

North Pacific Fishery Management Council

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March 31, 2006

DRAFT AGENDA
176th Plenary Session
North Pacific Fishery Management Council
April 5 -11, 2006
Anchorage Hilton

The North Pacific Fishery Management Council will meet April 5-11, 2006 at the Anchorage Hilton Hotel, 500 West 3rd Avenue, Anchorage, Alaska. Other meetings to be held during the week are:

Committee/Panel

Advisory Panel
Scientific and Statistical Committee
Enforcement Committee
Ecosystem Committee
Public Scoping Meeting on the
Specifications EIS Alternatives

Beginning

Apr 3, Mon – Dillingham/Katmai
Apr 3, Mon – King Salmon
Apr 4, Tues – 9:00am-12:00pm - Iliamna Room
[Cancelled]
Apr 4, Tues – 7:00pm-9:00pm - Dillingham/Katmai

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

INFORMATION FOR PERSONS WISHING TO PROVIDE PUBLIC COMMENTS

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

Submission of Written Comments. Written comments and materials to be included in Council meeting notebooks must be received at the Council office by **5:00 pm (Alaska Time) on Wednesday, March 29.** Written and oral comments should include a statement of the source and date of information provided as well as a brief description of the background and interests of the person(s) submitting the statement. Comments can be sent by mail or fax—please **do not** submit comments by e-mail. **It is the submitter's responsibility to provide an adequate number of copies of comments after the deadline.** Materials provided **during** the meeting for distribution to Council members should be provided to the Council secretary. A minimum of **25** copies is needed to ensure that Council members, the executive director, NOAA General Counsel, appropriate staff, and the official meeting record each receive a copy. If copies are to be made available for the Advisory Panel (**28**), Scientific and Statistical Committee (**18**), or the public after the pre-meeting deadline, they must also be provided by the submitter.

FOR THOSE WISHING TO TESTIFY BEFORE THE ADVISORY PANEL

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

FOR THOSE WISHING TO TESTIFY BEFORE THE SCIENTIFIC AND STATISTICAL COMMITTEE

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

COMMONLY USED ACRONYMS

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

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	<u>Estimated Hours</u>
A. CALL MEETING TO ORDER	
(a) Approval of Agenda	•
(b) Approval of minutes (T)	
B. REPORTS	(4 hrs)
B-1 Executive Director's Report	
B-2 NMFS Management Report	
B-3 USCG Report	
B-4 NMFS Enforcement Report	
B-5 ADF&G Report (include report on BOF Adak cod action)	
B-6 USFWS Report	
B-7 Protected Species Report	
B-8 PNCIAC Report	
C. NEW OR CONTINUING BUSINESS	
C-1 <u>CDQ</u>	(4 hrs)
(a) Review Governor's CDQ allocation recommendations.	
(b) Status Report on CDQ Cost Recovery program.	
(c) Initial/Final action CDQ community eligibility Reg Amendment.	
(d) Status Report on Amendment 71.	
C-2 <u>IR/TU</u>	(12 hrs)
(a) Final action on Amendment 80. (T)	
(b) Discuss alternatives for MRA adjustments. (T)	
C-3 <u>BSAI Pacific Cod Allocations</u>	(12 hrs)
Final Action on Amendment 85.	
C-4 <u>BSAI Trawl C/V Eligibility</u>	(2 hrs)
Review Discussion Paper, and take action as necessary	
C-5 <u>GOA Groundfish Rationalization</u>	(6 hrs)
(a) Review discussion paper on skipper/crew provisions.	
(b) Review Critical Path analysis.	
(c) Review other information and revise alternatives/options as appropriate.	
C-6 <u>Halibut GHL</u>	(8 hrs)
(a) Final Action on Halibut GHL Regulations.	
(b) Review discussion paper on separate accountability proposal, and take action as necessary.	
(c) Receive Halibut Charter Stakeholder Committee report.	
(d) Receive status report on State initiatives.	

D. FISHERY MANAGEMENT PLANS

- D-1 Groundfish Management (3 hr)
 - (a) Initial Review of EA/RIR to defer management of GOA Dark Rockfish.
 - (b) Review EFP for testing shrimp fly gear to target rockfish.
 - (c) Progress Report on BSAI Salmon Bycatch Amendment Package B.
 - (d) Salmon Bycatch Research Workshop. (SSC Only)

- D-2 Crab Management (0.5 hr)
 - Crab Overfishing Definitions update. (SSC only).

- D-3 Scallop Management (1 hr)
 - Review and approve Scallop SAFE

- D-4 Ecosystem Based Management (1 hr)
 - Receive Committee report and take action as necessary.

- D-5 Research Priorities (0.5 hr)
 - Review and approve

- D-6 Staff Tasking (2 hr)
 - (a) Review Committees and tasking.
 - (b) Refine VMS alternatives.

- D-7 Other Business

Total Agenda Hours: 56 hours

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Certified: Nav Bendy
Date: 3/20/06

SCIENTIFIC AND STATISTICAL COMMITTEE to the NORTH PACIFIC FISHERY MANAGEMENT COUNCIL February 6-8, 2006

The Scientific and Statistical Committee met during February 6-8, 2006 at the Doubletree Hotel in SeaTac, WA . Members present were:

Gordon Kruse, Chair
University of Alaska Fairbanks

Pat Livingston, Vice Chair
NOAA Fisheries—AFSC

Keith Criddle
Utah State University

Steven Hare
International Pacific Halibut Commission
University of Alaska Fairbanks

Mark Herrmann

Sue Hills
University of Alaska Fairbanks

Anne Hollowed
NOAA Fisheries—AFSC

George Hunt
University of Washington

Seth Macinko
University of Rhode Island

Franz Mueter
University of Washington

Steve Parker
Oregon Department of Fish and Wildlife
University of Alaska Fairbanks

Farron Wallace
Washington Dept of Fish and Wildlife

Doug Woodby
Alaska Department of Fish and Game

Members absent:

Ken Pitcher
Alaska Department of Fish and Game

Election of Officers

Gordon Kruse and Pat Livingston were re-elected as SSC Chair and Vice-Chair, respectively, for the coming year.

C-3 Pacific Cod Allocations (BSAI Amendment 85)

Nicole Kimball and Jim Richardson (Council Staff) presented an initial review draft EA/RIR/IRFA for Amendment 85 to the BSAI FMP. Public testimony was provided by Stephen Taufen (Groundswell Fisheries Movement), Clem Tillion (Aleut Enterprise Corp.), and Donna Parker (FV Sea Storm).

The proposed actions largely reflect recent patterns of directed and incidental catches. However, some of the proposed actions reduce the catch shares of some participants while increasing the catch shares of other participants, whereas other proposed actions are intended to pre-allocate area-specific catch shares in anticipation of splitting the BSAI Pacific cod ABC and TAC into BS and AI components. The SSC

recommends releasing the draft EA/RIR/IRFA for public review subject to the following recommended revisions:

- Consideration of the alternatives should be expanded to include a discussion of the anticipated changes in the timing and distribution of landings and the associated impacts on communities.
- Discussion of the net benefits of changes in the CDQ share should acknowledge that the payment of CDQ royalties will reduce net revenues for firms that make the royalty payments.
- The biological basis for managing cod as separate BS and AI stocks rather than as a single BSAI stock needs to be elaborated. What evidence is there that the BS and AI stocks are separate? Is there evidence to suggest that cod form a single stock throughout the AI, or is there evidence to suggest that cod form a suite of independent or partially independent stocks along the length of the Aleutian Islands?
- The section that addresses the alternatives for pre-allocation of possible area-specific allocations of catch shares should include an expanded discussion of the effect that the choice of the time frame for determining eligibility will have on the composition of participants, the regional implications of these alternatives, recent trends in development of state waters fisheries, and the extent to which the alternatives favor or preclude local access to P-cod fisheries distributed along the Aleutian Island chain.
- The extent to which catches of cod in the crab bait fishery and halibut IFQ fishery are included in the ABC and stock assessments for cod should be clarified.

The SSC also received an oral presentation synthesized from publicly available data about prices, product forms, and import/export markets for Pacific cod. Although this information was not instrumental in differentiating among the alternatives, it provides context for the analyses. Because the alternatives could involve changes in the seasonal distribution of catches and product forms, examining these markets on a monthly or weekly time scale would have been more instructive. The SSC realizes that data collection has just recently started and in the future looks forward to additional market data that are directed toward the management issue at hand.

C-5 Observer Program

The SSC received a presentation from Nicole Kimball (Council staff), Bill Karp (AFSC) and Kent Lind (Contractor). This was an initial review of a revised analysis to restructure the funding and deployment mechanism in the North Pacific Groundfish Observer Program. The analysis is a restructuring of a suite of alternatives presented at the June 2005 Council meeting and the number of alternatives has decreased from seven to five.

Dr. Karp discussed a letter from NOAA Fisheries outlining numerous difficulties that essentially eliminated three of the remaining five alternatives at the present time due to cost and/or statutory authorization uncertainties. Many of the cost uncertainties relate to observer pay, including how to account for hours worked by the observer and whether they will be classified as professional or technician employees. As a result, NOAA recommended that the current structure of the Observer Program be retained and the Council should adopt the alternative (#2) that removes the sunset date as a short-term solution.

This preliminary draft is much improved from the earlier preview drafts, providing better explanation and discussion of the benefits of observer coverage (p. 77-80). The alternatives are appropriate and cover the main issues. However, given the complexity of the comprehensive alternative (Alternative 5), it might be appropriate to develop a suboption for a phase-in of BSAI as a whole or BSAI 100% covered

and greater vessels. Alternative 3 needs to be labeled as a restructured GOA and BSAI rollover option since a BSAI rollover is part of this alternative. Summaries of the alternatives also need to better label the type of fee collection (exvessel based fee/daily observer coverage fee). For instance, this isn't clear in the description (p. iii) of Alternatives 3 and 4. The SSC looks forward to hearing the results of the video monitoring pilot projects, which were presented to the observer committee.

The NOAA recommended action that the Council select Alternative 2 alters the playing field for this analysis. The SSC suggests taking a fast track/slow track approach with regard to the alternatives. Alternatives 1 and 2 can be moved forward on a fast track to safeguard the Observer Program for the near term. For this fast track analysis, an extended examination of the impacts of selecting Alternative 1 is required. The work to date on Alternatives 3-5 should be continued and brought forward. However, by proceeding at a slower pace, this analysis is positioned to respond to any progress made on the aforementioned obstacles to implementation. Should a fast track/slow track approach be taken, the Problem Statement for Alternatives 1 and 2 would need to be revised as neither of those alternatives address the current Problem Statement.

Given the obstacles to restructuring the Observer Program, the uncertain costs and concern over NMFS control over placement of observers, it may be worthwhile revisiting the possibility of hiring observers as federal employees. An alternative along these lines was considered and discarded about five years ago in previous attempts to redesign the Observer Program. Given the current uncertainties, at the very least it would be worthwhile revisiting the arguments advanced against an Observer Program comprised of federal employees.

With regard to the expanded discussion of the benefits of observer coverage and the newly proposed slow/fast track for the alternatives, the SSC would like to reiterate the importance of the data collected by observers and the improvements that would result from being able to allocate observer effort temporally and spatially under Alternatives 3-5. The PSEIS-selected alternative identified the improved data quality and management that would accrue under a new observer delivery model. The SSC strongly recommends that this continue to be a priority issue that should be dealt with once funding uncertainties are resolved. Failing to do so would compromise our ability to evaluate stock status and the Council's management of groundfish resources.

The SSC suggests the following editorial corrections to the document:

- P. x Table ES-3 What are the units of Observer cost (Millions?).
- P. xii Conclusions. There is no mention under Alternative 2 (rollover alternative) that it would not advance the objectives in the PSEIS selected alternative. There needs to be more emphasis on the importance of advancing the observer program-related objectives of the PSEIS. This could be reiterated in many places such as the introduction (p 1) and in the discussion of impacts of the alternatives.
- P. 17. Alt 3, first box at top. There is an incomplete sentence. Perhaps this should be "...for each GOA vessel class."
- The benefits accruing to the halibut vessels resulting from the fees that will be paid need to be clarified.
- P. 28. Table 2.3-2 Report the average and confidence intervals between observer reports and WPR. The last column indicates that there is a bias between the two types of reporting, but it

does not indicate if the bias is large. This could be quantified differently. Note the misspelling of “yellowfin” sole in the species column.

- P. 73 Ecosystem considerations section. The text is unclear with regard to whether aggregate indicators and/or ecosystem issues in the individual stock assessment chapters were used for significance determinations; it appears that ecosystem issues were used. Significance determinations of ecosystem impacts also need to consider the aggregate effects across the fisheries of each target groundfish species. Thus, total catch, discards, and so on are aggregate indicators that should be considered.

C-6 Charter Halibut GHL

Jane DiCosimo (Council Staff) and Jonathan King (Northern Economics) presented an initial review draft analysis of action and no-action alternatives related to the charter-based sport fishery for halibut in IPHC management areas 2C and 3A. There was no public testimony.

The SSC suggests the following issues be addressed before the draft analysis is released for public review:

- Discussion of the no-action alternative should be expanded to include estimates of the losses (quantity and value) to the commercial fishery and consumers due to reductions in the commercial TAC if the charter-based sport fishing overages were to continue at the levels observed in 2004. While this type of comparative static analysis ignores variations in halibut biomass, exvessel and wholesale prices, and demand for charter-based sport fishing, it can provide a useful basis for characterizing the effects of the no-action alternative. Although there are many factors that affect the demand for charter-based halibut sport fishing trips, the 20-year average annual rate of increase in halibut sport fishing catches (about 6.2% in 2C and about 5.5% in 3A) could be used as a reasonable projection of the future rate of increase in charter-based sport fishing catches of halibut under the no-action alternative. Five- and ten-year projections of growth in charter-based sport fishing catches of halibut could be combined with information about 2004 exvessel and wholesale prices to generate comparative static estimates of losses to the commercial fishermen and consumers under the no-action alternative.¹
- To maintain balance in this review of the no-action alternative, there should be a discussion of changes in angler surplus that could be anticipated from the projected increase in charter-based sport fishing for halibut.² Because the number of halibut sport fishing charter service providers is large and barriers to entry are low, halibut sport fishing charter service providers can be assumed to behave as “perfect competitors.” Consequently, the principal source of net national benefits from the charter halibut fishery is angler surplus—the difference between the benefits that anglers derive from sport fishing for halibut onboard charter boats and the costs that they incur. While the magnitude of changes in regional economic benefits will vary, it is unlikely that the changes in regional expenditures will result in changes in net national benefits. Moreover, increases in regional expenditures associated with increases in charter-based sport fishing are likely to be offset by decreases in regional expenditures associated with commercial fishing. This evaluation of the no-action alternative should also recognize that the commercial fishery has consistently under harvested the commercial TAC, thus it would be reasonable to deduct the average commercial catch underage

¹ Estimates of consumer surplus could be based on models of halibut demand reported in: Herrmann M. and K.R. Criddle. 2006. An econometric market model for the Pacific halibut fishery. *Marine Resource Economics*. 21:xxx-xxx (forthcoming).

² These estimates could be ballparked using models reported in: Criddle K.R., M. Herrmann, S.T. Lee and C. Hamel. 2003. Participation decisions, angler welfare, and the regional economic impact of sportfishing. *Marine Resource Economics* 18:291-312.

from the projected charter-based sport fishing overage in the determination of potential losses to the commercial fishery.

- Discussion of the potential impact and efficacy of the action alternatives should reflect an anticipation that halibut sport fishing charter service providers and their clients will respond strategically to the proposed management measures. For example, it should be anticipated that some anglers will substitute bare-boat charters and other self-guided activities for charter halibut trips if such trips become less attractive due to restrictive annual bag limits. It should also be anticipated that some charter service providers, and some anglers, would shift their effort to alternative fisheries or alternative recreation services and activities. Similarly, it should be anticipated that some anglers faced with restrictive bag limits in area 2C may shift their effort to area 3A. These strategic responses will reduce the efficacy of the proposed action alternatives and will reduce the potential opportunity costs to the halibut charter industry and its customers of the proposed action alternatives.
- While the analysis suggests that most of the proposed actions would have failed to reduce charter-based catches of halibut to the GHL in 2004, the analysis suggests that alternative 3 might reduce charter-based catches in area 3A to below the GHL. Discussion of this finding should note that this outcome would result in a loss of angler surplus.
- The study should extend its evaluation of the effects of the different alternative halibut measures to 2002 and 2003. Although the trend in guided sport fishing halibut trips is upward, a comparison of the 2004 findings for two additional years will prove useful when discussing the robustness of the 2004 findings.

The SSC notes that the approach the Council has adopted to management of the charter-based sport fishery for halibut presents a clear example of the types of problems that can emerge when there are substantial temporal delays between prosecution of the fishery, generation of data on the magnitude of removals, and tweaking of management measures intended to influence the magnitude of future removals. This type of problem is commonly known as a delayed feedback loop. Delayed feedback loops exhibit cyclic overshoot and undershoot around the intended target, but control rules can be designed to dampen the oscillation if the system is stationary and deterministic. If the system includes a random element, or a trend or other nonstationarity, management actions will tend to exacerbate cyclic overshoot and undershoot. The upshot of this is that it is unlikely that catches in the charter-based halibut sport fishery can be constrained to intended targets when there is a 1-2 year delay between prosecution of the fishery and generation of data regarding the magnitude of removals and another 1-2 year delay between when the data are available and management measures are selected and implemented. One solution to the delayed feedback problem is to shorten the delays. In the case of management of the charter-based halibut sport fishery, this would involve development of indices of removals that can be used to estimate catches as the season progresses coupled with the adoption of management measures that could be automatically triggered if removals were projected to exceed the GHL. The SSC is pleased to learn that ADF&G will resume inclusion of halibut in the charter logbook program in 2006; the logbook data could serve as an instrument for more timely assessment of charter-based catches of halibut.

Finally, the SSC observes that the inexorable consequence of a GHL that is non-binding within a season, coupled with management instruments for limiting catches by the charter-based halibut sport fishery that are potentially ineffectual, is that the Council should anticipate an ongoing *de facto* reallocation of catches from the commercial fishery to the charter-based sport fishery for halibut. If the charter-based sport fishery were subject to binding limits under an IFQ program, the reallocation between commercial and charter-based fisheries would take place through voluntary transactions in a market. In the absence of tradable harvest shares, the Council will, consciously or unconsciously, serve as the arbitrator between the commercial and charter industries with actions taken to benefit one sector resulting in uncompensated costs to the other sector. Within such a political market, each sector is left with an individually rational

but collectively irrational incentive to squander potential benefits of increased shares in an endeavor to influence the Council's active or passive decisions.

Minor editorial notes:

- The first paragraph on page 19 seems to be a holdover from the document used as a template for this analysis and does not appear to be relevant to this analysis.
- There are numerous instances in the document where "analysts" should be replaced with "analysis" or "analyses".

D-1(a) Chiniak Gully Experiment

Libby Logerwell (AFSC) gave a presentation on an EA/RIR/IRFA for a regulatory amendment to close trawl fishing in Chiniak Gully from August 1 as late as September 20 during three out of the next five years (2006-2010). The proposed closure is intended to facilitate continued research on the effects of fishing on the local abundance and distribution of pollock, which may affect the availability of pollock as prey for Steller sea lions.

The main impact of the proposed action would be a relatively minor redistribution of trawl fishing effort on the east side of Kodiak Island. The EA examined potential effects of this redistribution on target species, marine mammals, and EFH and concluded that there would be no significant effects. The RIR estimated potential costs associated with the action, including potential revenue losses due to displacement of fishing vessels and the costs of the experiment itself. Benefits of the research are impossible to quantify, but include an improved understanding of the impacts of fishing on Steller sea lions, which may help NOAA fisheries design more effective and potentially less costly (to industry) RPAs to protect Steller sea lions.

The SSC recommends release of the EA/RIR/IRFA for public review with the following minor changes:

- Some inconsistencies were noted in Tables 4.1-1 and 4.1-2, which describe the criteria for determining significance of impacts to target species and marine mammals. These tables describe potential adverse impacts, while stating that "there is no beneficial impact". Clearly, the redistribution of fishing activity may have beneficial as well as adverse impacts relative to the status quo. For example, a potentially beneficial impact on Steller sea lions in the closed area is the possible reduction in competition and disturbance as described on p. 25.
- Results from the 2000 and 2002 experiments were not included in the summary of past research because commercial removals from Barnabus Gully, the treatment site, were negligible. However, these results nevertheless provide valuable information on the within-season variability in abundance and distribution that should be included.

The SSC supports this proposed research and looks forward to seeing the results. If and when the studies are conducted, the SSC urges the investigators to make every attempt to complete two full "passes" before and two full "passes" after the opening of the commercial fishery. The SSC also reiterates concerns expressed in minutes from December 2005:

"The SSC recognizes the importance of evaluating localized depletion and potential effects on Steller sea lions but has some concerns about the confounding effects of natural variation in pollock abundance and distribution making it difficult to actually evaluate fishery effects. A suggestion was made that it might be beneficial to switch experimental and control areas."

D-1(b) Review of proposed EFP for an Aleutian Islands pollock survey

Steve Barbeaux (AFSC) gave presentations on (1) a proposed study to test the feasibility of using commercial fishing vessels for acoustic surveys of pollock in the Aleutian Islands, (2) a draft Environmental Assessment of the proposed experiment, and (3) an application for an exempted fishing permit requested by the Aleut Enterprise Corporation to support the proposed experiment. Public testimony was received from Sandra Moeller (Aleut Enterprise Corporation), Dave Fraser (consultant), and Dr. Jim Norris (consultant).

The SSC commends AFSC and the Aleut Enterprise Corporation for their creative collaboration on a promising feasibility study, which has the potential to improve our understanding and management of pollock in the Aleutians. The EFP is necessary to allow the applicant to harvest pollock in areas currently closed to fishing. These harvests are necessary to verify acoustic data and to compensate the participants for conducting the survey. The draft EA did not identify any significant effects of the proposed action on marine mammals or prohibited species. Nevertheless, because the experiment takes place in Steller sea lion critical habitat, an ESA Section 7 consultation has been initiated and must be completed prior to issuing the EFP.

Because written materials were not provided in advance, a thorough review of the proposed research and draft EA by the SSC was not possible. **Nevertheless, the SSC is supportive of the proposed research and the EFP required for conducting the research.**

D-1(c) Other species assessments: Grenadiers, Sharks, Sculpins, Squids, and Octopuses

General considerations

The SSC received presentations on 5 “other species” assessments, introduced by Jane DiCosimo (NPFMC). Preliminary assessments of these species assemblages were prepared as part of ongoing efforts by the Council family to develop innovative approaches for species and assemblages that are not targeted in groundfish fisheries.

Public testimony was provided by Jon Warrenchuk (Oceana), who supported splitting out these species from “other species” and recommended considering squid as a forage fish and banning development of a targeted squid fishery. Gerry Merrigan (Prowler Fisheries) expressed concern that OFL calculations for sharks could become constraining even though no conservation concern exists, and recommended that the new assessments should list the various precautionary assumptions used.

Some general issues emerged in consideration of these assessments. First, it is not surprising that these species suffer severe data limitations that inhibit the ability to evaluate population status. Uncertainties are pervasive about the range of species in the complex, spatial distributions, species identifications, differences by sex, size, and age, and the applicability of information borrowed from related species or areas. **In general, the analysts have made reasoned choices about interim values for population parameters, but it is clear that much additional data must be collected for prudent management.**

Second, a common feature of these assessments is that a choice must be made between managing under Tier 5 (based on a biomass estimate) and Tier 6 (usually based on average catch). Determination of a Tier 5 OFL is problematic due to survey limitations or lack of a robust estimate of natural mortality. Use of average catch in Tier 6 could be problematic for several reasons: (1) the time series of catches may be of indeterminate accuracy due to difficulties in species identification, (2) the time series may be short because catch monitoring did not separately identify the species in the past, or (3) the bycatch of the

species may be very low in relation to its population size, so that average catch is not a meaningful measure of an overfishing limit. The application of Tier 6 calculations could unreasonably constrain any directed fishery that might develop, and overly restrictive OFLs could unreasonably constrain other fisheries, such as the cod pot fishery that takes octopus as bycatch. **In these situations, the SSC recommends that the analysts consider reasonable alternative approaches (such as a reasonably low catch that buffers bycatch needs in groundfish fisheries), as permitted in the definition of Tier 6: "OFL = the average catch from 1978 through 1995, unless an alternative value is established by the SSC on the basis of the best available scientific information."** The SSC looks forward to reviewing such alternatives.

While the intention would not be to implement ABCs and OFLs for these complexes for 2007, the SSC requests revision of these other species assessments for presentation to the plan teams in September 2006 and the SSC in October 2006 for another iteration of review and refinement of status determination criteria (tier designation, OFL, and ABC). In preparing revised assessments, the SSC recommends that the authors clearly articulate the assumptions, including those that afford precaution in the assessment of biomass or estimation of ABC and OFL (e.g., choice of M, assumed discard mortality rate, survey coverage relative to distribution of the stock catchability adjustments).

BSAI and GOA Grenadier

David Clausen (AFSC) presented the results of his analysis of grenadiers, presently in the non-specified category of species in the groundfish FMPs. The SSC thanks the author for his efforts to gather the information on this group of species. The SSC notes that this is a data-poor assemblage of species and that research efforts should be made to gather additional information on the stock status and life history.

The SSC requests that the author prepare a more complete description of the potential market for grenadiers. The author reported that previous studies have shown that the palatability of giant grenadier is relatively low. However, it is reported that a small market for grenadiers exists in Europe.

The natural mortality rate (0.074) used for the Tier 5 evaluation was based on maximum age (56) derived from samples from giant grenadier from Alaska. The estimate of maximum age for giant grenadier is similar to estimates for roundnose grenadier (70 yrs) and Pacific grenadier (60 – 70 yrs). The SSC encourages the author to pursue efforts to collect additional baseline life history information including maximum age by region. The author noted that age structures have been collected and the SSC recommends that these samples be aged in the near future.

The author also evaluated the maturity of grenadiers captured in the longline survey. Results of this analysis indicate that the survey only captures mature fish. The SSC notes that this preliminary result suggests that the grenadiers captured in the sablefish fishery may also be mature. The SSC encourages the author to collect maturity data for fish captured in the sablefish fishery to evaluate this possibility. In addition, the SSC requests that sex and length frequency data be collected from the commercial fishery. The SSC requests that the author examine the evidence for the depth stratification of the sexes and the sex ratio of the survey.

The SSC requests that the author expand the discussion of the survey relative to the range of the species. The SSC concurs that the biomass estimates based on slope surveys for the GOA and EBS are useful. However, the AI trawl survey does not cover the depth range of grenadiers. The SSC reviewed the author's proposal to estimate expansion factors for the AI based on relative population weight (RPWs) from the sablefish longline survey. The SSC requests that, if this technique for expansion is used, the author should carefully review the rationale for excluding the GOA results from this effort. The SSC also

notes that the ROV data from the Aleutian Islands could be used to evaluate the fraction of the range covered by the survey.

Management considerations:

The grenadier complex constitutes a major component of the deep-water system and serves as both important prey and predator species. It is interesting that the sum of the average survey biomass estimates for the BSAI and GOA is near 2 million mt, making grenadiers one of the most abundant species in the North Pacific. Furthermore, it seems to be abundant in all three areas (BS, AI, and GOA). The complex is currently non-specified, so the Council should formally evaluate whether this complex should become an FMP species. The high catch rate of grenadiers (mostly in the sablefish fishery), its high discard mortality rates, and the potential for development of a market are additional reasons to consider bringing this complex into the BSAI and GOA FMPs.

The SSC concurs with the author's recommendation to manage the three grenadier species (giant grenadier, Pacific grenadier and popeye grenadier) as a complex. Of these, giant grenadier is the dominant species in the survey and could be used as an index for this complex. Based on an analysis of the depth distribution of these three species, it is likely that the catch is also dominated by giant grenadier, as the other two species generally occur deeper than depths fished by current fisheries.

The SSC considered the issue of whether the ABC and OFL for these stocks should be based on Tier 5 or Tier 6. Tier 6 estimates are based on catch only from 1994 onward, but this does not seem problematic. The SSC considers that available data for grenadiers in the GOA and BS are sufficient to set harvest recommendations on a Tier 5 basis so that one option would be to manage grenadiers as Tier 5 for the EBS and GOA and tier 6 for the AI. Further work is needed to estimate biomass in the AI, including further consideration of RPW data.

In estimating ABC and OFL, the authors used a very conservative estimate of $M = 0.05$ that results in an OFL and ABC of 75% and 50% of M respectively. The uncertainty adjustment should be made to the ABC and not the OFL (because OFL is formally defined in Tier 5 as the product of M and biomass).

As bycatches seem to be dominated by mature females, suggesting that there is sex segregation by depth, the SSC encourages the author to evaluate the implications of a single sex fishery. The SSC also requests that the author consider a recent publication by Devine et al. (2005) that documents a case in the Atlantic where grenadiers were overfished.

BSAI and GOA Sharks

Dean Courtney (AFSC) presented an update of information on the status and trends of BSAI and GOA shark species.

The SSC requests that the authors describe what is known about the distribution and the migratory behavior of these species. This will help evaluate the utility of various surveys to adequately index shark biomass. The SSC also encourages research on the spatial and temporal distribution of sharks, including depth distribution and segregation by sex.

The author noted that there has not yet been a significant market for sharks from the BSAI or GOA. The SSC requests that the authors include a description of the potential markets for these species. For example, world markets exist for dogfish.

Catch data exist from the “pseudo-blend” 1990-1998, “improved pseudo-blend” 1997 – 2002 and from NMFS Alaska Regional Office 2003-2005. The authors should develop a single set of best catch estimates for sharks in consultation with AFSC and Regional office staff. Catches are categorized as spiny dogfish, Pacific sleeper shark, salmon shark, and unidentified shark.

The author noted that none of the sleeper sharks sampled during the longline survey were mature in the GOA region. In addition, the author noted that several requests have been made to collect age and size composition data for sharks.

Although, the quality of the catch information for this species is quite good for observed fisheries, there are potentially substantial catches in the halibut and other unobserved fisheries; estimates of these catches should be included in the analysis. Observers identify the species composition of the catch. The SSC encourages the authors to include bycatch estimates from halibut and other fisheries.

The author recommends managing Pacific sleeper shark as an indicator species for the BSAI shark assemblage. In the BSAI, Pacific sleeper shark is the dominant species. In the GOA, spiny dogfish and Pacific sleeper shark dominate and salmon sharks are a minor component. The author noted that one option would be to manage spiny dogfish in the GOA as a separate species and manage Pacific sleeper shark as part of the other shark assemblage.

The SSC notes that the natural mortality rate used in the assessment comes from an Atlantic dogfish species that does not live as long as dogfish on the west coast. Thus, the use of this value of mortality may not be appropriate. The SSC inquired about the possibility of obtaining estimates of maximum age for Alaskan shark species. The author noted that he is conducting aging studies on sharks from Alaska to establish a maximum age and hopes that results from this effort will be available in the fall.

The author noted that the biomass estimates for sharks are uncertain and variable. Salmon sharks are highly migratory and potential seasonal residents in the GOA and BSAI. Current biomass estimates do not suggest evidence of a conservation concern for the GOA stocks. Biomass trends are stable. The SSC encourages using the longline survey data for biomass estimates. Also, the SSC requests that authors include the coefficient of variation in the survey.

The SSC requests that the author provide information that would allow estimation of Tier 5 and Tier 6 management of sharks as a complex or as individual species. They note that the authors could consider development of tier 5 biomass estimates for the abundant species and a tier 6 alternative recommendation for the others.

GOA Sculpins

Todd TenBrink (AFSC) presented this assessment, which is a useful compilation of information about species, catch history, survey biomass, life history, and status determination criteria. The sculpin complex is dominated by three of the largest sculpin species groups (yellow Irish lord, a group of *Myoxocephalus sp.*, and bigmouth sculpin). CVs for survey biomass of these groups are very low, suggesting high precision. Most sculpin species show no trend since 1984, except bigmouth sculpins have declined. A conservative estimate of natural mortality of 0.19 has been made for all species. Consequently, ABC and OFL can be determined under Tier 5. There is a need for better life history information about sculpins, because life histories vary by species. Some field studies in the Bering Sea have been proposed to NPRB, although no studies are under consideration for the GOA. Further retrospective analyses of sculpin biomass would be useful to explore spatial and species patterns.

GOA Octopus

The SSC received a presentation by Elizabeth Connors (AFSC) of a preliminary SAFE report on Gulf of Alaska octopus stocks that she coauthored with Elaina Jorgensen (AFSC). The purpose of the report was to review available information in the event that GOA octopus stocks are to be split out from the other species complex for single species or assemblage management. The SSC appreciates the authors' efforts to assemble the GOA octopus stock assessment data and to clearly identify the issues.

The authors provided estimates of potential ABCs and OFLs for all octopus species considered together as a group under both Tier 5 and Tier 6 designations. The authors identified several concerns with these estimates and the SSC highlights the following for further consideration. The first concern is that the species composition of the commercial catch is not well defined. However, due to the large size of the animals captures, mostly in the cod pot fishery, it is suspected that the predominant species is *Enteroctopus dolfeini*, the giant Pacific octopus. A related problem is that the NMFS trawl survey primarily catches much smaller octopuses, presumably a different species or species assemblage. This discrepancy seriously compromises the use of trawl survey data in a Tier 5 calculation of catch limits for the larger species taken primarily in commercial pots. The SSC recommends increased effort to sample octopus catches to clarify the species composition.

A second concern is the need to include catch information from state waters, which may harbor a large fraction of the octopus resource. State fish ticket data on octopus landings should be included.

The lack of life history data is also a concern. For the giant Pacific octopus, it is suspected that the animals undergo a seasonal mating migration. Yet it is not known when this occurs, if this would seasonally alter the distribution of octopus between state and federal waters, or how this would affect biomass estimates. The estimate of natural mortality is also uncertain, with $M=0.53$ adopted because it is the most conservative estimate for *E. dolfeini*.

GOA Squids

The SSC received a presentation by Sarah Gaichas (AFSC) of a draft stock assessment for the GOA squid complex. The GOA squid complex includes at least 18 species distributed mainly along the shelf break. The authors did an excellent job describing life history and ecosystem considerations in the document. They used available catch history, survey data, and life history characteristics for the assemblage to estimate the ABC and OFL for both Tier 5 and Tier 6 levels.

Because squids are not a fishery-targeted assemblage, landings records are not indicative of useful catch limits for Tier 6. Due to poor survey estimates for squids, Tier 5 is problematic for a number of reasons. The biomass estimate must be qualified because squid spatial and temporal distributions are not known compared to survey effort distribution. In addition, the survey history is only useful for 2003 and 2005 because the 2001 survey did not sample the eastern GOA and prior surveys (e.g., 1999) are unlikely to reliably indicate current biomass for such short-lived species.

Traditional methods to estimate natural mortality do not yield estimates commensurate with the high-turnover rates of these species. The author's creative use of the Baranov catch equation to estimate natural mortality within a year is a constructive approach. The SSC also encourages opportunistic sampling of landed catch of squid taken in the pollock fishery in Kodiak to help provide needed biological samples. Sampling by the observer program should also be explored.

The SSC notes the significant role of the squid complex as a major forage source for several groups, such as sperm and beaked whales, grenadiers, and sablefish. This ecosystem information should be incorporated into a well-described precautionary approach to setting the ABC and OFL.

D-1(d) Species Assessment of Concern

The SSC received a presentation by Rebecca Reuter (AFSC) on the preliminary results from the Species Assessment of Concern analysis. A standard set of information was collected using a questionnaire completed by stock assessment scientists and fishery biologists for a wide variety of target and non-target species. The intent of the analysis was to evaluate whether this approach could provide a method for identifying species of concern. **The SSC had considerable discussion and concludes that the tabular approach and metrics used were insufficient to assess conservation concerns.** The reasons for this include the fact that some questionnaire rank scores are too subjective and the questionnaire collected other information that bears on whether a concern really exists, but these caveats were not represented in the table. For instance, the validity of the biomass estimates and natural mortality values are not factored into the (C/B)/M calculation. For many species, there is simply no information to make a reasoned evaluation of their status. This lack of information must be made explicit in a summary table to avoid misleading inferences. **Although it is useful to have all these species on a table, the SSC recommends that a more thorough evaluation be used to help direct further research and explore other methods to assess species with little information, including the best available information from the SAFEs.**

D-1(e) Workshop on Lower Trophic Level Modeling

The SSC conducted a workshop on lower trophic level modeling, organized by Jeff Napp (FOCI, AFSC) and Phyllis Stabeno (FOCI, PMEL). **The workshop provided an excellent opportunity for the SSC to interact with AFSC and PMEL staff on new and ongoing modeling studies conducted by the FOCI group.** Jim Overland provided an overview of recent trends in climate that suggest a very different climate regime for the Bering Sea and a continuing warming trend (although 2006 seems to be a cold year with early ice formation). Al Hermann reported on the Regional Ocean Modeling System (ROMS) models for the Bering Sea and Gulf of Alaska. ROMS model output can be used to provide indices of transport and mixing processes and can be linked to lower trophic level models. Sarah Hinckley described an NPZ model that is driven by an earlier version of the ROMS model, which in turn drives an individual-based model for pollock in the western Gulf of Alaska. Janet Duffy-Anderson presented ongoing research on several flatfish species that provides good evidence for an important role of larval advection in the recruitment process. Bern Megrey presented some results from a basin-wide NPZ model that includes age-structured dynamics of Pacific saury (western Pacific) and Pacific herring (eastern Pacific). The model has been used to examine saury and herring dynamics in a number of specific locations around the Pacific Rim. Jeff Napp and Phyllis Stabeno provided an overview of projects funded through the North Pacific Climate Regimes and Ecosystem Productivity (NPCREP) initiative. These include monitoring efforts in the Bering Sea to continue and expand existing time series such as Mooring 2 on the southeastern Bering Sea shelf, statistical approaches to develop and refine aggregate ecosystem indices for the Bering Sea and Gulf of Alaska, attempts to incorporate such indices into stock assessments, and a project to make real-time data available to stakeholders through the Internet.

The SSC was impressed with the range of modeling activity conducted by FOCI researchers and recognizes the value of these models for incorporating observations and producing indices of physical processes (such as transport or mixing processes) and biological indices such as recruitment indices for pollock or flatfish. The SSC expressed concerns over the adequacy of data used to parameterize and tune models, or for "ground truthing" existing and new models. Like all models, these models are only as good as the data going into them. Thus, there is a critical need to maintain existing time series to verify models and to collect new data as needed. Also, there is a need for additional field studies on the biology, life

history, and ecology. The SSC felt that improved coordination between modelers, field researchers and the user community is required to improve physical and lower trophic level models and increase their utility in a management context. For example, existing models should be used to inform new scientific programs, such as BEST.

The SSC recommends that workshops of this nature be continued on a regular basis at the February Council meetings when the issue of research priorities is generally discussed. As recommended for the workshop held during the February 2005 meeting, the SSC recommends that "...PowerPoint presentations and short summaries of each talk be posted on a website so that the information can be made broadly available to other interested members of the Council family who were unable to attend."

D-2 Research Priorities

Diana Stram (Council Staff) and Jim Ianelli (AFSC, GOA Groundfish Plan Team Chair) presented the research priorities for the Groundfish Plan Teams. No public testimony was received.

The SSC acknowledges that there are many purposes for the NPFMC's research priorities. It was noted that we could attempt to identify research issues that are of high priority to the NPFMC and of critical need for attention. It was also suggested that the list could use NPRB's categories of pressing fisheries management issues and long-term ecosystem research. Alternatively, the latter list could be refined to emphasize research needed to advance ecosystem approaches to management. It was noted that review of progress on previous research might be informative. The SSC reviewed its 2003 list and identified what progress had been made on topics included in the list. An SSC working group was formed to draft an updated list of research priorities to be considered by the full SSC in April. The following SSC members will serve on the working group: Gordon Kruse, Sue Hills, George Hunt, Keith Criddle, Anne Hollowed, Franz Mueter, and Doug Woodby.

Other SSC Topics

Rockfish Presentation

The SSC received a presentation from Paul Spencer (AFSC) on his recent work to model the hypothetical effects of a disproportionate contribution to productivity by older female Pacific ocean perch. This work, also presented at the 2005 Lowell Wakefield Symposium and the 2006 Western Groundfish Conference, incorporates laboratory observations that suggest black rockfish larval survival rates increases with age of the spawner. The analysis shows that the reduction in reproductive output is counterbalanced by an increase in resiliency in the stock recruitment curve resulting in stable *Fmsy* estimates for three different measures of reproductive output. The SSC questioned the applicability of data on one species (black rockfish) to another species (POP) and the extrapolation of laboratory results to the field. The SSC notes that larval viability studies have been initiated for POP from the Kodiak area by the Alaska Fishery Science Center in cooperation with the University of Oregon. Measures of oil globule sizes may also be a useful index of larval viability in field-collected specimens. The SSC appreciates these efforts and is looking forward to further analyses as Alaska-specific information becomes available.

Review of Economic Research

Ron Felthoven (AFSC, Economic and Social Science Research Program) presented an overview of ongoing and recently concluded economic and socioeconomic research conducted or coordinated by the AFSC ESSRP. Harrison Fell (University Washington and AFSC ESSRP) presented results of an analysis of trends in wholesale pollock prices.

The breadth and diversity of research projects is impressive. While many of the projects address basic research questions, many projects are directly applicable to retrospective and prospective evaluation of regulatory actions adopted by or contemplated by the Council. **The SSC strongly encourages Council staff to consult with AFSC ESSRP at early stages in the preparation of regulatory analyses to incorporate results from applicable AFSC ESSRP studies.** In addition, the SSC encourages the AFSC ESSRP to include accessible summaries of ongoing and recently completed studies as the body of the Economics SAFE, retaining the current tables as appendices. The SSC also encourages the Council and AFSC to explore the possibility of organizing occasional economics and social science research workshops that would help facilitate exchange of recent research findings among agency and university economists relevant to Council managed fisheries.

ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
February 6-10th Seattle Doubletree Hotel, SEATAC

The following members were present for all or part of the meeting:

Al Burch	Bob Jacobson
Lisa Butzner	Simon Kinneen
Joe Childers	Kent Leslie
Cora Crome	Matt Moir
Craig Cross	John Moller
Tom Enlow	Jeb Morrow
Duncan Fields	Ed Poulsen
Bob Gunderson	Jim Preston
John Henderschedt	Michelle Ridgway
Jan Jacobs	Lori Swanson

The AP unanimously approved the minutes from their previous meeting.

C-1 IRIU

The AP recommends that the Council not take final action on Amendment 80 at this meeting. However, in light of the need to make progress on this important package, the AP recommends that refinements to components of the preferred alternative be incorporated into the analysis for final action in April. (The AP worked from the Council's October 2005 motion which is attached to the minutes.)

The AP recommends the following refinements:

Component 2 - No changes. *Motion carried 19/0*

Component 3 - Under 3.1, add language regarding soft cap management of an ICA that applies only to fixed gears. *Motion carried 19/0*

Move the section regarding catcher vessel eligibility out of Amendment 80 to the trailing amendment package (as identified in the development of Amendment 85) that will address this issue comprehensively. *Motion carried 20/0*

Component 4 - No changes. *Motion carried 19/0*

Component 6 - Add the following sub-option that could be applied to 6.1.1, 6.1.2 or 6.1.3:

The allocation of halibut associated with the yellowfin sole and cod fisheries may fluctuate with changes in TAC, except that under no circumstances will allocations associated with those species be reduced by more than 10% of the average use by the non-AFA trawl CP sector for the chosen suite of years.

Further, the following language should be added to the preamble in Section 6.2:

Any reduction in the non-AFA catcher processor sector should not result in an increase in PSC allocation to any other sector.

Motion carried 12/6

Minority Report

The undersigned members of the AP voted in favor of a substitute motion to add "rolling average" sub-option to the Amendment 80 analysis as described below:

Rate-based Rolling Average PSC Allocations

The actual distribution of trawl PSC would follow the following procedure:

- 1. At the end of each year, the three-year trawl fleet-wide average bycatch rates for each prohibited species in each of the Amendment 80 target species fisheries (plus cod) are computed: that is, the sum of each of the prohibited species used by the trawl fleet for the last three years in each target fishery is divided by the target catch in each of those fisheries over the last three years.*
- 2. Expected usage of a prohibited species in a particular target fishery for the following year is determined by multiplying this fleet-wide average bycatch rate by the most recent year's catch or the next year's TAC, whichever is lower.*
- 3. Once expected usage amounts have been determined for each target fishery, they are scaled either up or down proportionately so that the sum of all amounts equals the trawl allocation of that prohibited species.*
- 4. Sub-option – Establish a floor and ceiling for these distributions within the range of PSC allocation presently analyzed.*

We believe that this sub-option may provide an effective means of accommodating the dynamics of fluctuating TACs and the resultant changes in trawl fishery requirements.

As addressed in the February, 2006 discussion paper provided by staff, it may prove difficult to establish fixed PSC allocations to the non-AFA trawl catcher processor sector that fully accommodate potential changes in TACs and the amount of PSC required to fund the associated fisheries. On response to this challenge, the undersigned minority supports a method of PSC allocation to the non-AFA trawl catcher processor sector that projects future PSC needs based on recent trawl fleet-wide bycatch averages applied to the next year's TACs, allowing the "best fit" of current TACs and PSC sector allocations.

The minority does not believe that the rolling average PSC sector allocation is a disincentive to reduce bycatch rates. Rather, it is an incentive to reduce rates whenever possible, as PSC saving resulting in reduced bycatch rates in one fishery may result in additional PSC being assigned to other fisheries where, due to increased TACs, additional PSC may be needed.

The minority recognizes the fact that the current analysis contains a broad range of possible PSC sector allocations, and it supports the establishment of "floors" and "ceilings" within the context of a rolling average sub-option to insure some long-term certainty and stability for both the non-AFA trawl catcher processor and limited access sectors.

John Henderschedt, Tom Enlow, Craig Cross, Kent Leslie, Simon Kinneen, Jan Jacobs, Al Burch

Component 7

Add language to the end of the last sentence in Component 7 so that it reads:

Restrict LLPs that are used for eligibility in Amendment 80 (either to be included in the non-AFA CP sector or to be used in Amendment 80 co-op formation) from being used outside of the amendment 80 sector), except that any eligible vessel which is authorized to fish pollock under the AFA would still be authorized to fish under the statute. *Motion carried 20/0*

Add the following language:

Only history from eligible vessels will be credited in the program. The catch history credited to an eligible vessel will be catch history of that vessel. The catch history credited to an eligible vessel for the first license assigned to that vessel will only be the catch history of the eligible vessel. Any additional license assigned to an eligible vessel will be credited with the catch history during the Component 10 period of the eligible non-AFA trawl CP from which the license arose, except that no history can be assigned to more than one vessel at a given time. The catch history of any eligible vessel which has sunk, is lost or becomes inoperable, or becomes otherwise ineligible during or after the qualifying period will be credited to the license of that vessel.

Motion carried 20/0

Component 8

In the description, change the second sentence to read: "Component 8 also establishes the number of vessels required..."

After the description, add the following:

A cooperative endorsement will be assigned to one license for each vessel meeting the qualification of Component 7. Additional licenses assigned to a vessel will not count toward the coop formation threshold, but will receive a cooperative endorsement provided that:

Remove 8a.1 and 8a.2 from Alternative 4.

In the 8b options, change "licenses" to "vessels"

Motion carried 20/0

Component 9 - Remove 9.2 from Alternative 4. Add the following language:

Assign PSC within the sector to allocated target species and Pacific cod based on the average use of PSC in each target species from the years 1998-2004, expressed as a percent of the total PSC allocation to the sector.

Each eligible vessel will then receive an allocation percent of PSC for catch allocated target species and Pacific cod equal to its proportion of the catch history of the allocated fishery.

This PSC allocation will not change from year to year (i.e., will not fluctuate annually with the TAC.)

Motion carried 19/1

Component 10 - In each option, substitute "license holder" with "vessel".

Remove options other than 10.8 from Alternative 4.

Add option 10.9 -

Select the highest percentage allocation by species, for each company using total catch of the vessel over the total catch of the sector for the following four suites of years: 1997-2003, drop 2; 1997-2004, drop 2; 1997-2004, drop 3; 1998-2004, drop 2. Different year scenarios may be chosen for different species. Add all of the percentages together and then adjust proportionally to 100%.

In the event that the non-AFA trawl CP sector receives an exclusive allocation of Pcod, that allocation will be divided between cooperatives and the sector's limited access fishery in the same manner (and based on the same history) as the division of the other allocated species within the sector.

Motion carried 19/1

Component 11 - Add 40% to Option 11.2 *Motion carried 20/0*

Component 12 - Maintain the existing preamble but delete the parenthetical.

Add a new 12.3 to Alternative 4—

In the BSAI, Pacific cod will be managed under existing sector apportionments, with rollovers, until new Pacific cod sector allocations are implemented. Pacific cod will be allocated between the cooperative and non-cooperative sub-sectors based on the same formula as Component 10.

In the BSAI, management of unallocated species should remain status quo.

GOA Sideboard Provisions

Strike “transferable” from preamble to GOA provisions.

In GOA Sideboard provision 1, place 10 in the place of the X.

Strike “[Component] 4” under GOA Sideboard Provisions 1, 3.A, 3.B, and 4.

Under Provision 2, the history of this vessel will not contribute to the non-AFA trawl sideboards and its catch will not be subtracted from these sideboards.

Add the following language:

Each coop contract will include a provision that that coop will not exceed its aggregate coop sideboard. The co-operative contract should also include third party enforceability provisions.

Note that the intent of the third-to-last point (“Sideboards apply to vessels (actual boats) and LLPs used to generate harvest shares that resulted in allocating a percentage of the amendment 80 species TACs to the non-AFA trawl CP sector.”) is to prevent double-dipping with respect to GOA history related to sideboards.

Delete the last point – this information has been included in the analysis.

Motion carried 19/0

Remove Gulf of Alaska provisions 3A and 3C from Alternative 4. *Motion carried 20/0*

Component 13

The AP recommends the Council add the following sub-option that would apply to all of the existing options under Component 13:

In order to allow the AFA catcher vessel fleet to use their PSC savings in traditional fisheries to fund participation in the yellowfin sole limited access and threshold fishery, the AFA catcher vessel PSC sideboards should be applied in the aggregate, rather than by specific fishery categories as they are presently structured. *Motion carried 19/1*

A motion to add 13.5 – 175,000 mt and add Sub-option 2 – 50% Non-AFA Trawl CP sector and 50% limited access fishery – to Alternative 4 failed on a vote of 10/10

The AP recommends making the following revisions to the Amendment 80 problem statement-

The Council’s primary concern is to maintain a healthy marine ecosystem to ensure the long-term conservation and abundance of the groundfish and crab resources. To this end, the Council is committed to reducing bycatch, minimizing waste, and improving utilization of fish resources to the extent

practicable in order to provide the maximum benefit to present generations of fishermen, associated fishing industry sectors, **including the CDO sector**, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. Focusing on reduction of bycatch and the attendant benefits of cooperatives in meeting bycatch reduction objectives, **as well as increased CDO allocation and the benefits associated with CDO resources and bycatch management**, **are initial steps** towards rationalization of the BSAI groundfish fisheries. Bycatch reduction measures for the Non-AFA Trawl Catcher Processor sector is a priority focus in this step toward rationalization given this sector's historical difficulty in achieving acceptable bycatch levels. Allocations to this sector associated with cooperative management of catch and bycatch provide the opportunity for participants in this sector to mitigate the cost, to some degree, associated with bycatch reduction. In addition to reducing bycatch in one sector, assurance should be provided to minimize negative impacts on others.

Motion carried 20/0

Atka Mackerel and AI POP –

Establish two options – one to allocate these species equally by area, the other to allocate these species based on historical catch by area.

Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation.

Motion carried 20/0

Clarify in the 6th and 7th point under Other Elements to read:

Annual allocations to the cooperative would be transferable among **non-AFA trawl catcher processor** cooperative members

Motion passed 20/0

C-2 Crab Arbitration

The AP recommends the Council adopt Alternative 2.

Motion carried 19/0

C-3 BSAI P.cod sector allocations

The AP recommends the Council release the document for public review with the following additions/changes: *Motion passed 20/0*

Alternative 2

Component 2

The AP recommends that the sector catch data for the BSAI, BS, and AI 2004 and 2005 be included in the discussion of Component 2. *Motion carried 19/0*

Component 3

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

Any redistribution of trawl allocation in the B or C seasons will be made proportionally between the AFA CP, non-AFA CP, and AFA CV, non-AFA CV sectors based on their new allocation percentages.

In the event that this reallocation exceeds the 70/30 SSL seasonal apportionment, the Hook and Line Catcher Processors A season allocation will be adjusted as necessary by shifting A season allocation to the B season.

Delete suboptions 1 and 2.

Motion carried 20/0

Component 7

The AP recommends adopting language recommended by staff regarding Options 7.1 and 7.2 on page 222. *Motion carries 20/0*

The AP also recommends Council request staff examine methods for allowing PSC savings in P. cod AFA CV sector to be used to harvest other groundfish species (specifically the YFS threshold fishery) by AFA CV sector vessels. *Motion carries 18/2*

Shoreside landings made by pot CPs are assigned to the pot CV sector allocation for 2003. The AP recommends that the associated table in the analysis include a caveat to this effect.

Motion carried 15/1/4

The AP recommends that the catch accounting system be modified such that future shoreside landings by pot CPs are counted against the pot CP allocation.

Motion carried 20/0

Part 2

The AP recommends adding under Alternative 6:

Option 6.4: 2002-2003. *Motion carried 18/0*

C-5 Observer Program

The AP recommends the following revised language for Alternative 2:

1. Under this alternative, the 2007 sunset date for the existing program would be removed.
2. The AP recommends identifying Alternative 2 as the preferred alternative. The AP would note that Alternative 2 is not responsive to the problem statement.
3. The AP recommends that due to the continued need to restructure the observer program, a new amendment package modifying alternative 2 be identified. The focus of the new amendment package would be the Council's request to NMFS to construct an intra-agency process for developing use protocols for video monitoring equipment and recommendations for the implementation of video monitoring equipment in the Alternative 2 service delivery model.
4. The AP recommends that a new amendment proposing restructuring alternatives for the observer program should be considered by the Council at such time that 1) legislative authority is established for fee-based alternatives, 2) the FLSA issues are clarified (by statute, regulation or guidance) such that it is possible to estimate costs associated with the fee based alternatives; and/or 3) the Council requests reconsideration in response to changes in conditions that cannot be anticipated at this time. All subsequent amendment packages regarding the observer program should include an option for the federal funding of observers.

Motion passed 20/0

C-6 Halibut GHL

The AP recommends the Council send out the analysis for final review with the following revisions:

Enhance the analysis of the economic effects of the alternatives on the commercial sector, charter boat sector and support services within coastal communities. As well, the analysis should note the impact of the GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.

Clarify that the Council may select any or all of the measures in the alternatives (i.e., the measures are not a “package deal” within the alternatives);

Add the option of using the 5-year average weight for calculating charter harvests.

As well, the AP recommends that the Council consider, as part of the GHL amendment package, sending a letter to the IPHC that would request the creation of a separate accountability system for guided sport and commercial harvests of halibut. This would remove the guided sport harvest from the “other removals” line item in the IPHC calculation, and apply the GHL allocation directly to the net CEY of each area. The AP believes that the alternatives for keeping the guided sport halibut catch within the GHL and the process used to account for that catch are linked and need to be decided concurrently at final action.

Motion carried 20/0

The AP recommends that the Council initiate a new amendment package to address regulatory issues associated with the Charter halibut harvest. The package may include additional elements and options as recommended by the Stakeholder committee but at a minimum should include the following:

1. A list of options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.

2. A list of options to subdivide current halibut management areas 2C and 3A into sub-regions for halibut charter management purposes.

3. A list of options for linking the GHL to the annual IPHC harvest level for each management area—the so called stair stepping options that would change the GHL up and down as TAC changes.

Motion passed 20/0

D-1 (a) and (b) Experimental Fishing Permits.

The AP approves the Chiniak Gully Experiment final review of the EA. *Motion passed 20/0*

The AP recommends the Council approve EFP for AI pollock hydroacoustic assessment. Motion passed 20/0.

**Gulf of Alaska Groundfish Rationalization AP motion
February 11, 2006**

G-2. Species

Primary species by gear (allocated based on individual catch history):

Trawl:	Longline:
pollock	Pacific cod
Pacific cod	pelagic shelf rockfish
deepwater flatfish	Pacific ocean perch
rex sole	WGOA deep water flatfish (if turbot is
shallow water flatfish	targeted)
flathead sole	northern rockfish
arrowtooth flounder	arrowtooth flounder —Motion passed 19/0
northern rockfish	Pot:
Pacific ocean perch	Pacific cod
pelagic shelf rockfish	Jig:
Pacific cod	

For purposes of caps, use the following species aggregations:
Pollock, pcod, aggregate rockfish and aggregate flatfish
(from 2.2.3.1 and 3.2.3 and 3.3.2)

Entry Level Fishery: POP, Northern Rockfish and pelagic shelf rockfish for non-trawl catcher vessels

- An annual set aside for CV non-trawl gear capped at 2-5% of each of these target rockfish species
- The set aside will begin at 1% of the annual TAC
- The set aside amount will increase by one percentage point the following year in which the set aside quota is reached.

Secondary species by gear (allocated based on average sector/gear catch history):

Trawl:	Longline:	Pot:—
Thornyhead	Thornyhead	—Thornyhead
Rougheye	Rougheye	Rougheye
Shortraker	Shortraker	Shortraker
other slope rockfish	other slope rockfish	other slope rockfish
Atka mackerel	Atka mackerel	Atka mackerel
Sablefish		

(from 2.2.4 and 3.2.4)

Unallocated species will be managed under the existing MRA system and will be accommodated in the annual TAC-setting process.

Motion passed 19/0

G-3. State and Parallel Fishery Allocation

A portion of the TAC will be allocated to fisheries inside of 3 nm and will be subject to State management:

- Option 1. An amount equivalent to the total annual catch (for each groundfish species/group) from state waters (inside of 3 nautical miles [e.g., parallel and 25% Pacific cod fishery]) by all vessels will be managed directly by the State of Alaska Board of Fisheries as a TAC/GHL equivalent to:
- Highest amount taken in state waters by area
 - Highest amount taken in state waters by area plus 15%
 - Most recent four-year average harvest from state waters
- Option 2. All catch inside of 3 nautical miles by non-federally permitted vessels fishing the parallel fishery plus all catch under the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.

Option 3. Only the catch associated with the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.
(from 2.2.2.3 and 3.3.1.1)

The AP recommends that individual catch history harvested in the state waters parallel fishery be credited to eligible individuals in determining their proportional share of primary and secondary speices allocated by the Council as part of the Gulf of Alaska federal fisheries management. It is the intent of the AP that stakeholders' parallel fishery history be counted for both sector splits and individual allocations in the federally managed fisheries. *Motion passed 20/0*

G-4. Sector/Gear Designations

C/P trawl	CV trawl
C/P longline	CV longline
C/P pot	CV pot
	jig

Option: Separate low producing CV longline and CV pot into high producing vessels and low producing vessels
Low producing catcher vessel sector is
 Suboption 1. fixed gear catcher vessels less than average qualified harvest history by gear and area
 Suboption 2. fixed gear catcher vessels that are below the 75th percentile in qualified harvest history by gear and area
 Suboption 3. **(applicable only to Alternative 3)** fixed gear catcher vessels under 60 feet that are below the 75th percentile of primary species qualified harvest history by gear and area.
High producing catcher vessels are the remainder and are divided into a catcher vessel longline and catcher vessel pot sector. Sector definitions apply throughout Alternative 3.
(from 2.2.3.1 and 2.2.3.2 and 2.2.3.2.1 and 3.2)

G-5. Catcher Vessel/Catch Processor Designation Criteria **Alternative 2**

Harvest share sector designations:
Designate harvest shares (or QS/IFQ) as CV or CP. Annual CV harvest share allocation (or IFQ) conveys a privilege to harvest a specified amount. Annual CP harvest share allocation (or IFQ) conveys the privilege to harvest and process a specified amount. Designation will be based on actual amount of catch harvested and processed onboard a vessel by species.
(from 2.2.3.2.2)

Alternative 3

To be determined as a CP a vessel must have a CP LLP license and process no less than

- 90%
- 50%
- 25%

of its qualifying catch on-board on average over the qualifying period.

- Option 1: determined by the aggregate of all species
Option 2: determined by primary species groupings in Section 3.3.5

(from 3.2)

G-6. Sector Allocations - Primary Species

Alternative 2 and 3

No explicit sector allocation calculation. Allocation to the sector is implicitly the sum of individual allocations

Alternative 3

~~Sector allocations will be based on the aggregate history of vessels in each sector during the qualifying period. Sector allocation qualifying periods and landing criteria (same for all gears in all areas).~~

Option 1. 95-01

Option 2. 95-02

Option 3. 98-02

Suboption: for each sector drop the year of lowest tonnage.

(from 3.2.1)

Sector Qualifying landing criteria (same for all gears in all areas)

~~Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.~~

(from 3.2.2)

The analysis will assess AFA vessels as a group. *Motion passed 20/0*

G-7. Sector Allocations – Secondary Species

Alternative 2

Allocation to the sector is determined by management at the individual level.

Option 1. Allocation to the sector is based on individual allocations

Suboption 1. Other slope rockfish in the Western Gulf will not be allocated, but will be managed by MRA and will go to PSC status when the TAC is reached.

Suboption 2. Deduct the secondary species catch from fixed gear types from TAC. If deduction is not adequate to cover secondary species catch in fixed gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

(from 2.2.4)

Alternative 3

Option 1: ~~Sector~~ Individual allocation for secondary species is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery. *Motion passed 20/0*

Option 2: Maintain current MRA management for secondary species.

(from 3.2.4)

G-8. Sector Allocations – Halibut PSC

Alternative 2

Pot sector

Pot vessels continue their exemption from halibut PSC caps.

Hook and line sector

Option 1. Modeled after sablefish IFQ program (no direct inseason accounting of halibut PSC). Holders of halibut IFQ are required to land legal halibut. Estimates of sub-legal and legal size incidental mortality are accounted for when setting annual CEY.

Option 2. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members).

Option 3. Continue to fish under halibut PSC caps.

Suboption (to all options): Holders of halibut IFQ are required to land legal halibut. Halibut bycatch occurring without sufficient IFQs would count against halibut PSC allocations.

Trawl Sector

Option 1. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members)

Option 2. Continue to fish under halibut PSC caps.

(from 2.2.5 and 2.2.5.1)

Alternative 3

Option 1: ~~Sector~~ Individual allocation for halibut PSC is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery. *Motion passed 20/0*

Option 2: Maintain current halibut PSC allocations.

(from 3.2.4)

G-9. Sector Allocations – Jig Sector

Option 1. The jig fishery would receive an allocation based on its historic landings in the qualifying years

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1 and 3.1)

Option 2. (**Applies only to Alternative 2**) Catch by jig would be accounted for in a manner similar to sport halibut harvests in halibut IFQ fishery.

Suboption: Cap jig harvest at ___% of current harvest of Pcod by species and area:

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1) *Motion passed 20/0*

Option 3. _____ % of TAC *Motion passed 14/6*

G-10. Individual Allocations – Eligibility

LLP participation

Option 1. Eligibility to receive catch history is any person that holds a valid, permanent, fully transferable LLP license.

Basis for the distribution to the LLP license holder is: the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

A person who acquired an LLP license with GQP and EQP qualifications to remain in one or more GOA QS fisheries may obtain a distribution of QS for those fisheries based on the history of either (a) the vessel on which the replacement LLP is based prior to its transfer and any landings made on the vessel for which it was acquired subsequent to its transfer to that vessel, or (b) the vessel for which the LLP was acquired, NOT both. License transfers for the purposes of this provision must have occurred by June 1, 2005.

Option 2. Non-LLP (State water parallel fishery) participation

Suboption 1. Any individual who has imprinted a fish ticket making non-federally permitted legal landings during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

Suboption 2. Vessel owner at time of non-federally permitted legal landing during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

It is the intent of the Council that catch history, whether harvested in the state water parallel fishery or the federal fishery, will be credited a single time, either in the state or federal program.
(from 2.2.2.2 and 3.3.3.1)

G-11. Individual allocations – Qualifying landing criteria

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

(from 2.2.2.1 and 3.3.2.2)

Suboption: (Alternative 2 only) catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

(from 2.2.2.1)

G-12. Individual Allocations – Qualifying periods

Qualifying periods (same for all gears in all areas) for allocations of shares or history

- Option 1. 95-01 drop 1, on a species by species basis
- Option 2. 95-02 drop 1, on a species by species basis
- Option 3. 95-02 drop 2, on a species by species basis
- Option 4. 98-02 drop 1, on a species by species basis
- Option 5. 98-03 drop 1, on a species by species basis

(from 2.2.2 and 3.3.2.2)

Suboption 1: (Alternative 2 only) For Pacific cod under all options consider only A season harvests for 2001 and 2002.

Suboption 2: (Alternative 2 only) For Pacific cod consider a sector allocation based on specified percentages prior to individual allocations.

(from 2.2.2)

G-13. Individual allocations – Secondary Species

Alternative 2

Under both alternatives, allocations to and management of secondary species for halibut and sablefish IFQ holders would be governed by a separate motion.

Option 1. Share Allocations

Option 1. Allocate shares to all fishermen based on fleet bycatch rates by gear:

Suboption 1. based on average catch history by area and target fishery

Suboption 2. based on 75th percentile by area by target fishery

~~Option 2.~~ Allocation of shares will be adjusted pro rata to allocate 100% of the annual TAC for each bycatch species. *Motion passed 20/0*

Suboption. Allocate these species for one gear type only (e.g., trawl). Deduct the secondary species catch of other gear types from TAC. If deduction is not adequate to cover secondary species catch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

(from 2.2.4)

Alternative 3

Option 1: Allocation of secondary species to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current MRA management for secondary species.

(from 3.2.4 and 3.3.3)

G-14. Individual allocations – Halibut PSC

Alternative 2

Option 1: Share allocations (if applicable to the sector and gear type)

Each recipient of fishing history would receive an allocation of halibut mortality (harvest shares) based on their allocation of the primary species shares. Secondary species would receive no halibut allocation.

Initial allocation based on average halibut bycatch by directed primary species during the qualifying years. Allocations will be adjusted pro rata to equal the existing halibut PSC cap.

By sector average bycatch rates by area by gear:

Option 1. Both sectors

Option 2. Catcher Processor/Catcher Vessel

Option 2. Fleet management, specified in sector allocation of halibut (above)

(from 2.2.2.5)

Alternative 3

Option 1: Allocation of halibut PSC to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current PSC MPA management for secondary halibut species. *Motion passed 20/0*

(from 3.2.4 and 3.3.3)

G-15. Individual allocations – Halibut PSC reductions outside of cooperatives

Alternative 2

Non-members of cooperatives would have halibut PSC reduced by:

- i 5%
- ii 15%
- iii 30%

Halibut PSC reduction will not apply to low-producing fixed gear participants.

All halibut PSC reductions under this section will remain unfished (in the water).

(from 2.2.5.3.1)

Alternative 3

Halibut PSC allocated to the limited access fishery for non-members of cooperatives will be reduced by:

Option 1:

- a. 0 percent
- b. 10 percent
- c. 20 percent
- d. 30 percent

Option 2:

- a. 0 percent
- b. 5 percent beginning on the date of program implementation;
an additional 5 percent beginning on the second year of program implementation;
an additional 10 percent beginning on year 5 of program implementation; and

Note: this reduction may differ by sector

(from 3.6, Issue 1)

G-16. Transferability - Gear Restrictions

Alternative 2

Harvest gear restrictions apply to primary species only.

Primary species allocations may be used by other gear types except that:

- Option 1: No restrictions
- Option 2: Fixed gear allocations may not be harvested using trawl gear
- Option 3: Pot gear allocations may not be harvested by longline or trawl gear

(from 2.2.3.2.4)

Alternative 3

Option: Trawl GQ may be fished using fixed gear, if yes – appropriate mechanism to transfer GH/GQ across sectors needed.

(from 3.3.2, Option 1)

CP provision: Allow leasing within cooperative or pursuant to an inter-co-op agreement within CP sectors (no CP leases allowed across gear types.)

(from 3.4.7.3)

G-17. Transferability - Vessel Type Restrictions

Alternative 2

Restrictions on transferability of CP harvest shares

CP harvest shares maintain their designation when transferred to persons who continue to catch and process CP harvest shares at sea, if CP harvest shares are processed onshore after transfer, CP harvest shares convert to CV harvest shares.

When CP shares are redesignated as CV shares

CP harvest shares retain their gear designation upon transfer.

Purchaser must further identify which processing provision and regionalization provision apply to the shares, consistent with the gear type.

(from 2.2.3.3.2 and 2.2.3.3.3)

Alternative 3

Option 1. Restrictions on transferability of CP harvest shares:

CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access.)

~~Option 2: Re designate CP GH as CV GH upon transfer to a person who is not an initial issuer of CP shares:~~

~~Suboption 1. all CP shares~~

~~Suboption 2. trawl CP shares~~

~~Suboption 3. longline CP shares Motion passed 16/4~~

(from 3.4.7 and 3.4.7.1 and 3.4.7.2)

Minority Report

We, the minority of the AP, believe that Option 2 to re-designate CPGH upon transfer should continue to be an option for the Council's consideration and that, as a matter of public policy, the Council should work toward moving the GOA CPGH ashore. Signed: Matt Moir, Tom Enlow, Michelle Ridgway, Duncan Fields.

G-18. Transferability – Secondary Species

Permit transfer of secondary species QS

Option 1. Primary species shares and secondary species shares are non-separable and must be transferred as a unit.

Option 2. Primary species shares and secondary species shares are separable and may be transferred separately; they are fully leasable across gear type and sector and are allocated annually based on primary species allocation. *Motion carries 19/0*

(from 2.2.4 and 3.3.3.3)

Option for trawl sablefish shares (applies to Alternative 2 only)

Allow trawl sablefish catch history to be issued as a new category of sablefish harvest shares ("T" shares) by area. "T" shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.

Suboption. These shares may be used with either fixed gear or trawl gear.

(from 2.2.4)

G-19. Transferability – Halibut PSC – Long term transfers

- Option 1. Groundfish primary species QS/history and Halibut PSC QS/history are non-separable and must be transferred as a unit
Suboption. exempt Pacific cod
- Option 2. Groundfish primary species harvest shares (QS) and Halibut PSC QS/history are separable and may be transferred separately

(from 2.2.5.4 and 3.3.3.3)

G-20. Transferability – Halibut PSC – Annual transfers

Alternative 2

Option A: Halibut PSC annual allocations are separable from primary groundfish annual allocations and may be transferred independently within gear types. When transferred separately, the amount of Halibut PSC allocation would be reduced, for that year, by:

- Suboption 1. 0%
- Suboption 2. 5%
- Suboption 3. 7%
- Suboption 4. 10%
- Suboption 5: Exclude any halibut PSC transferred for participation in the incentive fisheries (includes transfers outside the cooperative).
- Suboption 6: Exclude any halibut PSC transferred within a cooperative.

Option B: No leasing/annual transfer of halibut PSC outside of cooperatives.

All halibut PSC reductions under this section will remain unfished (in the water).

(from 2.2.5.3)

G-21. Retention requirements (rockfish, sablefish and Atka mackerel)

Alternative 2

- Option 1. no retention requirements
- Option 2. require retention (all species) until the annual allocation (or IFQ) for that species is taken with discards allowed for overages
- Option 3. require 100% retention (all species) until the annual allocation (or IFQ) for that species is taken and then stop fishing

(from 2.2.3.3.9)

G-22. Limited processing for CVs

Alternative 2

Limited processing of groundfish species by owners of CV harvest shares of groundfish species not subject to processor landing requirements are allowed up to 1 mt of round weight equivalent of groundfish per day on a vessel less than or equal to 60ft LOA. (consistent with LLPs - 679.4(k)(3)(ii)(D))

(from 2.2.3.3.10)

G-23. Processing by Catcher Processors

Alternative 2

- Option 1. CPs may buy CV share fish not subject to processor landing requirements.

- Suboption. 3 year sunset
- Option 2. CPs would be prohibited from buying CV fish.
 - Option 3. CPs may buy incentive fish and incidental catches of CV fish not subject to processor landing requirements.
 - Option 4. CPs may buy delivery restricted CV fish, if they hold a processing license.

A CP is a vessel that harvests CP shares under the program in a year.
(from 2.2.3.3.11)

G-24. Regionalization

Alternative 2

Catcher vessel harvest shares are regionalized based on the landings history during the regionalization qualifying period, not where it was caught.

If issued, all processing licenses (for shore-based and floating processors) will be categorized by region. Processing licenses that are regionally designated cannot be reassigned to another region. **(Applies to Alternatives 2A and 2B)**

Catcher processor shares and any incentive fisheries are not subject to regionalization.

In the event harvest shares are regionalized and the processor linkage option is chosen, a harvester's shares in a region will be linked to the processor entity in the region to which the harvester delivered the most pounds during the qualifying years used for determining linkages.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58°51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.)

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630)
- CGOA aggregate flatfish,
- CGOA aggregate rockfish and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

~~Secondary species shares~~

~~Secondary species shares would not be subject to regionalization - Motion passed 20/0~~

Qualifying years to determine the distribution of shares between regions will be:

- Option 1. the preferred individual allocation qualifying period
- Option 2. 1999 - 2002

(from 2.2.9.1. and 2.2.9.1.1 and 2.2.9.1.2)

Alternative 3

If adopted, history will be categorized by region (for the fisheries identified below).

History that is regionally designated cannot be reassigned to another region.

Catcher vessel history is regionalized based on where the catch was processed, not where it was caught.

Catcher processor history is not subject to regionalization.

The history associated with a license would be regionalized based on the landings history associated with that license during the regionalization qualifying period.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 5851.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.)

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630),
- CGOA aggregate flatfish,
- CGOA aggregate rockfish, and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

In the event GH is regionalized, a harvester will be eligible to bring its history in a region to a cooperative associated with the processor in the region to which the harvester delivered the most pounds during the cooperative formation qualifying period using species aggregations (i.e., pollock, Pacific cod, aggregate rockfish, and aggregate flatfish) and:

- Option 1. the cooperative/processor association period or
- Option 2. the individual allocation qualifying period.

(from 3.7.1)

Qualifying years to determine the distribution of GH between regions will be:

- Option 1. the years 1999-2002.
- Option 2. consistent with the qualifying period under cooperative formation in Section 3.3.5

(from 3.7.1.1)

G-25. Skipper/Crew

The AP requests Council direct staff to draft a discussion paper examining the structure and effects of skipper/crew provisions that:

- a. allocate a certain amount of quota to qualified skipper/crew
- b. requires that qualified skipper/crew be on board during the harvest of a percentage of a vessel's allocation.
- c. provide that, upon transfer of quota share/history, a percentage of the quota and/or transfer price is reserved for crew/skippers. *Motion carries 19/0*

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

Option 1. No skipper and/or crew provisions

Option 2. Establish license program for certified skippers. For initial allocation Certified Skippers are either:

- i. Vessel owners receiving initial QS or harvest privileges; or
- ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).

Suboption 1. include crew in the license program.

Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Under any alternative that establishes QS and annual harvest privileges, access to those annual harvest privileges is allowed only when fishing with a Certified Skipper onboard. Certified Skipper Licenses are non-transferable. They accrue to an individual and may not be sold, leased, bartered, traded, or otherwise used by any other individual.

Option 3. (Applies to Alternative 2 only) Allocate to skippers and/or crew

- Suboption 1. Initial allocation of 5% shall be reserved for captains and/or crew
- Suboption 2. Initial allocation of 10% shall be reserved for captains and/or crew
- Suboption 3. Initial allocation of 15% shall be reserved for captains and/or crew

Defer remaining issues to a trailing amendment and assumes simultaneous implementation with rationalization program. (from 2.2.8 and 3.5)

G-26. Incentive species

Alternative 2 and Alternative 3 Motion passed 19/0

Incentive species are:

Arrowtooth flounder, deepwater flatfish, flathead sole, rex sole, shallow water flatfish.

- Option. The portion of historic unharvested West Yakutat Pacific cod TAC will be made available as an incentive fishery, subject to provision of incentive fisheries.

Allocation of incentive species

Allocations of incentive species groundfish primary species harvest shares (QS) will be made to historical participants using the following threshold approach:

Allocate harvest shares as a fixed allocation in metric tons. The threshold is set as:

- Option 1. Total retained catch of the participants divided by the number of years in the qualifying period.
- Option 2. Total retained catch of the participants plus 25% divided by the number of years in the qualifying period.
- Option 3. Total catch of the participants divided by the number of years in the qualifying period.

If available TAC is less than the total fixed allocation in metric tons, then reduce allocations pro-rata amongst shareholders. If available TAC is greater than the threshold, available incentive fishery quota is amount by which the TAC exceeds the threshold.

Eligibility to fish in the incentive fisheries

- A. The unallocated QS for the incentive fisheries are available for harvest, providing the vessel has adequate halibut PSC and secondary species.
 - Suboption: vessels must be a member of a GOA fishing cooperative to fish in the incentive fishery.
- B. Any holder of halibut or sablefish IFQ that has adequate IFQ or halibut PSC and secondary species.

Catch accounting for and entry to the incentive fisheries

Use of allocated QS and incentive fishery quota

Owners of shares must utilize all their shares for an incentive species before participating in incentive fishery for that species.

- Option 1. The individual co-op member's apportionment of the allocated incentive species QS must be used prior to the individual gaining access to the incentive fishery unallocated portion. The co-op will notify NMFS when a vessel enters the incentive fishery quota pool.
- Option 2. The co-op's allocation of incentive species QS must be fished before gaining access to the unallocated portion of the incentive species quotas. The co-op members through a contractual coop agreement will address catch accounting amongst the co-op members.
- Option 3. For shareholders not participating in co-op, the unallocated incentive species are available for harvest once the individual IFQ holder's allocation of the incentive species has been used.

(from 2.2.6 and 2.2.6.1 and 2.2.6.2 and 2.2.6.3)

G-27. Sideboards

GOA Groundfish sideboards under the crab rationalization plan, under the AFA, and the CGOA rockfish pilot project would be superseded by the GOA rationalization program allocations upon implementation.

On completion of a rationalization program in the BS, any sideboards from the GOA rationalization under this section will be superseded for the fleet subject to rationalization.

Participants in the GOA rationalized fisheries are limited to their aggregate historical participation based on GOA rationalized qualifying years in BSAI and SEO groundfish fisheries.

Alternative 2

Vessels (Steel) and LLPs used to generate harvest shares used in a co-op may not participate in other federally managed open access fisheries in excess of sideboard allotments.

The Council should consider adding sideboards for the GOA jig fishery, which will not be included in the rationalization program.

Staff analysis of sideboard issues should examine the potential consequences of the creation of a double set of sideboards relating to BSAI fisheries for vessels already subject to AFA sideboards in BSAI fisheries.

(from 2.2.2.12)

Alternative 3

Vessels (actual boats) and LLPs used to generate harvest shares used in a Co-op unless specifically authorized may not participate in other state and federally managed open access fisheries in excess of sideboard allotments.

(from 3.9)

G-28. Program Review and Data Collection

Data collection

A mandatory data collection program would be developed and implemented. The program would collect cost, revenue, ownership and employment data on a periodic basis to provide the information necessary to study the impacts of the program for this and other Management Councils. Details of this program will be developed in the analysis of the alternatives.

Program Review

Preliminary program review at the first Council Meeting in the 3rd year and formal review at the Council meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities, by addressing concerns, goals and objectives identified in the problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

(from 2.2.10 and 2.2.10.1 and 2.2.10.2 and 3.8 and 3.8.1 and 3.8.2)

Trawl Gear Alternatives

T-1. Transferability - Leasing

Alternative 2 and 3

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of trawl QS/GH who receive initial allocations of Pcod, pollock, or aggregate rockfish primary species less than:
 - a. 65th percentile
 - b. 70th percentile
 - c. 75th percentileTheir initial allocation of primary species trawl QS/GH can be leased freely for the first 3 years of the program.
2. For initial issuants of trawl QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:
 - a. 30%

A motion to add a range 30%-90% failed 5/13/2

- b. 40%
 - c. 50%of their aggregate primary species trawl QS/GH for Pcod, pollock, and aggregate rockfish must either (a) be fished by a vessel which the trawl QS/GH holder owns at least 20% of or (b) fished on a vessel with the trawl QS/GH holder on board.
3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

(i.e. 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

~~Option 1: Apply leasing limitation only outside of cooperatives~~

~~Option 2: Apply leasing limitation inside and outside of cooperatives~~

~~Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% same as "hired skipper" requirement in halibut/sablefish program.~~

For trawl catcher vessels

~~Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).~~

~~Suboption: Allowing leasing by initial recipients of QS (grandfather clause)~~

~~Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.~~

~~Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.~~

For trawl catcher processors

~~Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.~~

~~(from 2.2.3.3.5)~~

Alternative 3

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20% — same as “hired skipper” requirement in halibut/sablefish program.

For trawl catcher vessels

Option 1. — No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).

— Suboption: Allowing leasing by initial recipients of history (grandfather clause)

Option 2. — Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.

Option 3. — For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

For trawl catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

Motion passed 15/2/2

T-2. Share Use — Owner on board

Alternative 2

Option 1: — Apply owner on board requirements only outside of cooperatives

Option 2: — Apply owner on board requirements inside and outside of cooperatives

For trawl catcher vessels

A range of 0-70% of the trawl quota shares initially issued to fishers/harvesters would be designated as “owner on board.”

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exemption applies only to those initially issued quota shares

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of “owner on board” quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10-year period.

(from 2.2.3.3.7)

T-3. Excessive share caps – individual caps on use and holdings

Alternative 2

Caps will be expressed as QS units indexed to the first year of implementation.

Option 1. — Caps apply to all harvesting categories by species with the following provisions:

1. — Apply individually and collectively to all harvest share holders in each sector and fishery.

2. — Percentage caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Trawl CV and/or CP (can be different caps)

Use cap based at the following percentile of catch history for the following species (i.e., 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify) pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, pelagic shelf rockfish

Suboption 1. — 75 %

~~Suboption 2. 85%~~

~~Suboption 3. 95%~~

~~Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.~~

Application of caps to intercooperative transfers

~~To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.~~

CP QS/IFQ conversion to CV QS/IFQ

~~CP shares converted to CV shares will count toward CV caps~~

~~Caps will be applied to prohibit acquisition of shares in excess of the cap. (from 2.2.3.3.6)~~

Alternative 2 and 3

History holdings of a co-op member to an individual shall be capped at:

- Option 1. 1% of the history by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish)
- Option 2. 3% of the history by area, sector and species groups
- Option 2.3 5% of the history by area, sector and species groups
- Option 3.4 20% of the history by area, sector and species groups
- Option 3-5 30% of the history by area, sector and species groups
- Option 4-6 no cap

Allocations to original issues would be grandfathered at the original level of history. Apply individually and collectively to all harvest share holders in each sector and fishery. Different caps can be chosen in the CV sector and the CP sector.

(from 3.4.3)

Motion passed 20/0

CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

(from 3.4.7.4)

T-4. Excessive share caps – vessel use caps

Alternative 2 and 3

Individual vessel use cap applies within coops

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

(from 2.2.3.3.6)

Cooperative vessel use cap

~~Co-op use caps for harvest shares on any given vessel shall be:~~

- ~~Option 1. Set at the same level as the individual vessel level.~~
- ~~Option 2. 2 times individual vessel use cap.~~
- ~~Option 3. No use caps~~

(from 2.4.4.2)

Alternative 3

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

Motion passed 19/0

T-5. Excessive share caps – vertical integration caps
Alternatives 2A High and 2B High

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.

(from 2.2.3.3.4)

Alternative 2C

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.

(from 2.3.2)

Alternative 3

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

T-6. Excessive share caps – cooperative use caps

Alternative 2

~~Set co-op use caps at 25 to 100% of total TAC by species~~

(from 2.4.4.1)

Alternative 2 and 3

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish.
- Option 2. 25% by area, sector and species groups
- Option 3. 45% by area, sector and species groups
- Option 4. no cap

(from 3.4.4)

Separate caps can be chosen for the CV and CP sector

Motion passed 18/0

T-7. Overage Provisions

Alternative 2

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overage up to 15% or 20% of the last trip will be allowed— greater than a 15% or 20% overage result in forfeiture and civil penalties. An overage of 15% or 20% or less, results in the reduction of the subsequent year's annual allocation or IFQ. Underages up to 10% of harvest shares (or IFQ).
- Option 2. Overage provisions would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be charged if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

T-8. Transferability – Eligibility to Receive

Alternative 2

Persons eligible to receive harvest history or shares by transfer must be:

For ~~CP~~ history/shares:

- 1) Entities eligible to document a vessel
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer
- 4) Individuals eligible to document a vessel with at least 150 days of sea time

For ~~CV~~ history/shares:

- ~~1) Individuals eligible to document a vessel with at least 150 days of sea time~~
- ~~2) Initial recipients of CV or C/P harvest shares~~
- ~~3) Community administrative entities eligible to receive shares/history by transfer.~~

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 2.2.3.3 and 2.2.3.3.1)

Alternative 3

Persons qualified to receive history by transfer include:

- 1) processors that associate with initial cooperatives and
- 2) for CP/CV history/shares:
 - a. entities eligible to document a vessel
 - b. initial recipients of CV or CP harvest shares
 - c. community administrative entities eligible to receive shares/history by transfer
 - d. individuals eligible to document a vessel with at least 150 days of sea time

~~Motion passed 19/0~~

- ~~3) Option 1. US citizens who have had at least 150 days of sea time.~~
- ~~Option 2. Entities that meet U.S. requirements to document a vessel.~~
- ~~Option 3. Initial recipients of CV or C/P history~~
- ~~Option 4. individuals who are U.S. citizens.~~

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 3.4.2.1 and 3.4.2.2)

Alternative T2A – IFQ/Cooperatives with Processor License Limitation

T2A-1. Voluntary Cooperatives

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members) (from 2.4.1)

T2A-2. Cooperative formation

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)
(from 2.4.2.1)

T2A-3. Cooperative/processor affiliations

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.
(from 2.4.2.1.1)

T2A-4. Movement between cooperatives

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

T2A-5. Duration of cooperative agreements

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum.

(from 2.4.2.3)

T2A-6. Rules Governing Cooperatives

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by inter-co-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- Coop membership agreements will specify that processor affiliated harvesters affiliates cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).

- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.

Motion passed 18/0

(from 2.4.3.1)

T2A-7. Harvest Share Allocations – A share/B share allocations

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption – Processor affiliated vessels to receive entire allocation as A shares.~~ *Motion passed 19/0*

(from 2.2.3.2.5)

T2A-8. Provisions for Processor License Limitation

Apply processor provisions generally at the company level.

50-100% of CV harvest share allocation will be reserved for delivery to any licensed trawl processor

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.

(from 2.3.1.1.1)

T2A-10. Processor License Qualifications

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Eligible Processors – minimum annual processing

Trawl

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Trawl and fixed gear eligible processors

Processors that meet criteria for both the trawl processor license and fixed gear processor licenses will be issued a single trawl/fixed gear license

Processor history would be credited to (and licenses would be issued to):

Operator – must hold a federal or state processor permit.

Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

(from 2.3.1.2.1 and new from December 2005 meeting)

A licensed processor may operate an unlimited number of facilities under one license. *Motion passed 19/0*

T2A-11. Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Within the same region

(from 2.3.1.2.3)

T2A-12. Processing Use Caps

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

- Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor
- Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Processing caps apply at the entity level.

Initial issues that exceed the processor use cap are grandfathered at their current level *Motion passed 19/0*

(from 2.3.1.2.4)

T2A-13. License ownership restrictions on processors

(Applies at the entity level) by region

~~Option 1. No restrictions~~

~~Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses~~

(from 2.3.1.2.6)

Processors may acquire additional licenses so that they hold a combination of licenses allowing them to process 'A' shares from both the fixed gear and trawl gear sectors. Owners of fixed licenses can buy trawl/fixed licenses, owners of trawl/fixed may not buy additional licenses. *Motion passed 19/0*

Alternative T2B – IFQ/Cooperatives with Processor Linkages

T2B-1. Voluntary Cooperatives

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members)

(from 2.4.1)

T2B-2. Cooperative formation

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)

(from 2.4.2.1)

T2B-3. Cooperative/processor affiliations

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder
- c) a limited entry processing license holder to which the share holder's shares are linked

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.
(from 2.4.2.1.1)

T2B-4. Duration of cooperative agreements

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum. (from 2.4.2.3)

T2B-5. Movement between cooperatives

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

T2B-6. Rules Governing Cooperatives

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by interco-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- Coop membership agreements will specify that ~~Processor~~ processor affiliates affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives. *Motion passed 19/0*

(from 2.4.3.1)

T2B-7. Harvest Share Allocations – A share/B share allocations

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor *to which the shares are linked*. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption – Processor affiliated vessels to receive entire allocation as A shares. – Motion passed 19/0~~

(from 2.2.3.2.5)

T2B-8. Provisions for Processor License Limitation

Apply provisions generally at the facility (plant) level.

50-100% of CV harvest share allocation will be reserved for delivery to the linked licensed closed class trawl processor.

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.
(from 2.3.1.1.1)

T2B-9. Processor License Qualifications

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by area and region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Motion passed 17/0

Eligible Processors – minimum annual processing

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Processor history would be credited to (and licenses would be issued to):

- Operator – must hold a federal or state processor permit.
- Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

If a processor meets the threshold for total purchased and processed groundfish for all their facilities combined, but does not meet the threshold for any one facility then the processor would be issued a license for the facility in which it processed most fish.
(from 2.3.1.2.1)

T2B-10. Linkage (Linkages apply by area)

~~A harvester's processor linked shares are associated with the licensed trawl processor to which the harvester delivered the most pounds of groundfish during the last ___ years of prior to 2004.~~

- ~~i. 1~~
- ~~ii. 2~~
- ~~iii. 3~~

A harvester's processor linked shares are associated with the licensed fixed or trawl processor to which the harvester delivered the most pounds of primary groundfish species by area (Western Gulf; Central Gulf & West Yakutat (combined)) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last ___ years of prior to 2004.

- i. 1
- ii. 2
- iii. 3

Suboption:

A harvester is initially eligible to join a cooperative in association with a processor who processed
a) 80% or b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester linked shares are with the processor that processed the most qualified landings and the processor that processed the second most qualified landings on a pro rata basis

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

Option 1: If the processing facility with whom the harvester is associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
 - i. ~~any licensed processor~~
 - ii. ~~any licensed processor in the community~~
 - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Option 2: If the processing facility with whom the harvester is associated is no longer operating in the community, the harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
 - i. ~~any licensed processor~~
 - ii. ~~any licensed processor in the community~~
 - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Motion carries 15/2/2

The AP recommends Council request staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region. *Motion passed 19/0*
(from 2.3.1.1.2)

T2B-11. Movement between linked processors

Any vessel that is linked to a processor, may with the consent of that processor, deliver A shares to another plant.

In the absence of consent, when a harvester moves from a linked processor, the harvesters shares are reduced 10% - 20% for a period of:

- i. 1 year
- ii. 2 years
- iii. 4 years

Suboptions:

- i. Penalty applies to A shares only.
- ii. Penalty applies to both A and B shares.
 - A. Full penalty applies to each move
 - B. Full penalty applies to the first move, subsequent moves are penalized at half of that rate.
 - C. Full penalty applies only to the first transfer (*A motion to strike "C" failed 6/11*)

Minority Report

Alternative 2B is a linkage program that includes perpetual linkages between processors and vessels. If no penalty is imposed when a vessel moves between processors after the first move, then alternative 2B will become similar to the 2A alternative over time. Each alternative should be distinct from one another to meet the NEPA process requirements. The linkage requirement is intended to allow vessels and processors to manage their operations in a more economically efficient manner, balance the price negotiating leverage between sectors, and stabilize the distribution of landings amongst processors. We believe option C (Full penalty applies only to the first transfer) should be removed. Signed: Kent Leslie, John Henderschedt, Matt Moir, Bob Gunderson, Tom Enlow, and Al Burch.

The share reduction shall be redistributed to the shareholders associated with the processor that the shareholder left (if it continues to exist).
(from 2.3.1.1.3)

T2B-12. Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Within the same region

If the license is transferred outside the community of origin, then vessel linkages are broken and vessels are allowed to develop a new association with any licensed processor within the same community or, if no processor exists in the community, within the same region. ~~deliver to any licensed processor.~~ Motion passed 17/0
(from 2.3.1.2.3)

T2B-13. License Transfers Among Processors In the same community

- Option 1. any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction on severing the linkage, as would have been made in the absence of the transfer.
- ~~Option 2. any share associated with the license will be free to associate with any licensed processor. Harvest share/history holders will be free to move among processors without share/history reduction.~~
- Option 2. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for movement the first year; for the second year, half penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.
- Option 3. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for the first year; for the second year, no penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Motion passed 17/0
(from 2.3.1.2.3.1)

T2B-14. Processing Use Caps

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

- Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor
- Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)
Initial issues that exceed the processor use cap are grandfathered at their current level.

Motion passed 17/0
(from 2.3.1.2.4)

2B-15. License ownership restrictions on processors

Applies at the entity level by region

~~Option 1. No restrictions~~

~~Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses~~

Option 1. A maximum of one facility license

Option 2. A maximum of two facility licenses

Option 3. A maximum of three facility licenses

Option 4. An unlimited number of facility licenses

Initial issues that exceed the license ownership cap are grandfathered at their current level. *Motion passed 17/0*

(from 2.3.1.2.6)

Alternative T2C – IFQ/Cooperatives with Harvest Share Allocations to Processors

The AP made no changes to T2C

Alternative T3 – Cooperatives/Limited Access with Processor Associations

T3-1. Voluntary Cooperatives

Voluntary cooperatives may form between eligible harvesters in association with processors. Harvesters may elect not to join a cooperatives, and continue to fish in the LLP/Limited Access fishery.

(from 3.3)

T3-2. Allocations to Individuals and Cooperatives

On joining a cooperative that complies with all requirements for an initial cooperative, an individual will be allocated catch history as generic Gulf History (GH).

Each cooperative will receive an annual allocation of Gulf Quota (GQ) based on the GH of its members.

(from 3.3.1 and 3.3.2)

T3-3. Cooperative Eligibility - Catcher Vessel Cooperatives

Catcher vessel co-ops may be established within sectors between eligible harvesters in association with an eligible processor. A harvester is initially eligible to join a cooperative in association with the processor to which the harvester delivered the most pounds of primary species by area (Western Gulf, Central Gulf, & West Yakutat combined) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last 4 years prior to 2004

Provisions applied to a, b, and c:

For the following species groups:

- Pollock
- Pacific cod
- Aggregate rockfish
- Aggregate flatfish
- All groundfish

Suboption for All groundfish: A harvester is initially eligible to join a cooperative in association with a processor who processed a) 80% b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester can enter into initial cooperatives with the processor that processed the most qualified landings and, the processor that processed the second most qualified landings on a pro rata basis.

*Motion passed 16/0
(from 3.3.5)*

T3-4. Cooperative Formation - Catcher Vessel Cooperatives

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-75 percent of the eligible GH for each co-op associated with its processor
Applies to CVs for processor associated cooperatives, if less than 4 distinct and separate harvesters are available to associate with the processor.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

(from 3.3.7)

T3-5. Initial Cooperative Agreement Requirements

Catcher vessel co-ops may be formed by eligible harvesters (the co-op) subject to the terms and conditions of a co-op membership agreement. In order to receive an allocation of GH under this program, co-ops must enter into a duly executed contractual agreement (Contract) with the processor the harvester is initially eligible to join a cooperative in associate with.

Contracts established under this section shall specify the terms and conditions for transferring GQ or GH from the cooperative, including mechanisms whereby a member exiting the co-op (or transferring GH from the co-op) compensates the remaining co-op members and/or the associated processor for exiting the co-op (or transferring GH from the co-op). Compensation can take on any form agreed to by the members and the associated processor, including permanent transfer of some or all GH generated by the existing participant to the remaining co-op members and/or the associated processor.

Following the initial co-op period, new GH can be generated by eligible harvesters that have never been co-op members only by joining a co-op in association with the eligible processor pursuant to the terms of an agreement that meets the requirements for an initial co-op. *(from 3.3.11)*

T3-6. Duration of Initial Cooperative Agreements

Duration of initial cooperative agreements:

- Option 1. 1 year
- Option 2. 2 years
- Option 3. 3 years
- Option 4. Any length agreed between the co-op participants.

Different options may apply to CV and CP coops *Motion passed 16/0
(from 3.3.8)*

T3-7. Catcher Vessel - Cooperative/processor associations

Option 1: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to deliver to in the following order

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region

Option 2: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, the harvester is eligible to deliver to in the following order

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~
 - 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
 - 2) Any licensed processor in the community
 - 3) The licensed processor to whom the harvester delivered the second most pounds in the region
 - 4) Any licensed processor in the region

Motion passed 16/0

CV cooperatives must be associated with an eligible processing facility
Processors can associate with more than one co-op.

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

The eligible processor is:

- 1) prior to satisfying an exit requirement, a processor that the harvester is initially eligible to associate with in a cooperative, and
- 2) after satisfaction of an exit requirement, any processor

(from 3.3.9)

T3-8. Cooperative Eligibility - Catcher Processor Cooperatives

Catcher processor co-ops may be formed by eligible CPs within each CP sector. No processor affiliation is required for CP co-op formation. *(from 3.3.6)*

T3-9. Cooperative Formation - Catcher Processor Cooperatives

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-100 percent of the GH of its sector.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

(from 3.3.7)

T3-10. Movement between cooperatives

An initial cooperative formation period shall be established beginning with year one of program implementation and extended for the period identified below.

- Option 1. period is 1 year
- Option 2. period is 2 years
- Option 3. period is 3 years

Different options may apply to CV and CP sectors *Motion passed 16/0*

After the initial cooperative formation period, a holder of GH that meets the requirements of an initial cooperative agreement for exiting a cooperative may leave an initial cooperative and join a cooperative in association with any processor pursuant to a Contract that meets the requirements of rules governing cooperatives.

(from 3.3.12)

T3-11. Rules Governing Cooperatives

The following provisions apply to all cooperatives:

- a. The harvesters that enter into a co-op membership agreement shall be the members of the co-op. The processor will be an associate of the cooperative but will not be a cooperative member.
- b. Except for CP cooperatives, a pre-season Contract between eligible, willing harvesters in association with a processor is a pre-requisite to a cooperative receiving an allocation of GQ. For an initial co-op, the Contract must meet the *initial cooperative agreement requirements*.
- c. The co-op membership agreement and the Contract will be filed with the RAM Division. The Contract must contain a fishing plan for the harvest of all co-op fish.
- d. Co-op members shall internally allocate and manage the co-op's allocation per the Contract.
- e. Subject to any harvesting caps that may be adopted, GH or GQ may be transferred and consolidated within the co-op to the extent permitted under the Contract.
- f. The Contract must have a monitoring program. Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut PSC mortality, as may be adjusted by inter-cooperative transfers.
- g. Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- h. Co-op membership agreements will specify that processor affiliated ~~vessel~~harvesters cannot participate in price setting negotiations ~~concerning price setting~~, except as permitted by general antitrust law, code of conduct, mechanisms for expelling members, or exit agreements.
- i. Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement. Harvesters that have never been a member of a cooperative must enter an agreement that meets all requirements for an initial co-op, as specified under *initial cooperative agreement requirements*.
- j. The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FMCA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives. *Motion passed 16/0*

(from 3.4.1)

T3-12. General Provisions Concerning Transfers of GH and GQ.

Co-ops may engage in inter-cooperative transfers (leases) of GQ during and after the initial co-op formation period.

During the initial cooperative formation period, GH transfers will be permitted between members of the same cooperative, but not between members of different cooperatives.

Following the initial co-op formation period, members of a co-op may transfer GH to members of other co-ops.

All transfers will be subject to such terms and conditions as may be specified in the applicable Contract and any ownership or use caps or other conditions as may be established pursuant to this program.

For persons that join cooperatives for the first time after the initial cooperative formation period, the limits on transfers shall apply for the same period of time as the initial cooperative formation period.

(from 3.4.2)

T3-13. Transfers by catcher processors

Transfers of GH or leases of GQ across CP gear types is

- a) not permitted
- b) permitted. *(from 3.3.10)*

T3-14. Use of Annual Allocations

Any holders of history and cooperatives under this program are intended to comply with all existing laws concerning the documentation of vessels and entry of vessels to U.S. fisheries in fishing under the program. Holders of history unable to enter a vessel into U.S. fisheries may lease holdings or use holdings through cooperative membership to the extent permitted by the program, but not in contravention of current law pertaining to entry of vessels in U.S. fisheries. *(from 3.3.11)*

T3-15. LLP/Limited Access Fishery

The allocation for each sector of primary species, secondary species, and halibut PSC to the LLP/Limited Access fishery will be those amounts remaining after allocation to the co-ops. Harvesters that choose not to participate in a co-op may continue to fish in the LLP/Limited Access fishery.

In the limited access fishery directed fishing will be permitted for primary species only. The current system of MRAs will be used for managing catch of secondary species and unallocated species. *(from 3.6)*

T3-16. Movement from a Cooperative to the LLP/Limited Access Fishery

The LLP of any vessel that has entered a co-op and generated GH pursuant to this program may not be subsequently used, or transferred to another vessel, to fish in the LLP/Limited Access fishery for any primary *and* secondary species identified under this program unless all GH initially associated with the LLP is held by the LLP holder and is allocated to the LLP/Limited Access fishery.

Note: The intent of this provision is to prevent a vessel from entering a co-op, transferring its GH to the co-op and then subsequently taking its LLP and re-entering the open access fishery or transferring its LLP to another vessel to fish in the LLP/Limited Access fishery. *(from 3.6, Issue 2)*

T3-17. Processing Use Caps

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species groups in Section 3.3.5
- Option 2. 50% of total harvest by area and primary species groups in Section 3.3.5
- Option 3. 75% of total harvest by area and primary species groups in Section 3.3.5
- Option 4. no cap

Processors eligible *to associate with an initial cooperative* will be grandfathered.

There is no limit on the amount of fish that an eligible processor can buy from the open access fishery. *Motion passed 17/0/1 (from 3.4.6)*

The AP request that Council staff provide:

- 1) Distributions of Quota share by Area and Sector for aggregate rockfish and aggregate flatfish species groups for LLP catch history from 3 to 200 miles (EEZ, excludes parallel fish catch) for purposes of excessive share caps.
- 2) Distributions of Quota share by Area and Sector for pollock, Pacific cod, aggregate rockfish and aggregate flatfish species groups for LLP catch history from 0 to 200 miles (includes parallel fish catch) for purposes of excessive share caps.
- 3) Provide the number of potentially qualifying licenses by processing entity for 2A
- 4) Provide the number of potentially qualifying facility licenses by processing entity for alternative 2B
- 5) Potential Association combinations between processors and vessels for alternative 2 & 3

Motion passed 17/0

The AP requests staff separate CV and CP alternatives. *Motion passed 18/0*

Fixed Gear Alternatives

The AP recommends the Council request staff split the fixed gear sector into two distinct but parallel sectors, longline and pot. *Motion passed 17/0*

NOTE: THE FOLLOWING CHANGES TO THE "F" SECTION APPLY TO THE POT SECTOR ONLY.

It is the intent of the AP that should the fixed gear longline sector and or the fixed gear jig sector wish to modify current alternatives for GOA Groundfish rationalization that they provide direction to the AP and Council. It is not the AP's intent to have these sectors impact the timeframe for decision regarding rationalization of the pot and trawl sectors. *Motion passed 19/0*

F-1. Transferability - Leasing

Alternative 2 and 3

Active participation requirements for pot CVs (leasing restrictions):

1. For initial issuants of pot QS/GH who receive initial allocations of Pacific cod less than:

- a. The 65th percentile
- b. The 70th percentile
- c. The 75th percentile

Their initial allocations of pot p. cod QS/GH can be leased freely for the first 3 years of the program.

2. For the initial issuants of pot QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%
- b. 40%
- c. 50%

of their pot QS/GH for pacific cod (a) be fished by a vessel which the pot QS/GH holder owns at least 20% of, or (b) fished on a vessel with the pot QS/GH holder onboard.

3. After 3 years from the start of this rationalization program the above option 2 applies to all QS/GH holders.

(i.e., the 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Motion: Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

For fixed gear catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

Motion passed 15/2/2

F-3. Excessive share caps – individual caps on use and holdings

(from 2.2.3.3.6)

Alternative 2 and 3

History holdings of a co-op member shall be capped at:

- | | |
|-----------|---|
| Option | .5% of the history by area, sector and species |
| Option 1. | 1% of the history by area, sector and species groups |
| Option 2. | 3% of the history |
| Option 3. | 5% of the history by area, sector and species groups |
| Option 4. | 20% of the history by area, sector and species groups |
| Option 5. | 30% of the history by area, sector and species groups |

Fixed Gear provisions
GOA Groundfish Rationalization
AP Minutes February 11, 2006

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Option 2: Apply leasing limitation inside and outside of cooperatives¶

¶
Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% – same as "hired skipper" requirement in halibut/sablefish program. ¶

¶
For fixed gear catcher vessels¶
Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).¶

Suboption: Allowing leasing by initial recipients of QS (grandfather clause)¶
Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.¶

Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.¶

¶
For fixed gear catcher processors¶
Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.¶
(from 2.2.3.3.5)¶

... [1]

Deleted: F-2. Share Use – Owner-on-board¶

Alternative 2¶
Option 1: Apply owner-on-board ... [2]

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Caps will be expressed as QS units indexed to the first year of implementation. ¶ ... [3]

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Option 4. no cap

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Allocations to original issuees would be grandfathered at the original level of history.
Apply individually and collectively to all harvest share holders in the pot p. end sector.
Motion passed 19/0
(from 3.4.3)

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CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.
(from 3.4.7.4)

F-4. Excessive share caps – vessel use caps

Alternative 2 and 3

Individual vessel use cap (applies within coops)

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Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.
(from 2.2.3.3.6)

(from 2.4.4.2)

Motion passed 18/0

Deleted: Cooperative vessel use cap
Co-op use caps for harvest shares on any given vessel shall be:
Option 1. Set at the same level as the individual vessel level.
Option 2. 3 times individual vessel use cap.
Option 3. No use caps

F-5. Excessive share caps – vertical integration caps

Alternatives 2A High and 2B High

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.
(from 2.2.3.3.4)

Alternative 2C

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.
(from 2.3.2)

Alternative 3

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

Deleted: Alternative 3
Vessel use caps on harvest shares harvested on any given vessel shall be set at:
i. 100%
ii. 150%
iii. 200%
the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

F-6. Excessive share caps – cooperative use caps

Deleted: Alternative 2
Set co-op use caps at 25 to 100% of total TAC by species

(from 2.4.4.1)

Alternative 2 and 3

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (~~pollock, Pacific cod aggregate rockfish, aggregate flatfish~~)
- Option 2. 25% by area, sector Pcod
- Option 3. 45% by area, sector Pcod
- Option 4. no cap

Different caps can be chosen for CPs and CV

Motion passed 19/0

(from 3.4.4)

F-7. Block Program

Alternative 2

Preserving entry level opportunities for P. cod

Each initial allocation of P.cod harvest shares based on the final year of the qualifying period to fixed gear catcher vessels below the block threshold size would be a block of quota and could only be permanently sold or transferred as a block.

- Option 1 10,000 pounds constitutes one block
- Option 2 20,000 pounds constitutes one block
- Option 3 No Block Program

Suboption. Lowest producer harvest shares earned as a bycatch in the halibut sablefish ITQ program would be exempt from the block program

Eligible participants would be allowed to hold a maximum of:

- Option 1 1 block
- Option 2 2 blocks
- Option 3 4 blocks

Any person may hold:

- Option 1 One block and any amount of unblocked shares
- Option 2 Two blocks and any amount of unblocked shares
- Option 3 Four blocks and any amount of unblocked shares

(from 2.2.7.1 and 2.2.7.2 and 2.2.7.3)

A motion to delete F-7 failed 15/4

FP-8. Overage Provisions

Alternative 2

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overages up to 10% of the last trip will be allowed with rollover provisions for underages up to 10% of harvest shares (or IFQ).
- Option 2. Overages would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

Motion passed 19/0

F-10. Transferability – Eligibility to Receive

Alternative 2

Persons eligible to receive harvest history or shares by transfer must be:

For history/shares:

- 4) Entities eligible to document a vessel
- 5) Initial recipients of CV or C/P harvest shares
- 6) Community administrative entities eligible to receive shares/history by transfer
- 7) Individuals eligible to document a vessel with at least 150 days of sea time
- 4)

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.
(from 2.2.3.3 and 2.2.3.3.1)

Alternative 3

Persons qualified to receive history by transfer include:

- 4) processors that associate with initial cooperatives and
- 5) For CP/CV history shares:
 - a) Entities eligible to document a vessel
 - b) Initial recipients of CV or C/P harvest shares
 - c) Community administrative entities eligible to receive shares/history by transfer
 - d) Individuals eligible to document a vessel with at least 150 days of sea time

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.
(from 3.4.2.1 and 3.4.2.2)
Motion passed 19/0

Alternative F2L – Fixed Gear Low Producer – IFQ/Cooperatives

- Applies only to low producing fixed gear vessels
- Apply to all pot vessels
- Apply to all longline vessels

Low producing vessels are exempt from delivery requirements (from 2.3.1.1.1)

Motion passed 16/3

Minority Report

It is inappropriate to add a new alternative to the fixed gear sector that would create a one pie IFQ program alternative for all vessels. According to the purpose and need statement: "The proposed action is to create a management program that improves conservation, reduces bycatch, and provides greater economic stability for harvesters, processors and communities." A one-pie IFQ alternative includes no protection for processors or communities and thus does not meet the intended goals of the program. The Council at one time considered a one-IFQ alternative and discarded it, because this alternative did not meet the intended goals of the program. Signed: John Henderschedt, Matt Moir, Tom Enlow.

The AP made no additional changes to the other Fixed gear sector alternatives

Deleted: F-9. Retention of halibut out of season

Alternative 2

Halibut incidentally caught may be retained outside the halibut season Jan. 1 to start of commercial fish person retaining halibut must have adequate halibut IFQ to cover the landing. Retention is limited to (range 10-20%) of primary species.

Option 1: In all GOA areas.

Option 2: Limited to Areas 3A, 3B, and 4A.

The Council requests that staff notify the IPHC concerning these provisions.
(from 2.2.5.5)

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<#>Individuals eligible to document a vessel with at least 150 days of sea time

<#>Initial recipients of CV or C/P harvest shares

Community administrative entities eligible to receive shares/history by transfer.

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Option 2. Entities that meet U.S. requirements to document a vessel.

Option 3. Initial recipients of CV or C/P history.

Option 4. individuals who are U.S. citizens

- Option 1: Apply leasing limitation only outside of cooperatives
- Option 2: Apply leasing limitation inside and outside of cooperatives

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).
 - Suboption: Allowing leasing by initial recipients of QS (grandfather clause)
- Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.
- Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For fixed gear catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.
(from 2.2.3.3.5)

Alternative 3

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).
 - Suboption: Allowing leasing by initial recipients of history (grandfather clause)
- Option 2. Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.
- Option 3. For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

F-2. Share Use – Owner-on-board

Alternative 2

- Option 1: Apply owner-on-board requirements only outside of cooperatives
- Option 2: Apply owner-on-board requirements inside and outside of cooperatives

For fixed gear catcher vessels

A range of 0-80% of the fixed gear quota shares initially issued to fishers/harvesters would be designated as "owner on board."

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

(from 2.2.3.3.7)

Alternative 2

Caps will be expressed as QS units indexed to the first year of implementation.

- Option 1. Caps apply to all harvesting categories by species with the following provisions:
1. Apply individually and collectively to all harvest share holders in each sector and fishery.
 2. Percentage-caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Longline and Pot CV and/or CP (can be different caps)

based on the following percentiles of catch history for the following species:

Pacific cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if Greenland turbot is targeted), northern rockfish

- | | |
|--------------|------|
| Suboption 1. | 75 % |
| Suboption 2. | 85% |
| Suboption 3. | 95 % |

- Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.

Application of caps to intercooperative transfers

To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.

CP QS/IFQ conversion to CV QS/IFQ

CP shares converted to CV shares will count toward CV caps

Caps will be applied to prohibit acquisition of shares in excess of the cap.