings this fall, and our existing AFA funds are earmarked for longer-term projects, including some outside help on portions of the AFA report to Congress. Our 2001 budget is still up in the air, though we may be getting an increase, and we also may be getting some additional AFA funding, but that will not be available to us until January. I recommend we address staff tasking as a major agenda item again at the February 2001 meeting, after the dust has settled a bit from this fall and our hiring and budget picture are resolved.

**Council Staff Tasking Summary (as of October 1, 2000)**

| Existing Projects                                   | Projected |       | Comments   |
|---|-----------|-------|--|
|   | Weeks     | A/E%  |  |
| SEIS Completion                                     | 1         | 20/80 | Council staff involvement complete this month  |
| FMP Updates   | 3         | 100/0 | Requires Council staff work in Oct/Nov   |
| AFA EIS/Proposed Rule                               | 2         | 70/30 | Requires Council staff work in Oct/Nov   |
| AFA Report to Congress (final)                      | 8         | 60/40 | Preliminary report nearly complete - final report will require staff work this fall/spring |
| EFH/HAPC Stakeholder Process                        | 2         | 90/10 | Council staff to coordinate stakeholder process this fall                                  |
| Halibut Charter IFQ                                 | 14        | 60/40 | Major workload through December, possibly through January                                  |
| Groundfish Processor sideboard and Excessive Shares |           |       | Analysis complete - Council action scheduled for October                                   |
| MSST/OF Definitions                                 |           |       | NMFS staff are primary analysts on this project  |
| CDQ Regulatory Amendment (Administrative)           |           |       | NMFS staff are primary analysts on this project  |
| BSAI pot cod split                                  | 1         | 35/65 | Minimal additional analysis expected   |
| DSR Submittal                                       | 1         | 100/0 | Minimal additional analysis expected   |
| Cook Inlet bottom trawl ban                         | 1         | 100/0 | Minimal additional analysis expected   |
| Crab processor sideboards (additional analysis)     |           |       | Analysis and action complete   |
| BSAI crab co-ops (database)                         |           |       | Completed  |
| SSL Comprehensive Biop                              | 1         | 50/50 | May require minimal Council staff assistance   |
| Halibut Subsistence                                 |           | 100/0 | Analysis complete - Council action scheduled for October                                   |
| BSAI P.cod LLP                                      |           | 50/50 | Analysis and action complete   |
| Crab rebuilding amendments                          |           | 10/90 | Analysis and action complete   |
| Observer Program Reg amendments                     |           |       | Analysis and action complete   |
| Inshore co-op structure                             |           |       | Analysis and action complete   |
| Observer Program (Extension and ATLAS)              |           |       | NMFS staff are primary analysts on this project  |
| P.cod / SSL analysis                                | 2         |       | May require additional Council staff assistance  |
| Develop RFP's/SOWs for contract                     | 3         | 30/70 | Requires interaction with ADFG, NMFS, and SSC in Oct/Nov                                   |
| Observer Program (long-term changes)                | 3         | 35/65 | Scheduled for February 2001 Agenda   |
| <b>Total:</b>                                       | <b>42</b> |       |  |

48 available wks through January (taking into account Council Meetings, Plan Teams, vacation, holidays, etc.)

**Previously Tasked Projects**

|                                   |     |       |  |
|-----------------------------------|-----|-------|--|
| 3 Separate sideboard pools        | 1   | 35/65 | Assumes outside contract - pending Council direction |
| P.cod reg. Amendments (2)         | 1   | 35/65 | Assumes outside contract - pending Council direction |
| SR/RE retention                   | 2.5 | 100/0 | Not started  |
| Shark/Skate FMP amendments        | 2.5 | 100/0 | On hold pending tasking priorities                   |
| CDQ Reg amendments (omnibus)      | ?   |       | NMFS staff are primary analysts on this project      |
| HMAP                              | ?   |       | NMFS staff are primary analysts on this project      |
| Salmon bycatch reduction measures | 8   |       | Major project - pending further Council direction    |

**Potential New Tasking**

|                            |  |  |   |
|----------------------------|--|--|---|
| Community based QS         |  |  | Pending Council direction                 |
| GOA rationalization        |  |  | Major project - pending Council direction |
| BSAI Crab Rationalization  |  |  | Major project - pending Council direction |
| IFQ amendments             |  |  | Pending Council direction                 |
| Other AFA related Measures |  |  |   |

# North Pacific Fishery Management Council

David Benton, Chairman  
Chris Oliver, Acting Executive Director



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September 28, 2000

The Honorable Tony Knowles  
Governor, State of Alaska  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Governor Knowles:

Thank you for your August 8 letter regarding the status of this year's returns of chinook and chum salmon to the Yukon, Kuskokwim, and Norton Sound regions. Your letter requested the Council to stop the bycatch of chinook and chum salmon, and to require 100% observer coverage on all trawl vessels fishing in the EEZ.

The Council has enacted several measures to control bycatch of salmon in groundfish fisheries. Time and area closures for the Bering Sea trawl fisheries have been established to keep the fishery out of 'hotspot' bycatch areas. Additionally, the trawl fisheries are allocated a limited amount of salmon they can take as bycatch; if more salmon are taken, additional closures are implemented. To reduce the probability of additional closures, the fishing industry has implemented a voluntary program to avoid salmon bycatch by making bycatch rate information available to the entire fleet. A summary of these measures is provided as an attachment to this letter.

At its September meeting, the Council also heard from fishermen regarding the current court ordered injunction, which closes 58,000 square nautical miles to trawling, and the potential to compound salmon bycatch issues, as they have to fish in new areas with lower catch rates and longer tow times. Often characterized as a 'lightning strike' event, bycatch of salmon could potentially be exacerbated by these closures. For all these reasons, we share your concerns and are committed to developing appropriate remedies relative to the fisheries under our jurisdiction.

At our recent meeting the Council initiated development of a regulatory package to further improve bycatch controls for salmon taken incidentally in the pollock fisheries. One of the existing problems identified with the current bycatch management program is that there are no incentives for individual vessels to reduce their own bycatch. The current limits and controls apply at the fleet level. A possible improvement would be to subdivide the salmon bycatch limits among the pollock fishery cooperatives, and allow them to directly address the bycatch issue through a rate-based incentive program within their fleets. Such an approach proved quite effective in the days of the foreign fisheries off Alaska.

We intend to discuss this initiative again at our October meeting, and in December we will receive the end-of-year catch and bycatch reports from the pollock cooperatives, as well as a specific rate-based proposal. This will provide the Council and its staff the specifics with which to complete the necessary analyses and overall regulatory package. For the beginning of the 2001 fisheries, until such regulations are formally implemented, we anticipate a voluntary implementation of this approach by the pollock cooperatives.

The Honorable Tony Knowles

September 28, 2000

Page 2

With regard to observer coverage, the Council and NMFS are in the process of reviewing the observer program in its entirety. The Council did not specifically discuss the issue of additional observer coverage at this time, though nothing would preclude us from considering appropriate measures when we discuss this again in October and December. At our September meeting the Council received a report on the recently completed independent review of the groundfish observer program which was commissioned by NMFS. We have scheduled a more comprehensive review of the observer program for discussion at our February 2001 meeting in Anchorage. At that time the Council will undoubtedly consider the issue of observer coverage. Again, we share your concerns, and I wish to assure you that this Council is committed to developing further management measures that will minimize the bycatch of salmon.

Sincerely,



David Benton  
Chairman

cc: Dan Coffey, BOF

**Comments on Salmon Bycatch:**

Some salmon are taken incidentally as bycatch in the Alaska groundfish trawl fisheries of the Bering Sea and Aleutian Islands (BSAI) and Gulf of Alaska (GOA). Bycatch is closely monitored through the fisheries observer program. Salmon bycatch from groundfish trawl fisheries is shown in the adjacent table. Bycatch of salmon in the BSAI has been somewhat variable in recent years. Most of the salmon bycatch is taken in the pelagic trawl pollock fishery.

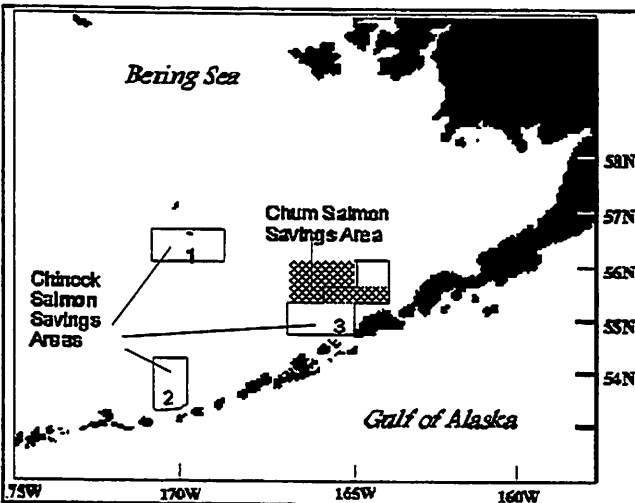
Virtually all salmon bycatch is chinook salmon and chum salmon, with less than 5% of the salmon bycatch comprised of sockeye, pinks, or coho salmon. Previous analysis of bycatch data had indicated the bycatch is primarily juvenile salmon that are one or two years away from returning to the river of origin as adults. The origin of salmon taken as bycatch includes rivers in western Alaska, central and southeast Alaska, Asia, and British Columbia. Four separate studies of salmon taken as bycatch in Bering Sea trawl fisheries have shown that about 60% of the chinook salmon originate from western Alaska rivers (Yukon, Kuskokwim, Bristol Bay drainages). An unknown, but likely lower, percentage of the GOA salmon bycatch originates from western Alaska. The origin composition of chum salmon taken as bycatch remains unknown, but preliminary work suggests that Asian and North American stocks are well intermixed in the Bering Sea, so one would expect bycatch to reflect relative run strengths. It has been estimated that bycatch from Bering Sea trawl fisheries accounted for < 1% of the chum salmon population and in the order of 2 - 4% of the adult chinook salmon population in Alaska.

Number of salmon taken as bycatch in BSAI and GOA groundfish trawl fisheries 1993-2000 (through 8/5/00). Note that >95% of the 'other' salmon is chum salmon.

|      | Chinook Salmon |        | Other Salmon |        |
|------|----------------|--------|--------------|--------|
|      | BSAI           | GOA    | BSAI         | GOA    |
| 1993 | 45,964         | 24,465 | 243,246      | 56,388 |
| 1994 | 43,636         | 13,613 | 94,508       | 37,226 |
| 1995 | 23,079         | 14,647 | 21,780       | 64,792 |
| 1996 | 63,179         | 15,761 | 77,926       | 4,176  |
| 1997 | 50,218         | 15,095 | 67,536       | 3,416  |
| 1998 | 55,427         | 16,984 | 65,631       | 13,544 |
| 1999 | 12,924         | 30,600 | 46,295       | 7,522  |
| 2000 | 6,666          | 15,735 | 25,683       | 3,088  |

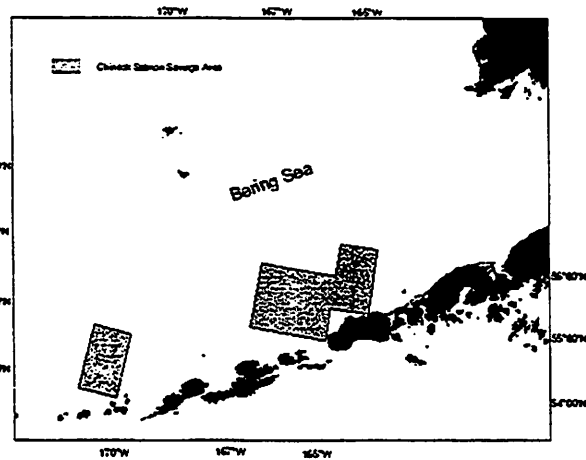
Salmon are listed as a prohibited species in the groundfish fishery management plans, meaning that they cannot be kept, and must be returned to the sea as soon as possible with a minimum of injury. However, regulations implemented in 1994 prohibited the discard of salmon taken as bycatch in BSAI groundfish trawl fisheries until the number of salmon has been determined by a NMFS certified observer. The intent of these regulations was to provide additional information on the magnitude of salmon bycatch in these fisheries. Additional regulations were adopted to allow voluntary retention of salmon for donation to foodbanks. Salmon retained for this purpose are processed and distributed in a fashion that is easily monitored.

The Council has taken measures to control the bycatch of salmon in trawl fisheries. Several bycatch "hotspot" areas have been closed to trawl fishing if too many salmon are encountered (see adjacent figure). Beginning in 1995, the Chum Salmon Savings Area has been closed to all trawling from August 1 through August 31. Additionally, regulations specify that the area remains closed if a bycatch limit of 42,000 chum salmon is taken within the catcher vessel operational area. Although more than 42,000 chum salmon were taken over the course of a year from 1995 through 1999, additional closures had not been triggered because the bycatch limit



was not attained within the area prior to the accounting period (January 1 to October 14). From 1996 through 1999, regulations were in place to prohibit trawling in the Chinook Salmon Savings Areas through April 15 if and when a bycatch limit of 48,000 chinook salmon was attained in the Bering Sea and Aleutian Islands trawl fisheries. More than 48,000 chinook salmon were taken as bycatch annually from 1996 through 1998, but the closure was not triggered because the bycatch limit was not exceeded before April 15.

In 1999, the Council adopted Amendment 58 to reduce the amount of chinook salmon allowed to be taken as bycatch in BSAI trawl fisheries. Specifically, the alternative adopted did the following (1) reduced the chinook salmon bycatch limit from 48,000 to 29,000 chinook salmon over a 4-year period, (2) implemented year-round accounting of chinook salmon bycatch in the pollock fishery, beginning on January 1 of each year, (3) revised the boundaries of the Chinook Salmon Savings Areas, and (4) set more restrictive closure dates. In the event the limit is triggered before April 15, the Chinook Salmon Savings Area closes immediately. The closure would be removed on April 16, but would be reinitiated September 1 and continue through the end of the year. If the limit were reached after April 15, but before September 1, then the areas would close on September 1. If the limit were reached after September 1, the areas would close immediately through the end of the year. The bycatch limit for 2000 fisheries was set at 41,000 chinook salmon.



Location of the chinook salmon savings areas in the BSAI, as modified by Amendment 58.

In light of the current situation of depressed chum and chinook salmon stocks in the Yukon, Kuskokwim, and Norton Sound regions, the North Pacific Fishery Management Council will review status of the those stocks at it next meeting beginning September 8, 2000. The Council will hear reports from the National Marine Fisheries Service and the Alaska Department of Fish and Game, and also may have recommendations from a joint committee of Council and Alaska Board of Fisheries members which will meet September 7. After reviewing the situation and cumulative bycatch information, the Council may consider taking further action as appropriate.

## 1999 GROUND FISH AND CRAB PROPOSALS

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

### Overfishing

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

### Bycatch

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



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

#6 United Catcher Boats submitted a BSAI plan amendment to: 1) rescind the mandatory August trawl closure and to 2) allow for a chum salmon cap of 42,000 to be managed under the co-op system. The Groundfish Plan Teams ranked this proposal as low, noting that the Council is examining an individual bycatch accounting program. This would require a reasonably significant amount of staff time.

#7 Groundfish Forum submitted a BSAI and GOA regulatory amendment to allow PSC limits to be reapportioned from one fishery category to another within the same gear group during a fishing year, thus providing flexibility to adjust to unforeseen market and fishery conditions. The Groundfish Plan Teams gave a high ranking to development of a discussion paper of this proposed change. The Crab Plan Team noted that flexibility could potentially result in crab bycatch limits reaching the caps. The team was particularly concerned that the bairdi caps not be allowed to be adjusted between zones. It was noted that the flexibility may be more important for halibut than crab, and the team suggested that this first be tried with halibut only, if the proposal is recommended for analysis. This analysis would likely require a low to moderate amount of staff time.

#### GOA management

#8 Alaska Dragger Association submitted a placeholder proposal for a GOA plan amendment to split the Pacific cod quota by gear (mobile vs fixed) based on the 1995-97 average. The Groundfish Plan Teams noted that this proposal addresses a longstanding problem in the GOA between trawl and fixed gear fisheries and provides greater access for all fishing sectors. This fishery may also see additional effort as a result of the opilio crab situation (see recommendations under #11 and 12). The Groundfish Plan Teams ranked this as medium priority. This would likely require a significant investment of staff time, as seen by the work required to develop the BSAI cod split (BSAI Amendment #64).

#9&10 Alaska Groundfish Databank submitted a GOA plan amendment proposal to: 1) create a 14-day advance registration program for rockfish fisheries; 2) apportion Central GOA rockfish fisheries into several short openings; and 3) allocate rockfish between at-sea and catcher vessels. Groundfish Forum also submitted a GOA plan amendment proposal to create an advance registration program for rockfish fisheries in the Central GOA to prevent TAC shortages/overages and to minimize preemption of shore-based catcher vessels and processors. Its intent is similar to #9, except for designating the advance notice. The Groundfish Plan Teams supported such a registration program, and noted that the Council already recommended a preseason registration program for Western/Central GOA pollock and cod that has not yet been implemented. These proposal would create two additional TACs, but would provide a benefit to the fleet. Industry noted that these proposals are placeholders while industry attempts to resolve quota overages for GOA rockfish and that LLP will impact participation in 2000 and beyond. The Groundfish Plan Teams recommend a staff review panel (Council, NMFS Regional Office, NMFS AFSC, and ADF&G) for management of GOA rockfish and ranked this proposal as medium priority (see related discussion under #10).

#11 Robert Filiatraut submitted a GOA plan amendment to open the October 1 Pacific cod fishery to the longline fleet instead of trawl fleet and increase the halibut PSC limits for longliners. The Groundfish

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

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

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

#### Other

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

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

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

## IFQ IMPLEMENTATION TEAM MEETING OCTOBER 10, 1999

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

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

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

### Westward area

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

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

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

Alternative 1: Status quo.

Alternative 2: Block program:

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

Alternative 3: Quota share categories:

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

The issues to be addressed in the analysis include:

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

#5 Part 1 leasing/hired skippers

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

#5 Part 2 and #6 medical transfers

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

#8 overage on vessel cap

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

#9 adjust annual cycle

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

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

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

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

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

The meeting adjourned at 5:45 pm.

# COUNCIL ANNETTE ISLANDS RESERVE

AGENDA D-3  
OCTOBER 2000  
Supplemental

METLAKATLA INDIAN COMMUNITY

SOLOMON D. ATKINSON, MAYOR  
JUDITH A. LAUTH, SECRETARY  
SANDRA S. WILSON, TREASURER

ESTABLISHED 1887

POST OFFICE BOX 8  
METLAKATLA, ALASKA 99926  
PHONE (907) 886-4441  
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DATE: September 14, 2000

TO: David Benton, Chairman  
North Pacific Fishery Management Council  
605 W 4<sup>th</sup> Avenue  
Anchorage, AK 99501

FROM: Council Annette Islands Reserve  
Victor C. Wellington, Acting Mayor  
*Victor C. Wellington*

SUBJECT: DRAFT Discussion Paper for Community Purchase of Halibut  
And Sablefish IFQ's

Dear Members of the North Pacific Fishery Management Council:

Metlakatla as a Gulf of Alaska Community with a long tradition of fishing is extremely concerned about what action (s) you as the management entity might take on this issue.

Metlakatla as a Community now has only four (4) IFQ holders. This in a community that has been devastated economically with recent closure of the sawmill, a loss of 120 plus jobs, a declining Salmon industry, and an unemployment rate approaching 75%. Metlakatlas fisheries are in a state of decline due to changing markets, localized depletion and an ever-increasing rate of interception by competing fisheries.

Metlakatla has a long history of fisheries participation statewide, however IFQ shares have migrated out of the community. Many, particularly the young, feel totally disenfranchised from the IFQ fisheries.

The Gulf of Alaska Coastal Communities Coalition (GC3) has not actively consulted Metlakatla however Metlakatla supports in principle the concept of Community Purchase of Halibut and Sablefish IFQ. In fact the possibility of this happening has created genuine excitement in the Community.

Metlakatla's direct comments to the Draft Discussion Paper are:

Advisory Panels expressed concerns;

1. Opposed to QS being leased to non-residents.
2. Procedures to select lessees should be left to the Communities.
3. Not restrict lessees to being "new" to the fishery.

4. The 25% cost recovery fee is adequate.
5. The Communities should determine ownership of vessel.
6. With a cap on ownership competition for ownership would be minimal.
7. A code of conduct should be prepared by the Community and approved by the Council prior to implementation.
8. An annual review of the Community non-profit complete with audit.

Comments on proposed elements and options by showing the preferred option and or additional comments;

**1. Eligible Communities:**

(c) Rural communities with less than 2,500 people, in the Gulf of Alaska, no road access to larger communities, and with direct access to saltwater, and a documented historic participation in the halibut fishery.

Suboption 1. Include a provision that the communities must also be fishery dependent. Etc, etc

**2. Appropriate Ownership:**

Suboption 1. Allow different ownership entities in different communities depending on the adequacy and appropriateness of existing management structures.

**3a. Ownership Caps:**

Suboption 1, 2C communities capped at 1% of the combined 2C and 3A Halibut QSP, and 1% of the combined SE and WY Sablefish QSP.

3b. (b) 20% of the combined 2C, 3Am and 3B Halibut QSP, and 20% of the combined GOA sablefish QSP.

**4. Purchase Sale and Use Restrictions:**

(c) Suboption 2; Communities can purchase blocked Quota shares in excess of the current limit on block ownership. These blocked quota shares would be considered unblocked only while owned by the communities. Once sold, these quota shares would revert to their original blocked status.

**Vessel Size:**

(b) Suboption 1, These quota shares without share class would be considered to be without a particular share class only while owned by the communities. Once sold, these quota shares would revert to their original share class.

**Residency Requirements:**

(b) Only permanent residents of the community with a commercial fishing license, and commercial fishing experience should be considered as possible recipients (transferee) of quota shares.

**Allocation Criteria:**

(a) Community residents employing exclusively crewmembers that are also community residents.

**Transferees:**

(b) Transfer 75% of Community Quota Shares to vessel owners/operators, 25% to crewmembers.

**Sale Criteria:**

(a) Require all restrictions on quota shares(e.g., share class, blocked or unblocked status) to be retained once the quota is sold outside of the community.

**5. Code of Conduct:**

(a) Limit ownership entity to no more than 25% of exvessel value for administrative expense and debt service.

**6. Administrative Oversight:**

(a) Require submission of detailed information to NMFS prior to being considered for eligibility as a community IFQ recipient.

(b) Require submission of an annual report detailing accomplishments.

**7. Sunset Provisions**

(a) No sunset provisions.

**Additional Comments:**

Metlakatla strongly believes that not only did Congress clearly intend that the NPFMC consider the impacts of all of its management measures, including halibut management regulations, on fisheries dependent communities, but the NPFMC has the responsibility to include the communities in the participation of the halibut and sablefish IFQ fisheries.

The NPFMC now has an opportunity to correct a situation that is contributing mightily to the feeling of despair that is growing in our community of being unfairly excluded from fisheries they have traditionally participated in.





CENTRAL COUNCIL  
 tlingit and haida INDIAN TRIBES of alaska  
 ANDREW P. HOPE BUILDING  
 320 West Willoughby Avenue • Suite 300  
 Juneau, Alaska 99801-9983

RECEIVED  
 SEP 14 2000  
 N.P.F.M.C

September 11, 2000

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

RE: Proposal For Allowing Non-Profit Entities To Purchase Quota Shares

To Whom It May Concern:

We have reviewed the Gulf Coastal Community Coalition (GC<sup>3</sup>) proposal to allow community-based non-profit organizations to hold IPHC, AREA 2C and 3A commercial halibut and sablefish quota shares to be leased in perpetuity to community members. We find an immediate need to adopt and implement the proposal, particularly in Southeast Alaska rural communities.

Many of us participated in the halibut derby's in the late 1980's and early 1990's. During that period of time we saw the danger of fishing regardless of the weather and losing economic value because most of our product was frozen and not sold on the fresh fish market. We thought the solution to provide quota shares was a good solution, even though many of our local fishermen were left out. However, less than 10 years after the implementation, we find thousands of pounds of quota share leaving small villages because they are sold for cash for living expenses. Those quota shares will never return to these small villages and is hurting the economies of those communities. Many have little else to turn to besides commercial fishing, so the impact of selling quota shares or limited entry permits is felt long term.

We think the proposal to allow non-profit entities to purchase quota shares should have been part of your original mandate and may be a little too late. But, in its current form, we think it is part of the solution. It will stop the flight of quota shares from villages before it is much too late!

It is our policy at the Central Council to provide as much flexibility at the local level as we can. We believe in self-determination and the communities ability to work out their problems. We therefore suggest that the entities allowed to purchase quota shares be non-profit organizations empowered by local communities through contractual

North Pacific Fishery Management Council  
September 11, 2000  
Page 2 of 2

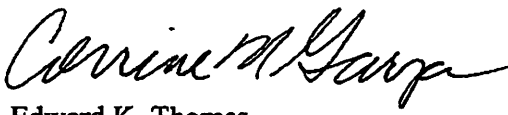
agreement, subject, of course to the review and approval by the NMFS, with the goal in mind of local employment, economic development, training, and retention.

Regarding the Advisory Panel concerns we suggest the following:

1. Lease to non-residents may be necessary since in certain villages the pool of fishermen with gear, boats, and capabilities to bottom fish is rapidly shrinking. The goals of local employment, training and economic development need not be compromised by leasing to non-residents.
2. The stressed communities are coastal, small in population (less than 1,500), and without road connections to jet-serviced airports.
3. There should be few restrictions on who lessees are. Allow for local determination.
4. A cost recovery determination should be left to the communities. Flexibility is key to a good regulation.
5. The community authorized entity should be allowed to own vessels, as this would greatly enhance training opportunities.
6. By capping the percentage of various blocks of QS available under this program, competition for purchase would be minimal.
7. Code of Conduct requirements, whatever this code means, you should clarify.

We strongly suggest the enactment of this new regulation but to keep it simple. We think there is an immediate need for this regulation change and if enacted it will slow or stop the flow of quota shares from our villages. We need the quotas to help whatever economy we have left in our villages.

Sincerely,

  
for Edward K. Thomas  
President

# Petersburg Vessel Owners Association

P.O. Box 232  
Petersburg, Alaska 99833  
Phone (907) 772-9323 Fax (907) 772-4495

September 11, 2000

David Benton, Chairman  
NPFMC  
605 West 4th Avenue, Suite 306  
Anchorage, AK 99501-2252

## **Re: Comments on Draft Discussion Paper for Community Ownership of IFQs**

Dear Mr. Benton,

On behalf of Petersburg Vessel Owners Association, I am providing comments to the NPFMC for your consideration in regards to the draft discussion paper on community ownership of halibut and sablefish IFQs.

PVOA believes that the NPFMC is the appropriate place to examine the issue concerning loss of quota share from some GOA communities as well as examining the underlying reasons for that loss. It would be premature to consider solutions (and only one solution) prior to identifying the problem.

Once the problem and the cause are identified, the Council must determine if the possible actions warrant Council attention or could be addressed elsewhere. If the Council decides to take action, then at that time, the Council should develop a range of alternatives. In developing those alternatives there should be a goal of not creating supplemental problems of even a greater magnitude than the original concern. The proposed solution of community ownership will result in increased corporate ownership (non-owner operator) by entities (communities) with considerable more economic power than individuals.

The draft discussion paper contains numerous supporting citations from Sharing the Fish. The Council may also want to consider the following recommendation from the same publication in regards to changes to existing programs:

*“Recommendation: Councils should proceed cautiously in changing existing programs, even to conform to the recommendations of this report. In spite of initial windfall gains (or even in the absence of them), many individuals have made subsequent investments in quota shares. Changes should be designed to maintain the positive benefits of IFQs that result from their stability and predictability.”*

## What is the problem?

In past GOACCC papers (from 2/3/98 to present), the problem statement have varied from very general to more specific concerns. The original stated concern was very broad in nature (GOACCC Statement to NPFMC 4/98),

*“We want to clarify for the Council that our Coalition...is not limiting our focus and analysis to IFQs which are related to only two of the marine resources necessary to sustain these communities. Our focus is the sustainability of communities in the GOA; the sustainability of marine resources in the GOA; and the sustainability of commercial fisheries in the GOA. The mission of our coalition is to help GOA coastal communities become and/or remain economically viable by enabling their residents to access as much as possible all fisheries in the GOA...”*

The Coalition then narrowed its focus to the IFQ program for sablefish and halibut with the belief that there is a lack of access to these marine resources by some coastal communities. No doubt the amount of quota share held in some communities may be less than that desired by those same communities. But then again, given the present strong market price for halibut and black cod, who doesn't want more quota share? The lack of quota share holdings in some communities seems to stem from two distinct reasons:

- 1.) Residents in the community did not have a historical dependence on the two fisheries and consequently did not receive quota shares at initial issuance, and
- 2.) Residents in the community did receive quota share at initial issuance (or later acquired quota share) but the quota share has left the community either by transfer or the quota share holders changing residence and moving elsewhere.

National Standard 8 calls for “sustained participation of such communities” which implies a historic participation by the communities. It is PVOA's belief that the public and the Council would best be served by focusing on the second reason, i.e. the loss of quota share from GOA communities that have historical dependence on the black cod and halibut fisheries. The Council then, “...to the extent practicable, should examine means to minimize adverse impacts in such communities.”

PVOA does not believe that the existing IFQ program should be modified to address concerns regarding initial issuance arising from communities that did not have a sustained historical dependence on the halibut and sablefish fisheries. Existing and emerging loan programs provide opportunities for these communities and their residents. The remedy to reversing the loss of quota share from other communities may also help communities without initial issuance by default, but that should not be the main focus. It is stated in the GOAC3 paper of 3/20/98, that during the qualifying years many fishermen made an economic choice to fish herring and salmon instead of halibut and blackcod. The seasons may have had some temporal overlap at that time but they were not mutually exclusive to participation.

PVOA also does not believe that the existing IFQ program should necessarily be modified to remedy economic hardships in communities that are a result from the decline in revenues from non-IFQ fisheries or circumstances outside the realm of IFQ management such as court decisions or changes in timber management. Simply put, modifying the existing IFQ program is not the cure-all for the numerous problems that are facing coastal communities today.

PVOA does believe the Council should examine the quantity and demographics of the loss of quota share from rural communities and, if possible, the underlying reasons for the transfers or loss. The reasons for the apparent transfer out of rural communities could be myriad but important to understand if one is attempting to reverse the trend. There are many reasons for transfer that all communities have experienced such as consolidation and "sweep ups". Comparisons should be made between both large and small communities for similarities or dissimilarities in trends. Other reasons for quota share leaving a community (other than transfer) could include a change in residence in order to move to a larger community for education, cultural, or business reasons such as being closer to markets.

Since IFQs, the halibut fishery has moved to a primarily fresh market and access to that fresh market (and the best price) is an important consideration to halibut quota share holders. Access to fresh market may not necessarily be found in small rural remote unroaded coastal communities. This is why Homer has become the top Alaskan port for halibut landings. The restriction of movement or transfer of quota share may therefore have market and price implications for those quota share holders. It should be noted since the inception of IFQs, the total amount of quota share held by Alaskans has increased as a result of transfer activity (1995-1999) as compared to non-Alaskans.

The focus of the 5/30/2000 Discussion Paper seems to be primarily on this loss of quota share out of communities. However the paper also seems concerned with correcting perceived imbalances in initial issuance. In the section entitled "Initial Allocations" (on p. 8), the paper implies that smaller GOA communities received a disproportionately smaller amount of quota share in relation to the larger GOA communities at initial issuance. "Small" communities (<2000) received 10.5% of the halibut pounds and 3% of the black cod pounds while "large" communities received 66% of the halibut and 23% of the black cod. (Note: only in Alaska, a "large" community would be defined as one greater than 2,000).

The focus on here and in the proposed solution is based on population. Community population data can be found on the State of Alaska Community Database Summary and can be applied to the communities listed in footnotes 14 & 15 (which mistakenly categorizes Whittier, pop. 280, as "large" and Craig, pop. 2136, as "small"). In adding up the total population of the "large" GOA communities and the "small" GOA communities, and then dividing by pounds, the "small" communities actually were issued +34% more halibut per capita than the "large" communities. In black cod, the "small" communities were issued + 11% more pounds per capita than "large" communities.

The solution in the discussion paper also seems to advocate for redress of initial issuance for communities that have little to no historical dependency on halibut and sablefish or any commercial fishing for that matter. For example, the proposed solution includes in the qualifying communities the SE Alaska towns of Coffman Cove, Whale Pass, Thorne Bay and Hollis, all of which are largely logging communities. The Alaska Community Database Summary lists zero commercial fishing permits (of any type) in Hollis and two permits in Whale Pass. It is unclear as to how the criteria of "fishery dependent" as a principal source of revenue has been applied.

**Summary:** The problem statement the Council should examine is the amount and reasons for loss of quota share from GOA communities that have historical dependence on the halibut and black cod fisheries.

### **What are the possible solutions?**

The original proposal by GOAC3 (3/20/98) suggested many solutions which were quite diverse and somewhat contradictory in implication. Those solutions included: 1.) a small boat only fishery for IFQ species in 0-12 miles; 2.) purchase of Quota Share (QS) for perpetual use by local communities; 3.) retention of halibut as legal bycatch in the Pacific cod and black bass fishery; 4.) issuance of a second tier of non-transferable QS (based on communities historic dependence on halibut/sablefish); 5.) taxation on transfers of QS; 6.) and restrictions on transfers of QS.

The latest GOAC3 (5/30/2000) proposal has solely focused on transferable community ownership with transfer restrictions. The Executive Summary also recognizes that, *"Existing loan programs or newly created community loan entities may help reverse quota share transfer and job loss."*

Since loan programs may help with the stated concern, PVOA believes that examination of the available existing loan programs (federal, state, CFAB, and private) is warranted as a possible alternative. The federal IFQ loan program will now be greatly increased as a result of dedicated funds from the cost recovery program which is in its first year in the 2000 season. In order to ensure the borrowers remain in rural communities, the Council might examine ability of communities to co-sign loans in the various loan programs with the appropriate caveats as part of the loan agreement to ensure the quota share remains in the community.

NOAA General Counsel will have to determine if it is constitutional to discriminate in terms of residency under the federal loan program (or community ownership for that matter). It may be more appropriate for the State of Alaska Commercial Fishing Loan Program to institute the necessary changes in state loan agreements on IFQs for individuals in rural communities to encourage quota share to remain in the community.

**Summary:** There are more alternatives than community ownership including existing loan programs or modified loan programs.

## **Comments on the Elements and Options for Community Purchase of Quota Shares**

While PVOA believes additional alternatives warrant further consideration, we will comment on a portion of the proposed elements and options. **Above all, if the Council chooses to consider community ownership of IFQs, we would strongly recommend an aggregate ownership cap for all communities.** Given the vagaries of the suggested parameters for qualifying communities (such as fishery-dependent and with no minimum population requirement), the number of qualifying communities is already quite large (40) and the potential qualifying communities that will emerge from the woodwork will most likely greatly inflate that number. A question for the legal minds will be compliance with National Standard 4 in terms of not discriminating between residents of different states. For example, would communities in the lower 48 also become eligible?

The aggregate cap should be based on: a.) what amount does it take to restore the loss of quota share in the communities, b.) at what point does community ownership become an unduly large economic force (excessive shares) in the IFQ market to the detriment of individuals such as crewmembers etc., and c.) keeping in mind a goal of owner-operator ownership with a minimization of corporate ownership. Given those considerations, we suggest the analysis should include percent aggregate ownership ranges of 5%, 7.5%, and 10% rather than the 10%, 20%, and 40% that is presently in the analysis.

The qualifying criteria for communities is broad and therefore problematic.

**Population:** There is no minimum population size requirement nor is there a definition of a community. Therefore virtually anyone living in a coastal location could potentially qualify (since fishery dependent seems to include communities with no fishing permits). Considering the large number of abandoned and former townsites in Alaska that still have some minimal or sporadic occupancy, there is a strong possibility for many additional communities to potentially qualify. For example, of the small communities listed in footnote 14 on page 8 of the Discussion Paper, CFEC apparently considers all these locations as communities. However, the Alaska Community Database does not include entries for Chenega, Chignik Bay, or English Bay as communities but does include entries for Chenega Bay, Chignik Lagoon, Chignik Lake, and Port Graham.

What happens to this ownership program when a community grows above the population threshold (example: Cordova, pop. 2,435) to 2,500? Is there a requirement for divestiture of quota share to a qualified individual? What happens when a rural fishery-dependent "large" community shrinks below the threshold? Presumably that community (example: Wrangell, pop. 2549) could then enter the class of qualified communities.

**Rural:** Lately, there are many groups struggling with the definition of rural including the Alaska State Legislature and the Department of the Interior. For the purposes here, it should be recognized that whatever the parameters are selected, there will be considerable interpretation and changes in the future. For example, does road access include ferry access, i.e. the Alaska Marine Highway System? If a community has no

road access, and then builds a road, is the community dropped from the program? If a community only has road access for a portion of the year, which category do they fall under? If a community fits all the criteria but is immediately adjacent to a large community but without road access, would they qualify?

Such is the circumstance of the City of Kupreanof (pop. 24) which is located a half mile by water from Petersburg (pop. 3,415). Kupreanof does have residents with commercial fishing permits and participation in the halibut fishery. Kupreanof has no road access nor any businesses, stores, harbors, processors, ferry, airport or a post office, all of which Kupreanof residents utilize in Petersburg. For all practical purposes, Kupreanof is a skiff suburb of Petersburg. Yet, Kupreanof is rural, less than 2500 residents, has direct access to saltwater, no road access to larger communities, and has a documented history of participation in the halibut fishery.

From all appearances, Kupreanof would then be eligible as a qualified community in all scenarios (though it has been omitted from the Discussion Paper list of qualified communities). The State of Alaska Community Database Summary states in regards to Kupreanof, *"During the April 1990 U.S. Census, there were 32 total housing units, and 20 of these were vacant. The official unemployment rate at that time was 0%.....The median household income was \$55,447, and 0% of residents were living below the poverty line."* It would seem appropriate in defining rural, that proximity to a large town may also be a valid consideration even if there is no road connection.

**Direct Access to Salt Water:** This seems a simple enough criteria however, in Alaska, the division between land and water isn't always that clear. Does direct access mean adjacent to? Does adjacent to mean within so many miles? These are relevant questions considering the experience with CDQs and the difference in using nautical versus statute miles. What is direct access? Presumably direct access means the community is located on salt water and is capable of accessing that salt water by boat. A fishery dependent community should have a harbor and a resident fleet.

**Documented Participation in the Halibut Fishery:** Without requiring some historic participation in the halibut (and sablefish fishery), the ownership program is then shifting its focus from preventing loss of quota share to re-addressing initial issuance. Fishery dependence without requiring historic participation in black cod and halibut is essentially re-addressing initial issuance. As pointed out previously, this would qualify many more communities that do not have a history of participation in black cod or halibut or perhaps in any fishery (example: Hollis, zero permit holders but nonetheless a qualified fishery dependent community).

The concern over the loss of quota share from communities implies that the documented participation would be reflected by the initial issuance of quota shares. It may be appropriate to set some original minimum level of participation expressed by initial issuance per capita or per community.



**Need:** One criteria that seems to be lacking is the need for ownership of quota share. Did the community have a net loss of quota share? If so, why? It would seem appropriate to look at economic health factors of the community such as unemployment and median income.

For example, in the Discussion Paper, the community of Halibut Cove is included as a qualifying community. The Alaska Community Database indicates a population of 71 (1999 estimate). The community is located 12 miles from Homer by water. The Database also states the following in regards to Halibut Cove,

*“Many homes in this area are used only seasonally...During the April 1990 U.S. Census, there were 93 total housing units and 70 of these were vacant. The official unemployment rate at that time was 0%...The median household income was \$68,760, and 0% of the residents were living below the poverty level...Many residents are self-employed artists; others work in seasonal construction jobs. Six residents hold commercial fishing permits.”*

Need may be an appropriate criteria for qualifying communities.

**Appropriate Ownership Entity Within A Community:** Choosing or creating the appropriate entity may prove controversial. Contrary to statements made in Sharing the Fish (p. 184), communities are not always homogenous and are prone to divisiveness. Anyone who has ever attended a small town Alaskan city council meeting around February can attest to that fact. Even if a fairly good program is crafted, it could fall apart in selecting the appropriate ownership entity that would control the quota share. Sharing the Fish might be a bit over-optimistic with statements such as, “*Community forums, whether the local bar or social club, provide opportunities for community members to discuss and resolve shared problems.*”

In summary, PVOA urges the Council to develop a reasonable problem statement to examine the loss of quota share from GOA communities and develop a range of options to address the concern in a fair and equitable manner without undue disruption of historic fisheries under the existing IFQ program.

Thank you,



Gerry Merrigan  
Director, PVOA

**RECEIVED**

SEP 11 2000

Chairman Rick Lauber  
North Pacific Fisheries Management Council  
605 West Fourth Avenue, Suite 306  
Anchorage, AK 99501

**N.P.F.M.C**

To Chairman Lauber:

I would like to submit some brief comments about an alternative to the Gulf of Alaska Coastal Communities Coalition proposal for the purchase of Halibut and Sablefish Quota Shares. Though conceptual in nature, I believe a brief discussion paper could be developed to flesh out the concepts and answer questions.

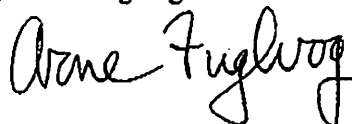
The basic premise to this alternative would be that the qualifying GOA small coastal communities would set up non-profits that would co-sign loans from the NMFS loan program or, if it is not possible to set aside some of that money for them, a dedicated state loan program. The community non-profits would provide the collateral and would have the second lien on the quota shares, after NMFS or the State of Alaska. The individual in the community would have access to a portion of the loan program that would only be available to members of these communities. I recognize that this may have legal issues that will need to be addressed. All the other qualifications for the loan program would apply, except the community non-profit would provide the collateral and would assure that the individual will make the payment. If the individual in the community wants to sell the quota shares, the community non-profit would have right of first refusal, as written in a legal binding contract with the individual. The community non-profit may own the vessels, gear etc... but the quota shares would be in the name of an individual who has met the requirements for a transfer eligibility certificate (TEC).

The quota would always stay in the hands of an individual, but would not leave the community. It may just move between members of the community, if the loan recipient is unable to make the loan payments. In that instance, the quota shares would move through the hands of the non-profit until they are able to find a new individual who would qualify to assume the loan. This is the same way that quota shares move from a lending institution back into the hands of a qualified individual. NMFS, or congress, will have to change language in the loan program to accommodate this type of transaction.

I believe that a program such as this may still address the GOACCC concerns about quota shares leaving the community, while addressing concerns, as expressed by other members of the industry, that an expansion of leasing would occur. This proposal would also address the owner/operator on board and keep the quota in the hands of active fishermen. I believe that setting aside a portion of the existing NMFS loan program would be more acceptable to the industry as a whole. The individual who owns the quota shares would be required to pay the 3% IFQ fee, the same as any other QS holder. They would then be accessing a separate portion of the loan program, that only they are eligible for. If using a set aside of the NMFS loan program proves to be unconstitutional, then the next avenue to explore is a state loan program that is designed for only members of the qualifying coastal communities. There are many other issues with regards to the GOACCC proposal I could comment on, but I will save those for discussions later. I realize that this alternative is not very fleshed out, but I hope that if the council feels it has merit, they can recommend that the concept be developed and the questions answered.

I feel that a new problem statement needs to be developed by the council. Part of the real problem is that members of these communities are disadvantaged in their ability to access financing to purchase quota shares. My alternative directly addresses this issue.

Sincerely, Arne Fuglvog





## KAKE TRIBAL CORPORATION

P.O. Box 263 • Kake, AK 99830 • (907) 785-3221 • Fax: (907) 785-6407

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SEP 25 2000

N.P.F.M.C.

September 9, 2000

Chairman NPFMC  
605 West 4<sup>th</sup> Ave.  
Anchorage, AK 99501

Dear Members of the NPFMC:

The community of Kake is a small Gulf of Alaska coastal community member, and we are deeply concerned about the impacts of loss of fishing access on our community. Kake has lost over 50% of halibut IFQs, and 100% of the West Yakutat Sablefish quota since the issuance of IFQ stock. The loss of that fishing income has had a detrimental effect on the economy of our community, and in many other rural communities all along the coast of Alaska.

Kake Tribal Corporation owns a seafood plant in Pelican, a seafood plant in Kake, as well as a value-added seafood plant in Kake. As we continue to expand our operations, we continue to lack product primarily due to the lack of local IFQ poundage. Many of the original quota shares have been sold outside the community because local residents lack the capital to purchase additional quota shares.

The Council has a unique opportunity to explore ways that small coastal communities in the Gulf can regain some of the access through a consideration of the proposed community purchase of halibut and sablefish.

I cannot express enough the urgency that these proposals go forward for analysis and full public commentary process. Kake Tribal Corporation requests that the North Pacific Fisheries Management Council forward the items in the Draft discussion papers for further analysis. Thank you for your consideration in this important matter that is essential to the economic viability of our coastal communities.

Sincerely,

Sam Jackson  
President/CEO

September 6, 2000

TO: Chairman  
North Pacific Fishery Management Council  
605 W. 4th Avenue  
Anchorage, Alaska 99501

RE: DRAFT Discussion Paper for Community Purchase of  
Halibut and Sablefish IFQs and Community Set-Asides  
for Halibut charterboat IFQs

Dear Members of the North Pacific Fishery Management Council:

As a small Gulf of Alaska coastal community member, we are deeply concerned about the impacts of loss of fishing access on our community.

The Council has a unique opportunity to explore ways that small coastal communities in the Gulf can regain some of that access through a consideration of the proposed community purchase of halibut and sablefish as well as a proposed set-aside for community IFQs for charter boats.

We are very concerned that these proposals go forward for analysis and full public commentary process.

Therefore, we, the undersigned, request that the North Pacific Fishery management Council forward the items in the DRAFT discussion papers for further analysis.

Thank you for your time and attention in this matter.

  
\_\_\_\_\_  
IRA Tribal Council President

Gulf of Alaska Coastal Communities Coalition  
Public Comments Regarding  
**Staff Tasking (Item D-3)**  
October 9, 2000

Mr. Chairman, Members of the Council, my name is Duncan Fields and I'm speaking to you today on behalf of the Gulf of Alaska Coastal Communities Coalition. I'll be addressing the Coalition's proposal to qualify a defined set of coastal communities as eligible purchasers of commercial halibut IFQ's – this is the so called "buy in" proposal. The Coalition requests that you task your staff to analyze the Coalition's "buy in" proposal with a preliminary review targeted for the April, 2001, meeting.

The GOAC<sup>3</sup>'s "buy in" proposal includes a six page Options and Elements for Analysis. We believe that this should be the starting point for the Council's action directing Staff in the analysis. In addition, we concur with the June, 2000, AP recommendations to the Council suggesting the addition of three elements to the GOAC<sup>3</sup> document. The AP additions are as follows:

1. Element (2) Appropriate Ownership Entity within the Qualifying Community

New Item (a) **Ownership would be limited to one ownership entity per community and communities would be limited to communities within the Gulf of Alaska that otherwise meet the community qualifying criteria.**

Current options (a) through (d) would then become options 1 through 4.

2. Element (4) Purchase, Sale and Use Restrictions under heading "Residency Requirements"

New Item (a) **Residency is defined as physical presence in the community for a specific number of days each year.**

**Option 1: Physical presence in the community for 180 days per year.**

**Option 2: Physical presence in the community for 270 days per year.**

Current options (a) through (c) would become options 1 through 3.

3. Element (7) Sunset Provisions

New Item (c) **Community purchase privileges will be evaluated at five (5) year intervals. Privileges are subject to a voluntary change in year 5 and a mandatory change in year 10. (Australian Drop Through System)**

**Suboption 1: Mandated changes in year 10 would be accompanied by:**

- a. **10% loss of quota share**
- b. **15% loss of quota share**
- c. **20% loss of quota share**

In June, the Council wanted to provide opportunity for public comment on the GOAC<sup>3</sup> discussion paper and draft elements and options for analysis. The Council has received supportive

GOAC<sup>3</sup> Comments  
"Buy In" proposal  
October 9, 2000

resolutions, letters and comments from approximately 25 coastal communities affirming the draft elements and options for analysis. In addition, I am aware of two letters that make suggestions for inclusion in the IFQ "buy in" analysis. The Gulf Coalition endorses the following four suggestions from the Petersburg Vessel Owners Association:

1. Element 3(b) Ownership Caps, Cumulative Caps for Communities

New Item: (e) **5% of the combined 2C, 3A and 3B Halibut Quota Share Pool (QSP) and 5% of the combined Gulf of Alaska sablefish Quota Share Pool (QSP).**

2. Element (1) Eligible Communities

New Item: **Suboption 1 (c) Economic need for fishing opportunities in the community.**

New Item: **Suboption 4: Minimum community size of 25 residents.**

New Item: **(1)(b) Changes in Community Qualification**

- (a) **Qualifying communities are "grand fathered" into the program and would remain eligible if qualifying circumstances changed.**
- (b) **Qualifying communities must divest of quota share if they no longer meet all of the eligibility requirements.**
- (c) **Communities which do not, at the time of implementation, meet eligibility requirements would be allowed to participate in the program if they meet eligibility requirements in the future.**
- (d) **Communities which meet all eligibility requirements at the time of implementation define a closed class of communities.**

The GOAC<sup>3</sup> is requesting staff tasking of the "buy in" proposal now, even though the preliminary review is not requested until April, for three reasons. First, the tyranny of the urgent at each Council meeting often contributes to postpone worthy projects. If we schedule this two or three meetings out, staff can plan accordingly as new, perhaps more "urgent" tasks are considered. Second, some of the work done for analysis on the Communities' "set aside" proposal may be applicable for the "buy in" initiative. Thus it may be helpful for staff to have both issues parallel one another. Then third, it's been almost three years since we first requested that the Council address Gulf of Alaska community concerns about the impacts of the commercial IFQ's.

Thank You

**Table 1. Groundfish harvest specifications for the Bering Sea and Aleutian Islands management area. For the year 2000 these data include: OFLs, ABC, TAC specifications; Proposed 2001 TAC specifications are identical to final 2000 TACs. 2001 Interim specifications are derived from the proposed specifications using the regulatory formula (proposed TAC x .85 x .25) with exceptions for pollock, sablefish, and Atka mackerel. All values are in metric tons.**

| Species   | 2000 Specifications and Proposed and Interim 2001 Specifications |                  |                  |                                |                             |
|---|--|------------------|------------------|--------------------------------|-----------------------------|
|   | Area   | OFL              | ABC              | 2000 TAC and proposed 2001 TAC | 2001 Interim Specifications |
| Pollock (1)   | Bering Sea (BS)  | 1,680,000        | 1,139,000        | 1,139,000                      | 389,538                     |
|   | Aleutian Is. (AI)  | 31,700           | 23,800           | 2,000                          | 800                         |
|   | Bogoslof   | 30,400           | 22,300           | 1,000                          | 400                         |
| Pacific cod (2)   | BSAI   | 240,000          | 193,000          | 193,000                        | 41,013                      |
| Sablefish (3)   | BS   | 1,750            | 1,470            | 1,470                          | 156                         |
|   | AI   | 3,090            | 2,430            | 2,430                          | 129                         |
| Atka mackerel (4)                                       | Total  | 119,000          | 70,800           | 70,800                         | 30,019                      |
|   | Western AI   |                  | 29,700           | 29,700                         | 12,622                      |
|   | Central AI   |                  | 24,700           | 24,700                         | 10,497                      |
|   | Eastern AI/BS  |                  | 16,400           | 16,400                         | 6,900                       |
| Yellowfin sole  | BSAI   | 226,000          | 191,000          | 123,262                        | 26,193                      |
| Rock sole   | BSAI   | 273,000          | 230,000          | 134,760                        | 28,637                      |
| Greenland turbot  | Total  | 42,000           | 9,300            | 9,300                          | 1,976                       |
|   | BS   |                  |                  | 6,231                          | 1,324                       |
|   | AI   |                  |                  | 3,069                          | 652                         |
| Arrowtooth flounder                                     | BSAI   | 160,000          | 131,000          | 131,000                        | 27,838                      |
| Flathead sole   | BSAI   | 90,000           | 73,500           | 52,652                         | 11,189                      |
| Other flatfish  | BSAI   | 141,000          | 117,000          | 83,813                         | 17,811                      |
| Pacific ocean perch                                     | BS   | 3,100            | 2,600            | 2,600                          | 553                         |
|   | AI Total   | 14,400           | 12,300           | 12,300                         | 2,614                       |
|   | Western AI   |                  | 5,670            | 5,670                          | 1,205                       |
|   | Central AI   |                  | 3,510            | 3,510                          | 746                         |
| Other red rockfish                                      | BS   | 259              | 194              | 194                            | 41                          |
|   | AI   | 6,870            | 5,150            | 5,150                          | 1,094                       |
| Shortraker/Rougheye                                     | AI Total   | 1,180            | 885              | 885                            | 188                         |
| Other rockfish  | BS   | 492              | 369              | 369                            | 79                          |
|   | AI   | 913              | 685              | 685                            | 146                         |
| Squid   | BSAI   | 2,620            | 1,970            | 1,970                          | 419                         |
| Other species   | BSAI   | 71,500           | 31,360           | 31,360                         | 6,664                       |
| <b>Total</b>  |  | <b>3,139,274</b> | <b>2,260,113</b> | <b>2,000,000</b>               | <b>587,497</b>              |
| Excessive harvesting share limit 170,442 mt pollock.    |  |                  |                  |                                |                             |
| (1) interim pollock see subtable 1a. for apportionments |  |                  |                  |                                |                             |
| (2) Pacific cod see subtable 1b. for apportionments     |  |                  |                  |                                |                             |
| (3) Sablefish see subtable 1c. for apportionments       |  |                  |                  |                                |                             |
| (4) Atka mackerel see subtable 1d. for apportionments   |  |                  |                  |                                |                             |

**Table 1a. Apportionments of pollock interim TACs**

| Pollock   | 2001 Proposed TAC | 2001 Interim TAC | 2001 Interim CDQ |
|---|-------------------|------------------|------------------|
| <b>BS Total</b>   | <b>1,139,000</b>  | <b>389,538</b>   | <b>45,560</b>    |
| <b>Inshore BS (50%)</b>   |                   | <b>194,769</b>   |                  |
| <b>Offshore C/P BS (40%)</b>  |                   | <b>155,815</b>   |                  |
| <b>Mothership BS (10%)</b>  |                   | <b>38,954</b>    |                  |
| <b>CDQ</b>  | <b>113,900</b>    |                  | <b>45,560</b>    |
| <b>Incidental Catch BS</b>  | <b>51,255</b>     | <b>51,255</b>    |                  |
| <b>AI Incidental Catch</b>  | <b>2,000</b>      | <b>800</b>       |                  |
| <b>Bogoslof Incidental</b>  | <b>1,000</b>      | <b>400</b>       |                  |
| <p><b>Interim TAC algorithm is CDQ allocated 40% of 10%; then incidental catch allocated 5%. Remainder is initial TAC. Processing sectors 40% of initial, then divided 50%, 40%, 10%, respectively for interim.</b></p> |                   |                  |                  |

**Table 1b. Apportionments of Pacific cod interim TACs**

| Pacific cod  | 2001 Proposed TAC | 2001 Interim TAC | 2001 Interim CDQ |
|--|-------------------|------------------|------------------|
| <b>BSAI Total</b>  | <b>193,000</b>    | <b>41,013</b>    | <b>3,619</b>     |
| <b>BSAI non-CDQ</b>  |                   |                  |                  |
| <b>Fixed gear (51%)</b>  |                   | <b>20,917</b>    |                  |
| <b>Trawl(47%)</b>  |                   | <b>19,276</b>    |                  |
| <b>Jig(2%)</b>   |                   | <b>820</b>       |                  |
| <b>CDQ</b>   |                   |                  | <b>3,619</b>     |
| <p><b>Interim TAC algorithm is 15% to reserves and remainder is initial TAC. CDQ is 50% of reserve and 25% for interim. Gear sectors 25% of Initial, then 51%, 47%, 2% respectively for interim.</b></p> |                   |                  |                  |



**Table 1c. Apportionments of sablefish interim TACs**

| Sablefish  | 2001 Proposed TAC | 2001 Interim TAC | 2001 Interim CDQ |
|--|-------------------|------------------|------------------|
| <b>BS total</b>  | <b>1,470</b>      | <b>156</b>       | <b>14</b>        |
| <b>Trawl (25%)</b>   | <b>735</b>        | <b>156</b>       | <b>14</b>        |
| <b>Fixed (75%)</b>   | <b>N/A</b>        | <b>N/A</b>       | <b>N/A</b>       |
| <b>AI total</b>  | <b>2,430</b>      | <b>129</b>       | <b>11</b>        |
| <b>Trawl (25%)</b>   | <b>607</b>        | <b>129</b>       | <b>11</b>        |
| <b>Fixed (75%)</b>   | <b>N/A</b>        | <b>N/A</b>       | <b>N/A</b>       |
| <p><b>Interim TAC algorithm is 15% to reserves and remainder is initial TAC. Gear sectors 50% of Initial, then 25%, 75% respectively. Fixed gear closed during interim. 50% of reserve is CDQ with same gear sector split percentages and 50% for interim.</b></p> |                   |                  |                  |

**Table 1d. Apportionments of Atka mackerel interim TACs**

| Atka mackerel   | 2001 Proposed TAC | 2001 Interim TAC | 2001 Interim CDQ |
|---|-------------------|------------------|------------------|
| <b>Total AI</b>   | <b>70,800</b>     | <b>30,019</b>    | <b>1,327</b>     |
| <b>Western AI</b>   | <b>29,700</b>     | <b>12,622</b>    | <b>557</b>       |
| <b>Central</b>  | <b>24,700</b>     | <b>10,497</b>    | <b>463</b>       |
| <b>Eastern AI &amp; BS subarea</b>  | <b>16,400</b>     | <b>6,900</b>     | <b>307</b>       |
| <b>Jig</b>  |                   | <b>35</b>        |                  |
| <b>Other gear</b>   |                   | <b>6,865</b>     |                  |
| <p><b>Interim TAC algorithm is 15% to reserves and remainder is initial TAC. Area allocations then 50% of Initial. In Eastern AI, jig gear allocated 1% of initial and 25% for interim. 50% of reserve is CDQ with 25% for interim.</b></p> |                   |                  |                  |

Table 2. Groundfish harvest specifications for the Gulf of Alaska management area. For the year 2000 these data include: OFLs, ABCs, TAC specifications; Proposed 2001 TACs are identical to final 2000 specifications. 2001 Interim specifications are derived from the proposed specifications using the regulatory formula (proposed TAC x .85 x .25). All values are in metric tons.

| Species                   | 2000 Specifications and Proposed and Interim 2001 Specifications |                |                |                                |                             |       |
|---------------------------|--|----------------|----------------|--------------------------------|-----------------------------|-------|
|                           | Area   | OFL            | ABC            | 2000 TAC and proposed 2001 TAC | 2001 Interim Specifications |       |
| Pollock                   | W (610)  |                |                | 32,340                         | 7,498                       |       |
|                           | C (620)  |                |                | 13,372                         | 546                         |       |
|                           | C (630)  |                |                | 24,501                         | 5,325                       |       |
|                           | Shelikof (1)   |                |                | 20,987                         | 13,992                      |       |
|                           | WYK (640)  |                | 2,340          | 2,340                          | 585                         |       |
|                           | subtotal   | 130,760        | 93,540         | 93,540                         | 27,946                      |       |
|                           | SEO(650)   | 8,610          | 6,460          | 6,460                          | 1,615                       |       |
|                           | <b>Total</b>   | <b>139,370</b> | <b>100,000</b> | <b>100,000</b>                 | <b>29,561</b>               |       |
| Pacific Cod               | W  |                | 27,500         | 20,625                         | 4,125                       |       |
|                           | C  |                | 43,550         | 34,080                         | 6,816                       |       |
|                           | E  |                | 5,350          | 4,010                          | 802                         |       |
|                           | <b>Total</b>   | <b>102,000</b> | <b>76,400</b>  | <b>58,715</b>                  | <b>11,743</b>               |       |
| Flatfish, Deep Wat        | W  |                | 280            | 280                            | 70                          |       |
|                           | C  |                | 2,710          | 2,710                          | 678                         |       |
|                           | WYK  |                | 1,240          | 1,240                          | 310                         |       |
|                           | SEO  |                | 1,070          | 1,070                          | 268                         |       |
|                           | <b>Total</b>   | <b>6,980</b>   | <b>5,300</b>   | <b>5,300</b>                   | <b>1,326</b>                |       |
|                           | Rex Sole   | W              |                | 1,230                          | 1,230                       | 308   |
|                           |  | C              |                | 5,660                          | 5,660                       | 1,415 |
| WYK                       |  |                | 1,540          | 1,540                          | 385                         |       |
| SEO                       |  |                | 1,010          | 1,010                          | 252                         |       |
| <b>Total</b>              |  | <b>12,300</b>  | <b>9,440</b>   | <b>9,440</b>                   | <b>2,360</b>                |       |
| Flatfish, Shal water      | W  |                | 19,510         | 4,500                          | 1,125                       |       |
|                           | C  |                | 16,400         | 12,950                         | 3,237                       |       |
|                           | WYK  |                | 790            | 790                            | 198                         |       |
|                           | SEO  |                | 1,160          | 1,160                          | 290                         |       |
|                           | <b>Total</b>   | <b>45,330</b>  | <b>37,860</b>  | <b>19,400</b>                  | <b>4,850</b>                |       |
|                           | Flathead Sole  | W              |                | 8,490                          | 2,000                       | 500   |
|                           |  | C              |                | 15,720                         | 5,000                       | 1,250 |
| WYK                       |  |                | 1,440          | 1,440                          | 360                         |       |
| SEO                       |  |                | 620            | 620                            | 155                         |       |
| <b>Total</b>              |  | <b>34,210</b>  | <b>26,270</b>  | <b>9,060</b>                   | <b>2,265</b>                |       |
| Arrowtooth                | W  |                | 16,160         | 5,000                          | 1,250                       |       |
|                           | C  |                | 97,710         | 25,000                         | 6,250                       |       |
|                           | WYK  |                | 23,770         | 2,500                          | 625                         |       |
|                           | SEO  |                | 7,720          | 2,500                          | 625                         |       |
|                           | <b>Total</b>   | <b>173,910</b> | <b>145,360</b> | <b>35,000</b>                  | <b>8,750</b>                |       |
| Sablefish<br>(Trawl only) | W Total  |                | 1,840          | 1,840                          | 92                          |       |
|                           | C Total  |                | 5,730          | 5,730                          | 286                         |       |
|                           | WYK Total  |                | 2,207          | 2,207                          | 72                          |       |

| Species               | 2000 Specifications and Proposed and Interim 2001 Specifications |                |                |                                |                             |
|-----------------------|--|----------------|----------------|--------------------------------|-----------------------------|
|                       | Area   | OFL            | ABC            | 2000 TAC and proposed 2001 TAC | 2001 Interim Specifications |
| Sablefish             | Total  | 16,660         | 13,330         | 13,330                         | 450                         |
|                       | W  |                | 20             | 20                             | 5                           |
|                       | C  |                | 740            | 740                            | 185                         |
|                       | WYK  |                | 250            | 250                            | 62                          |
|                       | SEO  |                | 3,890          | 3,890                          | 972                         |
| Rockfish, Other Slope | Total  | 6,390          | 4,900          | 4,900                          | 1,224                       |
|                       | W  |                | 630            | 630                            | 158                         |
|                       | C  |                | 4,490          | 4,490                          | 1,122                       |
|                       | E  |                | na             | na                             | na                          |
|                       | POP  | 7,510          | 5,120          | 5,120                          | 1,280                       |
| Rockfish, Northern    | W  | 1,460          | 1,240          | 1,240                          | 310                         |
|                       | C  | 10,930         | 9,240          | 9,240                          | 2,310                       |
|                       | WYK  |                | 840            | 840                            | 210                         |
|                       | SEO  |                | 1,700          | 1,700                          | 425                         |
|                       | E subtotal   | 3,000          |                |                                |                             |
| Shortraker/Rough      | Total  | 15,390         | 13,020         | 13,020                         | 3,255                       |
|                       | W  |                | 210            | 210                            | 52                          |
|                       | C  |                | 930            | 930                            | 232                         |
|                       | E  |                | 590            | 590                            | 148                         |
|                       | POP  | 2,510          | 1,730          | 1,730                          | 432                         |
| Rockfish, Pel Shelf   | W  |                | 550            | 550                            | 138                         |
|                       | C  |                | 4,080          | 4,080                          | 1,020                       |
|                       | WYK  |                | 580            | 580                            | 145                         |
|                       | SEO  |                | 770            | 770                            | 192                         |
|                       | Total  | 9,040          | 5,980          | 5,980                          | 1,495                       |
| Rockfish, DemShlf     | SEO  | 420            | 340            | 340                            | 85                          |
| Atka Mackerel         | Gulfwide   | 6,200          | 600            | 600                            | 150                         |
| Thornyhead            | W  |                | 430            | 430                            | 108                         |
|                       | C  |                | 990            | 990                            | 248                         |
|                       | E  |                | 940            | 940                            | 235                         |
|                       | Total  | 2,820          | 2,360          | 2,360                          | 591                         |
| Other Species         | Gulfwide   |                | NA             | 14,215                         | 3,554                       |
| <b>GULF OF ALASKA</b> | <b>TOTAL</b>   | <b>581,040</b> | <b>448,010</b> | <b>298,510</b>                 | <b>73,371</b>               |

(1) Shelikof pollock fishery exists only during A and B seasons; interim Shelikof TAC is first seasonal allowance. The pollock catch limit for the Shelikof Strait conservation zone is determined by calculating the ratio of the most recent estimate of pollock biomass in Shelikof Strait (489,900mt) divided by the most recent estimate of total pollock biomass in the GOA (958,000 mt). This ratio is then multiplied by the pollock TAC in the A season for the combined Western and Central areas of the GOA (27,360 mt). The remainder of the combined W/C TAC in the A season is apportioned among Regulatory Areas 610, 620, and 630 outside the Shelikof Strait based on the distribution of pollock outside the Shelikof Strait; 56.09%, 4.08%, and 39.83% respectively.

Table xx. Prohibited species bycatch allowances for the BSAI trawl and non-trawl fisheries. 2001 Interim allowances are 25% of these amounts.

|                               | Prohibited Species and Zone |                   |                                |                                  |                            |                  |
|-------------------------------|-----------------------------|-------------------|--------------------------------|----------------------------------|----------------------------|------------------|
|                               | Halibut mortality (mt) BSAI | Herring (mt) BSAI | Red King Crab (animals) Zone 1 | <i>C. opilio</i> (animals) COBLZ | <i>C. bairdi</i> (animals) |                  |
|                               |                             |                   |                                |                                  | Zone 1                     | Zone 2           |
| <b>Trawl Fisheries</b>        |                             |                   |                                |                                  |                            |                  |
| <b>Yellowfin sole</b>         | 886                         | 169               | 11,655                         | 2,876,579                        | 288,750                    | 1,514,683        |
| <b>Rocksole/oth.flat/fla</b>  | 779                         | 24                | 42,090                         | 869,934                          | 309,326                    | 504,894          |
| <b>Turbot/sablefi/arrow</b>   |                             | 11                |                                | 41,043                           |                            |                  |
| <b>Rockfish</b>               | 69                          | 9                 |                                | 41,043                           |                            | 10,024           |
| <b>Pacific cod</b>            | 1,434                       | 24                | 11,656                         | 123,529                          | 154,856                    | 275,758          |
| <b>Pollock/Atka/other</b>     | 232                         | 1,616             | 1,660                          | 71,622                           | 14,818                     | 25,641           |
| <b>RKC savings subar</b>      |                             |                   | 22,665                         |                                  |                            |                  |
| <b>Total Trawl PSC</b>        | <b>3,400</b>                | <b>1,853</b>      | <b>89,725</b>                  | <b>4,023,750</b>                 | <b>767,750</b>             | <b>2,331,000</b> |
| <b>Non-Trawl Fisherie</b>     |                             |                   |                                |                                  |                            |                  |
| <b>Pacific cod</b>            | 748                         |                   |                                |                                  |                            |                  |
| <b>Other non-trawl</b>        | 84                          |                   |                                |                                  |                            |                  |
| <b>Groundfish pot&amp;jig</b> | exempt                      |                   |                                |                                  |                            |                  |
| <b>Sablefish hook-and-l</b>   | exempt                      |                   |                                |                                  |                            |                  |
| <b>Total Non-Trawl</b>        | <b>833</b>                  |                   |                                |                                  |                            |                  |
| <b>PSQ Reserve</b>            | 343                         |                   | 7,275                          | 326,250                          | 62,250                     | 189,000          |
| <b>Grand Total</b>            | <b>4,675</b>                | <b>1,853</b>      | <b>97,000</b>                  | <b>4,350,000</b>                 | <b>830,000</b>             | <b>2,520,000</b> |

**Agenda Item D-3 - Staff Tasking**

**BSAI CRAB RATIONALIZATION**

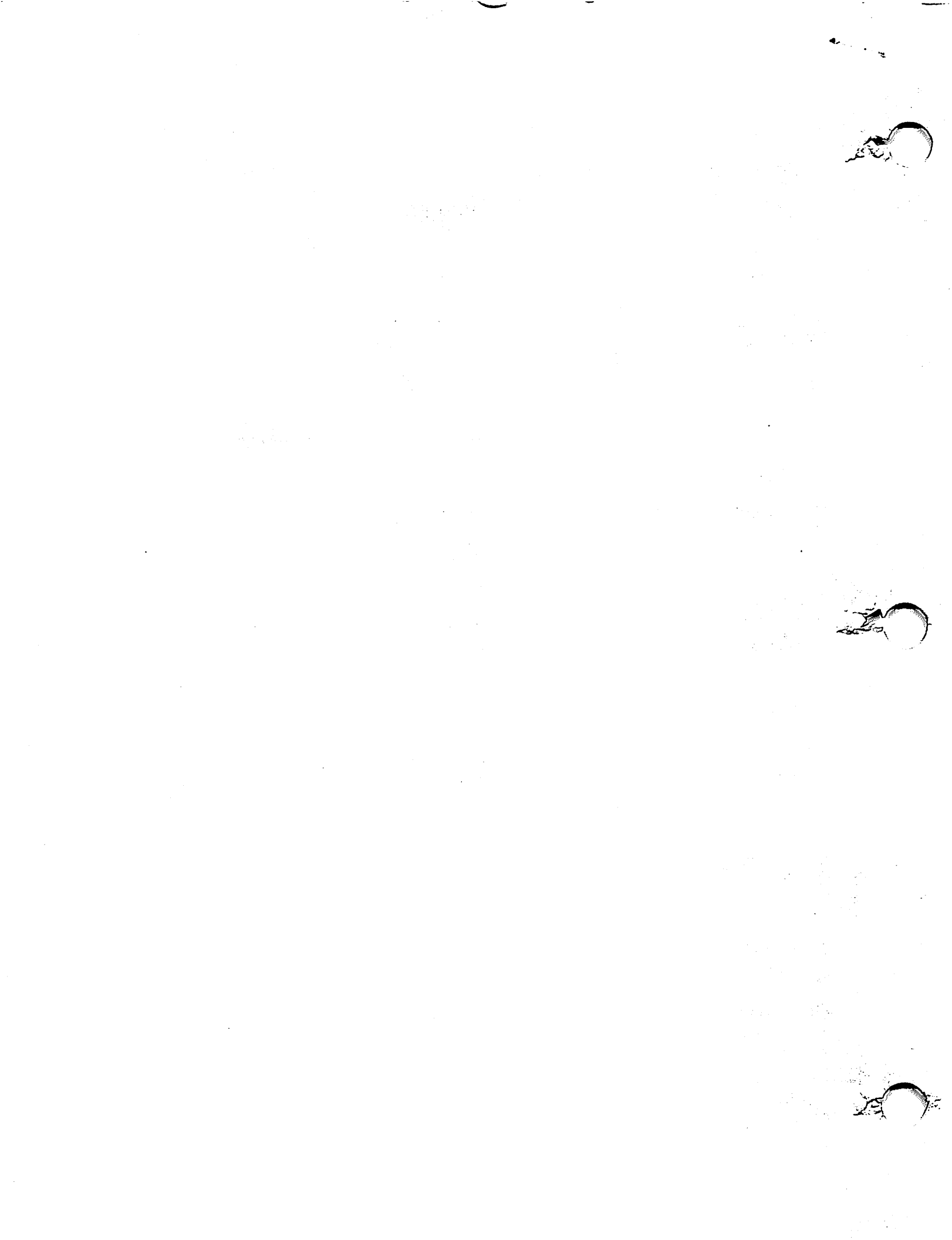
1. To begin a full BSAI crab rationalization analysis by initially tasking the Council staff to develop a discussion paper that outlines the elements and options to be considered in the full analysis, and to present this discussion paper to the Council at the February, 2001 meeting.

2. Formally establish a BSAI crab rationalization committee.

3. Direct the committee to assist the Council staff to identify the elements and options of an analysis for BSAI crab rationalization.

The following individuals are owners/managers of the following vessels. Their vessels in the Bering Sea/Aleutian Islands crab fisheries were responsible for harvesting in excess of 25% of the 1999 king crab harvest and 15% of the 2000 C. opilio crab harvest.

| <u>NAME</u>                             | <u>VESSEL</u>  |
|---|--|
| Gordon Blue<br>Alaska/Washington        | Zolotoi<br>Ocean Cape  |
| John Boggs<br>Washington                | Karin Lynn<br>Alaskan Enterprise                                   |
| Terry Cosgrove/Russ Moore<br>Washington | Alaskan Beauty<br>North Pacific                                    |
| Kim Hansen<br>Washington                | Ocean Olympic  |
| Don Jester/David Lethin<br>Washington   | Ocean Ballad<br>Aleutian Ballad<br>Arctic Venture<br>Sea Valley II |
| Rick Mezich<br>Washington               | Early Dawn<br>Fierce Allegiance                                    |
| Ron Painter<br>Alaska                   | Katrina Em   |
| Dick Powell<br>Alaska                   | Patricia Lee<br>Icelander<br>Echo Belle<br>KDS                     |
| Kevin Suydam<br>Alaska                  | Lady Kodiak<br>Lady Aleutian<br>Lady Alaska                        |
| Steve Toomey<br>Washington              | Exitto   |
| Doug Wells<br>Washington                | Baranof<br>Courageous  |
| Rob Wurm<br>Alaska                      | Heritage   |



AND

**Qualification landings (minimum landing requirements):**

**Minimum pounds required for delivery during each qualifying year:**

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

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

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

Option 4: > 300,000 lbs.

**Pot Gear Catcher Processor Vessels:**

**Qualification Years:**

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

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

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

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

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

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

AND

**Qualification landings (minimum landing requirements):**

**Minimum pounds required for delivery during each qualifying year:**

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

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

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

Option 4: > 300,000 lbs.

**Trawl Catcher Vessels:**

**Qualification Years:**

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

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

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

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

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

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

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

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

AND

**Qualification landings (minimum landing requirements):**

**Minimum pounds required for delivery during each qualifying year:**

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

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

Option 3: > 300,000 lbs.

**Trawl Catcher Processors:**

**Qualification Years:**

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

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

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

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

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



Option 6: Any three years of 1995, 1996, 1997, 1998  
Option 7: Any three years of 1995, 1996, 1997, 1998, 1999

AND

Qualification landings (minimum landing requirements):  
Minimum pounds required for delivery during each qualifying year:  
Option 1: 100,001 lbs. - 300,000 lbs.  
Option 2: > 300,000 lbs.

**Jig Gear Vessels:**

Qualification Years:  
Option 1: Anyone year of 1995, 1996, 1997, 1998  
Option 2: Any one year of 1995, 1996, 1997, 1998, 1999  
Option 3: Any two years of 1995, 1996, 1997, 1998  
Option 4: Any two years of 1995, 1996, 1997, 1998, 1999  
Option 3: Any three years of 1995, 1996, 1997, 1998  
Option 4: 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 Staff Tasking (b) Next steps on GOA P.cod rationalization**

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

**Freezer Longline Vessels:**

**Qualification Years:**

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

**Minimum poundage requirement during each qualifying year:**

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

**Catcher Longline Vessels:**

**Qualification Years:**

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

**Qualification landings (minimum landing requirements):**

**Minimum poundage requirement during each qualifying year:**

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

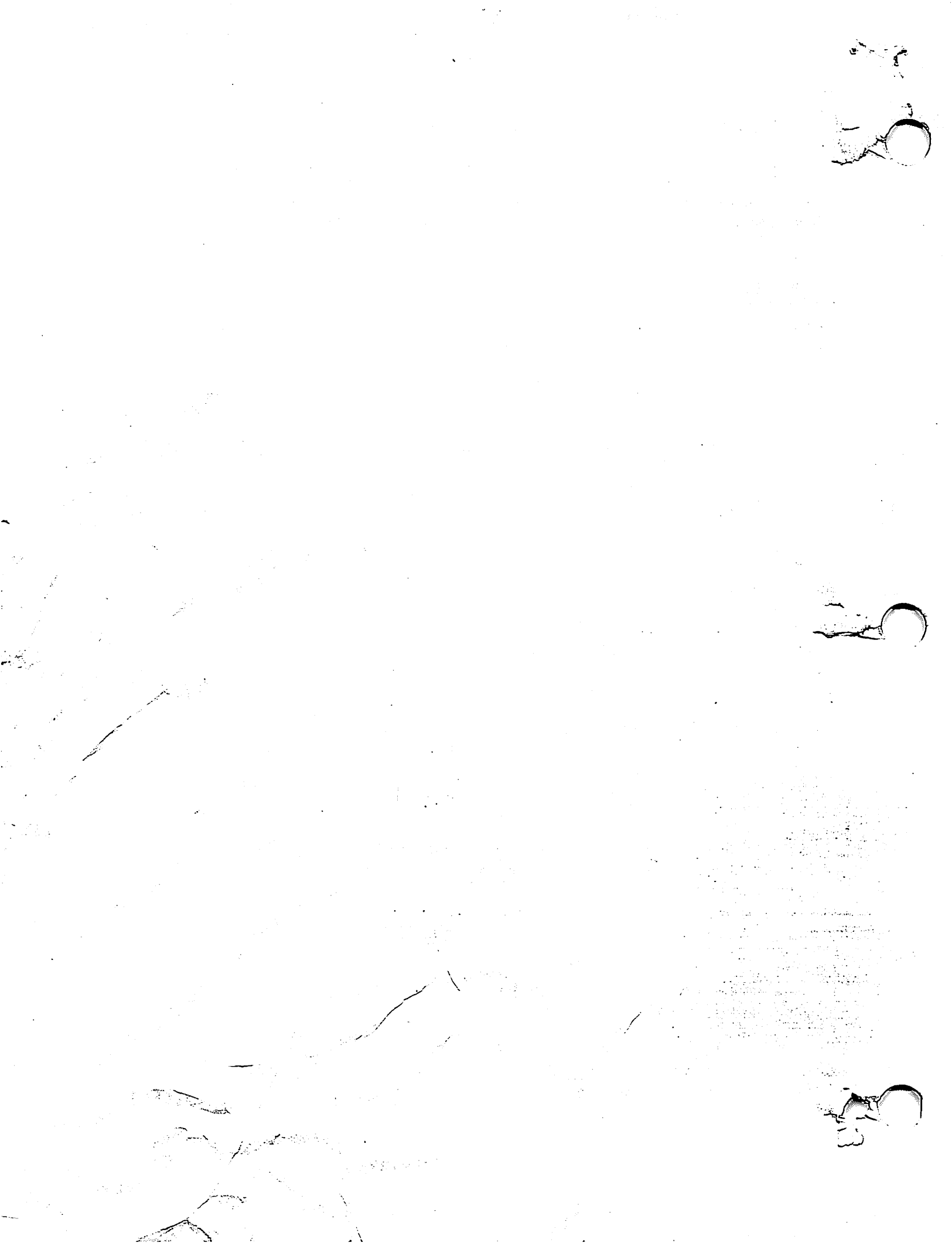
Suboption 1 : Allow catcher vessels less than 60' LOA to use their jig landing as part of their catch history to apply towards a minimum landing requirement.

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

**Pot Gear Catcher Vessels:**

**Qualification Years:**

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



# North Pacific Fishery Management Council

David Benton, Chairman  
Chris Oliver, Acting Executive Director

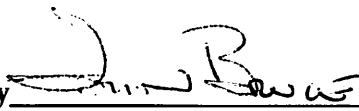


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Date 12 08 00

## ADVISORY PANEL MINUTES Centennial Hall, Sitka, Alaska October 2-5, 2000

### Advisory Panel members in attendance:

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

### C-2 (a) American Fisheries Act: EIS/Emergency Rule

The AP recommends the Council request NMFS move forward with the AFA emergency rule including the recent Council actions:

- 1) definition of "qualified catcher vessel"
- 2) revised formula for calculating inshore coop quota
- 3) revised crab cap calculations.

Additionally, the AP supports including the following in the emergency rule.

- 1) revised observer coverage for CPs and Motherships
- 2) revised inseason management for CPs and CVs sideboard closures and rollovers.

*Motion passed 18-0.*

## **C-2 (d) Inshore co-ops contracting with non-member inshore AFA CV's**

The AP recommends the Council include in the AFA emergency rule, for implementation in January 2001, the proposal (as submitted by MTC, UCB, Trident and Unisea) for NPFMC and NMFS action to allow inshore coops with its processors approval, to contract with non-member inshore AFA CVs to harvest coop allocation.

*Motion passed 18-0.*

## **C-2 (b) Groundfish Processing Sideboards and Excessive Share Caps**

**Excessive Share Caps** - The AP recommends the Council postpone indefinitely any action on excessive shares. The AP is concerned that the establishment of an excessive processing share could lessen competition for purchases of pollock. Any significant consolidation would trigger a review by the Department of Justice to assure it does not have anti-competitive impacts. Furthermore, the Steller sea lion regulations may require flexibility in the harvesting and processing sectors that can not be anticipated at this time. The AP notes that there is no specific date in the AFA by which the Council is to recommend an excessive processing share to the Secretary of Commerce. *Motion passed 11-7.*

*A motion recommending an excessive share limit of 30% failed 6-12.*

### ***Minority Report***

*We, the undersigned AP members believe that the AP's motion to postpone any action on processing excessive share caps indefinitely violates the statutory mandate to establish such caps.*

*Motions were made for a 25% and 30% cap. Both levels provide some room for acquisition by even the largest entity and represent a significantly larger cap than the 17.5% in the statute.*

*Since the Council took no action on Dooley-Hall, independent catcher vessels are already seeing a competitive disadvantage. Should unchecked consolidation in the processing sector be allowed, these vessels will be completely unprotected from significant adverse impacts resulting from AFA.*

*It is extremely unlikely that the Council would be able to address consolidation after it occurs. We have very little faith that a review by the justice department would result in maintaining a meaningful level of competition in a timely fashion. We are concerned that the impact of consolidation at high levels will have impacts on other groundfish, crab, salmon, and halibut fisheries.*

*Dave Fraser*

*Jeff Stephan*

*Hazel Nelson*

*Ragnar Alstrom*

*Michelle Ridgway*

*John Bruce*

*Kris Fanning*

**Processing Sideboards** - The AP recommends that the Council not take action on AFA processing sideboards at this time. The AP further recommends that the Council consider modifications of the IR/IU requirements for flatfish as an alternative means of protecting non-AFA processors. Any modifications to IR/IU would apply to both non-AFA and AFA vessels. Main motion passed 17-0-1. Additionally, the AP requests the analysis include a recency requirement for trawl vessels. (*Motion passed 9-8.*)

## **C-2 (c) P.cod Sideboard Issues**

The AP understands the concerns highlighted by the three non-AFA cod vessels. The AP strongly encourages a continued dialog between AFA and non-AFA vessels to resolve this issue.

*Motion passed unanimously 17-0.*

## Catch monitoring and Control Plan

The AP received a presentation outlining the elements being considered by NMFS for a proposed rule for new AFA catch and monitoring and scale requirements for the BSAI pollock fishery. The AP urges the Council to identify the problem that these new requirements are trying to address. If the Council finds sufficient cause to address inshore catch accounting, the AP recommends that NMFS proposed November workshop evaluate the need for improving accounting systems in the inshore sector. The AP feels that rather than create a new accounting system, the Catch Monitoring and Control Plan (CMCP) should incorporate improvement to existing means of catch accounting, such as:

- increased standards for scale accuracy and monitoring
- adjust inshore plant observer duties to include some catch weight monitoring
- with industry input, develop a set of best management practices - style protocols to standardize catch accounting systems
- develop a system for cross-checking accounting between observers, processors and NMFS records to ensure that resource use accounting objectives are met.

*Motion passed 14-0.*

## C-3 Halibut Subsistence

The AP recommends the Council adopt Alternative 2, allowing the harvest of halibut for subsistence.

We further recommend adoption of Option 1 : define subsistence as:

Long term, customary and traditional use of halibut for food (or non-economic consumption) for families in a non-commercial manner.

### Option 2: Define Eligibility

The AP recommends the Council adopt the State of Alaska criteria for rural communities (as described in the EA at Table 5.4 and specifically including the communities of Shishmaref and Diomedes and Adak and that;

- Suboption A
1. Members of Alaska Native Federally-recognized Tribes with customary and traditional use of halibut; and
  2. Other permanent rural residents\* of communities with customary and traditional use of halibut.

It is the intent of the AP that members of Federally-recognized tribes be allowed to practice subsistence in any community listed in table 5.4. Non tribal members would be limited to the community of residence.

A motion to adopt Option B: Alaska rural residents\* as defined in ANILCA and identified in the table 5.4 and will also include other communities for which customary and traditional findings are developed in the future. failed 9-11-2.

## Minority Report

We, the undersigned, believe that the AP's vote against Option 2, Sub-option B is against the fair and equitable sharing of resources in the name of subsistence between native and non-native rural users.

Michael Jones  
David Benson

Lyle Yeck  
Doug Ogden

Kris Fanning  
Teresa Kandianis

Stephanie Madsen

Option 3: Define legal gear

The AP recommends the Council adopt a combination of Suboption A and B to read as follows:

The legal gear for subsistence halibut fishing is set and hand held gear, including longline, handline, rod and reel, spear, jigging and hand troll gear of not more than 30 hooks.

Additionally, the AP recommends the Council adopt Suboption C: allow tribal governments to contract with NMFS to allow proxies to be used by designated fisherman to fish for the community using up to 2 skates, up to 100 hooks each (per vessel).

The AP also recommends the Council adopt the revised Suboption D: Allow retention of subsistence halibut using commercial gear while CDQ fishing in Areas 4C and 4E. In 4E, halibut under 32 inches may continue to be retained for subsistence use. In area 4C retained subsistence halibut shall be marked and hailed prior to landing. (*Motion passed 19-0*).

Option 4: Allow the customary and traditional trade of subsistence halibut.

The AP recommends:

Suboption A 3: Customary and traditional trade through monetary exchange shall be limited to an annual maximum of \$400.

It is the intent of the AP that when proxy fishing--the monetary value of \$400 can not be stacked.

Suboption B 4: Customary and traditional trade through non-monetary exchange is allowed with anyone.

Further, the AP recommends that no customary and traditional trade be allowed to occur upon the premises of commercial buying operations, or with a registered buyer. Additionally, no exchange of subsistence caught halibut from a monetary exchange, trade or barter will be allowed to enter commerce at any point.

Option 5-Define a daily bag limit

The AP recommends the Council adopt the following:

- 1) Statewide, a bag limit of 8 per day
- 2) Areas 2C and 3A a bag limit of 6 per day
- 3) 4C and 4E have no bag limit

Above limits are in effect unless changed by co-management or local area management plans.

(*Motion passed 16-4*).

Option 6- The AP recommends that the Council foster development of co-management agreements with Tribal and Federal governments and other local entities (where there is no tribe) to only collect information, and monitor subsistence harvest and further refine local area halibut subsistence plans for approval by the Council.

*Main motion passed 15-4-3.*

Additionally, the AP recommends that no halibut caught in sportfishing shall be possessed on board a vessel when other fish or shellfish aboard the said vessel are destined for commercial or subsistence use, sale trade or barter.

No halibut caught in subsistence fishing shall be possessed on board a vessel when other fish or shellfish aboard the said vessel are destined for commercial use or sale, with the exception of areas 4C and 4E.

*Motion passed 18-0.*

#### **C-4 Halibut Charter IFQ**

The AP recommends the Council adopt the staff recommendations for restructuring the halibut charter IFQ alternatives for analysis with the following changes:

**ISSUE 1. Initial QS may be based on:**

Option 1. 12.68% in Area 2C and 14.94% in Area 3A of combined commercial and charter halibut quota

**SUBOPTION: Use the State of Alaska's corrected numbers**

Option 2. 14.74% in Area 2C and 14.00% in Area 3A of combined commercial and charter halibut quota

**SUBOPTION 1: Use the State of Alaska's corrected numbers**

**Suboption 2:** 50% of an individual's QS initial issuance would be fixed and the remaining 50% would float with abundance.

**Option 3. Set-aside 1-2 ½% of combined commercial charter TAC for Gulf communities**

**A. Equal pounds from commercial and charter**

**B. Proportional amount based on split (15/85)**

**C. 100% out of charter (Motion passed 16-2)**

**Issue 2. Initial allocation of QS would be issued to U.S. citizens or to U.S. companies on the following basis:**

U.S. ownership based on: a) 51% ownership; b) 75% ownership

**Include discussion regarding criteria used for IFQ regulations and applicability of MARAD regulations**

Option 1. Charter vessel owner/operator - person who owns and operates (captains) the charterboat and charterboat business

Option 2. Bare vessel lessee - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained

**Include an outline of criteria that could be used to determine a bare boat vessel lessee**

~~Option 3. Charter vessel owner that hired licensed captains/skippers - person that owned the vessel that they controlled as a charterboat but hired a captain/skipper to operate the vessel~~

~~Option 4. Hired skipper - person without financial interest in the vessel, hired for the labor only of operating a charterboat and paid a wage or commission as compensation~~

~~Option 5. Charter vessel/business owner - person who owns the charterboat and charterboat business~~



### ISSUE 3. Qualification Criteria

Initial allocations will be based on an individual's participation and not the vessel's activity. Anyone not meeting the qualification criteria would have to purchase QS or transfer (lease) IFQs to participate in the halibut charter fishery.

**The AP endorses the Halibut Charter IFQ Committee's recommendation to use the most inclusive proxy for logbook participation that is, "active vessel" as defined as having turned in one logbook page with positive catch or effort. We also recommend that the ADF&G Guide and Business registration be made a mandatory proxy for participation for all options where the issue is a bare vessel lessee. Neither CFEC vessel registration nor IPHC licensing would be required of bare vessel lessees.**

- Option 1. Initial issues who carried clients in 1998 and 1999 and who submitted ADF&G logbooks (as received by ADF&G by February 12, 2000)
- Option 2. Initial issues who carried clients in 1998 or 1999 and who submitted ADF&G logbooks (as received by ADF&G by February 12, 2000)
- Option 3. Initial issues who carried clients prior to June 24, 1998 and who submitted at least one ADF&G logbook (as received by ADF&G by February 12, 2000)
- Option 4. Initial issues who carried clients four out of five years between 1995-1999 as evidenced by IPHC and CFEC licenses for 1995-99 and submitted logbooks for 1998 and 1999
- Option 5. Initial issues who carried clients four out of five years between 1995-1999 as evidenced by IPHC and CFEC licenses for 1995-99 and submitted logbooks for either 1998 or 1999

### ISSUE 4. Distribution of QS may be based on:

- Option 1. ~~70% of 125%~~ of 1998 and 1999 logbook average with an additional 10% ~~(of the 125%)~~ added for each year of operation 1995-97 (longevity reward). The balance could then be re-issued to the whole group of participants ~~(some individuals vessel's total could be over 125% of the 1998 and 1999 logbook average, new entrants may receive only 70% of their 1998 and 1999 logbook average), or this balance could be set aside for initial issue hardships.~~  
**SUBOPTION: Base distribution on both total catch retained and caught and released**
- Option 2. Modified Kodiak proposal: 5-30% for A, 33% for B, 37-62% for C (see attachment)  
**SUBOPTION: Base distribution on both total catch retained and caught and released**
  - Part A: each individual gets an equal percentage of the qualified pool as identified by the Council's final action.
  - Part B: each individual's average 98/99 logbook harvest as percentage of overall harvest is multiplied by 33% of the qualified pool.
  - Part C: one point for each year of participation during 1995-99.

**ISSUE 5. Transferability of QS (permanent) and IFQs (on annual basis [leasing])**

**Option 1 Nature of Charter Quota Share:**

**1. Owner/Operator, non-leasable**

**2. Owner only, leasable**

**SUBOPTION: Allow grandfather provisions to initial recipients to use hired skippers similar to the halibut sablefish IFQ program (Motion passed 11-7)**

**Option 2-~~Option 1~~: Transfer of QS (permanent) and/or IFQs (leasing):**

A. prohibit transfers between charter and commercial sectors

b) allow transfers between charter and commercial sectors

A. 1-yr one way transfer from commercial to charter

B. 3-yr one way transfer from commercial to charter

C. two-way (between commercial and charter sectors).

Suboptions under Options b (1-3):

i. Designate QS pool into two classes for transfer from charter to commercial sector: transferable (25%) and non-transferable (75%) pools **on an individual's basis.**

ii. Cap the percentage of annual IFQ transfers (de facto leasing) between sectors not to exceed 25% of total IFQs and 5% **a range of 0-10% IFQs** per year from charter to commercial; ~~not to exceed the amount needed to meet the area GHL (12.68% in Area 2C and 14.94% in Area 3A) from commercial to charter.~~

iii. on percentage of annual QS transfers between sectors not to exceed 25% of total QS and 5% a range of between **0&10%** of QS per year from charter to commercial; ~~not to exceed the amount needed to meet the area GHL (12.68% in Area 2C and 14.94% in Area 3A) from commercial to charter~~

**iv. A range of 0-10% leasing of Charter IFQ to charter from charter for the first 3 years**

**Option 3-~~Option 2~~: Block restrictions**

a) any initially issued (i.e., unblocked) charter QS once transferred to commercial sector shall be:

1. blocked

2. blocked up to the limits of the commercial sweep-up and block limits

b) allow splitting of commercial blocks to transfer a smaller piece to the charter sector

c) allow splitting of commercial blocks once transferred to the charter sector

**Option 4 ~~Option 3~~: Vessel class restrictions**

a) from A, B, C, and/or D commercial vessel category sizes to charter sector

**1) Owner/operator**

**2) Hired skipper**

b) from charter to commercial:

1. D category only

2. C and D category only

3. B, C, and D category

c) initial transfer from undesignated charter to a particular commercial vessel category locks in at that commercial category

**Option 5 ~~Option 4~~: One transfer of QS/IFQ each year between sectors for each QS holder**

**Option 6 ~~Option 5~~: Minimum size of transfer is range of 20-72 fish**

**ISSUE 6. To receive halibut QS and IFQ by transfer:**

Option 1. For the charter sector, must be either

A. a initial charter issuee. or

B. qualified as defined by State of Alaska requirements for registered guides or businesses\*

Suboption: and hold a USCG license.

\*this would require a change in the commercial regulations to allow transfer of commercial QS/IFQ to charter operator

Option 2. For the commercial sector, must have a commercial transfer eligibility certificate.

**ISSUE 7. Caps**

Option 1. No caps - free transferability

Option 2. ownership cap of ¼, ½, and 1% of combined QS units in Area 2C and ¼, ½, and 1% of combined QS units in Area 3A and grandfather initial issues at their initial allocation

**Issue 8. Miscellaneous provisions**

Option 2. maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issues

Option 3. 10% rollover provision of total IFQs

Option 4. 10% overage provision of total IFQs to be deducted from next year's IFQs

**Issue 9. IFQs associated with the charter quota shares may be issued in:**

Option 1. Pounds

Option 2. Numbers of fish (based on average weight determined by ADF&G)

**Further, the AP recommends the Council ask the SSC to review the statistical reliability of current creel census to provide accurate estimation of sport caught halibut weight**

**Issue 10. Reporting:**

Option 1. Require operator to report landings at conclusion of trip

Option 2. ADF&G logbook

**Option 3. Expand implementation issues presented in the analysis to look at requiring a reporting station in every city and charter boat location to accurately weigh every halibut caught.**

Other issues:

**The AP also recommends to add technical advisors to Charter IFQ Committee as a voting members - one each from area 2C and 3A. Further, the AP recommends that a member from GCCC be invited as a voting member**

*A motion to adopt the Halibut Charter IFQ Committee's recommendation "that the analysis is separable for Area 2C and 3A and recommend that the Council pursue and IFQ system for Area 3A only, in the event that there is not sufficient support for a program in Area 2C." Failed 5-8.*

Main motion passed 15-3

***Minority Report***

*We, the undersigned AP, believe the inclusion of the GCCC and commercial representative voting members on the Charter IFQ committee is premature. Further, we do agree that all other aspects of the analysis as approved move ahead.*

*Doug Ogden*

*Lyle Yeck*

*Robert Ward*

Finally, the AP also unanimously approved the minutes from the September 2000 meeting.