


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver 
Executive Director

ESTIMATED TIME 4 HOURS

DATE: November 24, 2004

SUBJECT: IR/IU

ACTION REQUIRED

Finalize alternatives and options, revise problem statement for Amendment 80, and take action as necessary

BACKGROUND

In December 2003, the Council identified for analysis a suite of components and options for sector allocations of BSAI non-pollock groundfish and PSC (Amendment 80a) and to develop a cooperative program for the Non-AFA Trawl Catcher Processor sector (Amendment 80b). In October 2004, the Council made major modifications to these components and options. Primary among these modification was the removal of the sector allocations of groundfish (80a), other than yellowfin sole, rock sole, flathead sole, Atka mackerel, Aleutian Islands Pacific Ocean perch, Alaska plaice, and arrowtooth flounder to the Non-AFA Trawl Catcher Processor sector. The remaining unallocated portion of TAC will be available for the open access fishery, and would be available to all other participants with the appropriate LLP endorsements. A copy of the final Council motion from October 2004 is attached as Item C-5(a).

For this meeting, staff has prepared a discussion paper the addresses several elements of Amendment 80 that need further clarification or modification. Included in the discussion paper is a clean copy of the revised Amendment 80. This discussion paper is attached as Item C-5(b).

If the Council finalizes the components and options at this meeting, we anticipate completing the analysis for initial review at the April 2005 meeting.

Bold = added language
Strikethrough = deleted language

Amendment 80 Component and Options

June 21, 2004-October 10, 2004 – Final Council Motion

At the June 2004 meeting, the Council made some minor modifications to the components and options for Amendment 80a and 80b. They broadened all of the eligibility years for the <60' H&L/Pot catcher vessel sector to include 2003 and 2004 up to June 15, 2004. Options were added to exempt jig vessels and <60' H&L/Pot catcher vessels from eligibility requirements. A new Option 4.1 was added to Amendment 80b requiring at least 30 percent of eligible license to join a cooperative before it is allowed to operate (i.e., allow multiple cooperative). Finally, the Council added the IR/IU Technical Committee's recommendations for revising the underutilized species threshold as additional options in Component 10. The Council is scheduled Amendment 80 for initial review in February 2005 and final action in April 2005.

Components and Options for Amendment 80.a—BSAI Sector Allocations

Issue 1: Sector Allocations of Groundfish in the BSAI

The following is a list of the sectors for purposes of groundfish and PSC apportionment:

Non-AFA Trawl CPs	AFA Trawl CPs	Non AFA Trawl CVs	AFA Trawl CVs	Longline CPs
Pot CPs	Pot CVs	Longline CVs	Jig CVs	<60' H&L/Pot CV

Component 1 Identifies which species will be included in the sector allocations

Allocate only the following primary target species to the Non-AFA Trawl CP sector—Yellowfin sole, rock sole, flathead sole, Atka mackerel, AI POP, arrowtooth flounder and Alaska plaice. Species could be added or deleted through an amendment process.

~~Option 1.1 — Include all groundfish species except AFA allocated pollock and fixed gear sablefish.~~

~~Suboption 1.1.1 — Exclude certain species to prevent allocations that are so small that they preclude sectors from harvesting their allocation of species typically taken in directed fisheries. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.~~

~~Option 1.2 — Include only the following target species— Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, AI Pacific ocean perch. Species could be added or deleted through an amendment process. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.~~

~~Suboption 1.2.1 — Sectors that do not participate in target fisheries for a species in this option would not be allocated sector specific apportionments for that species. These species would be managed as in the following component.~~

Component 2 Management of non-target species.

- Option 2.1 Use the current management system.
- Option 2.2 Use ICAs for all non-target species—ICAs would be managed with soft caps.
- Option 2.3 Use ICAs for all non-target species—ICAs would be managed with hard caps.

Component 3 CDQ allocations for each species in the program (except pollock and fixed gear sablefish) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

- Option 3.1 7.5%
- Option 3.2 10%
- Option 3.3 15%
- ~~Option 3.4 20%~~

Component 4 Identifies the sector allocation calculation (after deductions for CDQs). ~~Each of the species selected in Component 1 will be allocated to the sectors.~~

For purposes of allocation to the non-AFA trawl CP fishery, each primary species allocation will be based upon the years and percentage of average catch history selected in Component 5 using one of the following:

- Option 4.1 Total legal catch of the sector over total legal catch by all sectors
- Option 4.2 Retained legal catch of the sector over retained legal catch by all sectors
- Option 4.3 Total legal retained catch over ABC
- Option 4.4 Total legal catch over ABC
- Option 4.5 Total legal retained catch over TAC
- Option 4.6 Total legal catch over TAC

The remaining portion for primary species included in this program will be allocated to the BSAI open access fishery. Open access will include amounts to accommodate AFA sideboards and other fishery practices. Rules for the non-AFA trawl CP fishery include:

1. After each non-AFA trawl co-op has completed its allocated harvest, co-op members may fish in open access.
2. Vessels other than non-AFA Trawl CP with appropriate LLP endorsements may fish in open access.

~~Option 4.1 Each sector shall be allocated the percentage of the TAC that is equal to the sector's average of the annual harvest percentages, during the years specified in the following component. The sectors harvest is defined as that legal catch, taken by vessels when operating in the mode that defines the sector. These percentages will be calculated based on the method selected in Component 6.~~

~~Option 4.2 Each sector allocation of the TAC shall be based on a percentage rather than a set of years. (The intent of this option is to provide the Council with the ability to select an industry agreed percentage for allocative purposes rather than selecting a set of catch history years.)~~

Component 5 Sector Catch History Years

Option 5.1 1998–2002

Option 5.2 1999–2003

Option 5.3 1999–2004

Option 5.4 2000–2004

Option 5.5 1995–1997

Option 5.6 1995–2002

~~Option 5.1 1995–1997~~

~~Suboption 5.1.1 Exclude AFA-9 catch history~~

~~Option 5.2 1995–2002~~

~~Suboption 5.2.1 Exclude AFA-9 catch history~~

~~Suboption 5.2.2 Exclude 2001 because of the biological opinion~~

~~Option 5.3 1995–2003~~

~~Suboption 5.3.1 Exclude AFA-9 catch history~~

~~Suboption 5.3.2 Exclude 2001 because of the biological opinion~~

~~Option 5.4 1998–2002~~

~~Suboption 5.4.1 Exclude AFA-9 catch history~~

~~Suboption 5.4.2 Exclude 2001 because of the biological opinion~~

~~Option 5.5 1998–2003~~

~~Suboption 5.5.1 Exclude AFA-9 catch history~~

~~Suboption 5.5.2 Exclude 2001 because of the biological opinion~~

~~Option 5.6 2000–2003~~

~~Suboption 5.6.1 Exclude 2001 because of the biological opinion~~

~~**Component 6** For purposes of apportionments, annual catch percentages will be defined using one of the following:~~

~~Option 6.1 Total legal catch of the sector over total legal catch by all sectors~~

~~Option 6.2 Retained legal catch of the sector over retained legal catch by all sectors~~

~~**Component 7** Options for determining Pacific cod allocations~~

~~Option 7.1 Pacific cod shall be allocated in the same method used to allocate the other targeted species. This option would supercede all existing apportionments of Pacific cod in the BSAI, including splits among the fixed gear sectors. Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the next more inclusive definition before unused Pacific cod is reallocated to a different gear type.~~

~~Suboption 7.1.1 The <60' catcher vessels fixed gear (pot and hook and line) sector and jig sector combined allocation from TAC (after CDQ apportionment) is to be:~~

- ~~_____ a. 2%~~
- ~~_____ b. 3%~~
- ~~_____ c. 4%~~

~~Suboption 7.1.2 Jig sector will receive an allocation from the TAC (after CDQ apportionment).~~

~~Suboption 7.1.3 a. <60' pot and hook and line catcher vessel sector will receive an allocation from TAC (after CDQ apportionment).~~

~~b. <60' pot and hook and line catcher vessel sector will receive an allocation from the fixed gear sector TAC as is done under existing regulations.~~

~~Apportionments to the jig and <60' pot and hook and line sectors under Suboption 7.1.2 and 7.1.3 shall not collectively exceed:_____~~

- ~~_____ a. 2%~~
- ~~_____ b. 3%~~
- ~~_____ c. 4%~~

~~Option 7.2 Pacific cod shall be allocated based on apportions in regulation as modified by Amendment 77 with an additional split of the Trawl CP apportionment as follows:~~

~~_____ Non-AFA Trawl CPs will be allocated 18.3 percent of the Pacific cod TAC available after deduction for the CDQ program.~~

~~_____ AFA Trawl CPs will be allocated 5.2 percent of the Pacific cod TAC available after deduction for the CDQ program.~~

~~Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the next more inclusive definition before unused Pacific cod is reallocated to a different gear type (see footnote 3 for a description of the rollover procedures).~~

Issue 2: Sector Allocations of Prohibited Species Catch Limits in the BSAI

Component 8 PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

- Option 8.1 7.5% of each PSC limit
- Option 8.2 8.5% of each PSC limit
- Option 8.3 10% of each PSC limit
- Option 8.4 Proportional to the CDQ allocation under Component 3 for each PSC limit

Component 9 Sector allocations of PSC limits (Council must choose one suboption from both Option 9.1 and 9.2 in order to apportion PSC to sectors).

- Option 9.1 Apportion PSC to each fishery group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).
- Suboption 9.1.1 Through annual TAC setting process (the current method) **with a new breakout for the Non-AFA Trawl CP sector.**
- Suboption 9.1.2 In proportion to the historic fishery group's apportionment using the most recent five years.
- ~~Suboption 9.1.3 In proportion to a 5 year rolling average of that fishery group's PSC allocations using the most recent five years.~~
- Suboption 9.1.4 In proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.
- Option 9.2 Apportion PSC allotments made to fishery groups in Option 9.1 to sectors
- Suboption 9.2.1 In proportion to TAC allocated to the sector.
- Suboption 9.2.2 In proportion to the PSC usage by the sector for the years used to determine the groundfish sector apportionments.
- Suboption 9.2.3 In proportion to the total groundfish harvested by the sector for each PSC fishery group for the years used to determine the groundfish sector apportionments.
- Suboption 9.2.4 In proportion to the target species harvested by the sector in that PSC fishery group for the years used to determine the groundfish sector apportionments.
- Option 9.3 Select a PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 9.2. PSC reduction options can vary species by species, and sector by sector.
- Suboption 9.3.1 Reduce apportionments to 60% of calculated level.
- Suboption 9.3.2 Reduce apportionments to 75% of calculated level.
- Suboption 9.3.3 Reduce apportionments to 90% of calculated level.
- Suboption 9.3.4 Reduce apportionments to 95% of calculated level.
- Suboption 9.3.5 Do not reduce apportionments from calculated level.

Non-AFA Trawl CP cooperative members may carry unused PSC from co-ops into the open access fishery.

Issue 3 — Underutilized Species Threshold

Component 10 For species that may have TAC (amounts) available in excess of historical harvest amounts, sector allocations may apply only to the historical harvest threshold (utilization threshold). TAC amounts in excess of such thresholds would be available to sectors whose ability to harvest that TAC exceeds its sector allocation of that species.

Option 10.1 — Species that would be assigned an utilization threshold:

~~Suboption 10.1.1 — Rock sole~~

~~Suboption 10.1.2 — Yellowfin sole~~

~~Suboption 10.1.3 — Flathead sole~~

~~Suboption 10.1.4 — Alaska Plaice~~

~~Suboption 10.1.5 — Rock sole, yellowfin sole, flathead sole in aggregate~~

~~Suboption 10.1.6 — Rock sole, yellowfin sole, flathead sole, and Alaska Plaice in aggregate~~

Option 10.2 — Options for determining utilization threshold for each species or complex (Council must select one from each of the following suboptions in order to establish utilization threshold):

Suboption 10.2.1 — Average threshold percentage will be based on:

~~a. Total catch~~

~~b. Retained catch~~

Suboption 10.2.2 — Threshold percentage of average catch will be:

~~a. 100%~~

~~b. 125%~~

~~c. 150%~~

Suboption 10.2.3 — Years for determining the average catch will be:

~~a. 1995-1998~~

~~b. 1995-2002~~

~~c. 1998-2002~~

~~d. 2000-2003~~

Option 10.3 — For yellowfin sole, threshold will be:

~~Suboption 10.3.1 — Threshold established in Option 10.2~~

~~Suboption 10.3.2 — One of the following poundage thresholds:~~

~~a. 125,000 mt~~

~~b. 150,000 mt~~

~~c. 175,000 mt~~

Option 10.4 — Allocate the threshold reserve to the trawl sectors and between AFA and non-AFA sectors using one of following suboptions:

~~Suboption 10.4.1 — Catcher vessels at 25% and catcher processors at 75%~~

~~• Allocations within the catcher vessel sectors~~

~~i. AFA at 24% and non AFA at 1%~~

~~ii. AFA at 22% and non AFA at 3%~~

~~iii. AFA at 20% and non AFA at 5%~~

~~• Allocations within the catcher processor sectors~~

~~i. AFA at 25% and non AFA at 50%~~

~~ii. AFA at 37.50% and non AFA at 37.5%~~

~~iii. AFA at 50% and non AFA at 25%~~

~~Suboption 10.4.2 Catcher vessels at 50% and catcher processors at 50%~~

~~• Allocations within the catcher vessel sectors~~

~~i. AFA at 47% and non AFA at 3%~~

~~ii. AFA at 45% and non AFA at 5%~~

~~iii. AFA at 42.5% and non AFA at 7.5%~~

~~• Allocations within the catcher processor sectors~~

~~i. AFA at 12.5% and non AFA at 37.5%~~

~~ii. AFA at 25% and non AFA at 25%~~

~~iii. AFA at 37.5% and non AFA at 12.5%~~

~~Suboption 10.4.3 Catcher vessels at 75% and catcher processors at 25%~~

~~• Allocations within the catcher vessel sectors~~

~~i. AFA at 72% and non AFA at 3%~~

~~ii. AFA at 70% and non AFA at 5%~~

~~iii. AFA at 67.5% and non AFA at 7.5%~~

~~• Allocations within the catcher processor sectors~~

~~i. AFA at 6.25% and non AFA at 18.5%~~

~~ii. AFA at 12.5% and non AFA at 12.5%~~

~~iii. AFA at 18.75% and non AFA at 6.5%~~

~~Option 10.5 PSC Transfers:~~

~~Suboption 10.5.1 (Status quo) PSC may not be transferred.~~

~~Suboption 10.5.2 PSC may be transferred within cooperatives and between operatives in the same sector.~~

~~Option 10.6 Rollover options for yellowfin sole threshold reserve.~~

~~Suboption 10.6.1 No rollover provisions for projected unharvested yellowfin sole threshold reserve.~~

~~Suboption 10.6.2 Any unharvested portion of the yellowfin sole threshold reserve that is projected to remain unused by a specified date shall be reallocated to the other trawl sectors. Further, yellowfin sole rollovers will be hierarchical in nature flowing to the sector most~~

~~similar to the relinquishing sector before flowing to less similar sectors.~~

Issue 4 ~~Eligibility to Participate in a Sector~~

Component 11 ~~Except as provided in component 13, a LLP license holder will be determined to be eligible for a given sector if they have proper area, gear, vessel type, and vessel length endorsements and meet minimum legal landings requirements (see the next component) in the years selected from the following:~~

- ~~Option 11.1~~ ~~1995-1997~~
- ~~Option 11.2~~ ~~1995-2002~~
- ~~Option 11.3~~ ~~1997-2002~~
- ~~Option 11.4~~ ~~1998-2002~~
- ~~Option 11.5~~ ~~1999-2002~~
- ~~Option 11.6~~ ~~2000-2002~~
- ~~Option 11.7~~ ~~For <60' H&L/Pot CV sector~~
 - ~~a. 1996 June 15, 2004~~
 - ~~b. 1997 June 15, 2004~~
 - ~~c. 1998 June 15, 2004~~
 - ~~d. 1999 June 15, 2004~~
 - ~~e. 2000 June 15, 2004~~
 - ~~f. 2001 June 15, 2004~~
 - ~~g. 2002 June 15, 2004~~

~~Suboption 11.7.1~~ ~~Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.~~

~~Suboption 11.7.2~~ ~~Exempt jig vessels from qualifying years.~~

Component 12 ~~A holder of a license with the proper endorsements will be determined to be eligible for a given sector if, during the previously specified sets of years the vessel meets the minimum legal landings criteria selected from the following:~~

- ~~Option 12.1~~ ~~At least one landing~~
- ~~Option 12.2~~ ~~50 MT~~
- ~~Option 12.3~~ ~~100 MT~~
- ~~Option 12.4~~ ~~250 MT~~
- ~~Option 12.5~~ ~~500 MT~~
- ~~Option 12.6~~ ~~1,000 MT~~
- ~~Option 12.7~~ ~~For <60' H&L/Pot CV sector~~
 - ~~a. At least one landing~~
 - ~~b. 5 MT~~
 - ~~c. 10 MT~~
 - ~~d. 20 MT~~

~~_____ e. 50 MT~~

~~Suboption 12.7.1 Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.~~

~~Suboption 12.7.2 Exempt jig vessels from minimum landings requirements.~~

~~**Component 13** Eligibility to participate in the BSAI Pacific cod fishery for the pot and hook and line vessels greater than or equal to 60' will be based on one of the following options:~~

~~Option 13.1 Requirements established in Components 11 and 12.~~

~~Option 13.2 Requirements established in Amendment 67.~~

Components and Options for Amendment 80.b—Establishment of a Non-AFA Trawl CP Cooperative Program

~~Component 1 Identifies which species will be allocated among to the non-AFA trawl catcher processor sector cooperative under this program to include all groundfish species allocated under Amendment 80A.~~

~~Option 1.1 Include all groundfish species allocated under amendment 80A for which trawling is allowed, except pollock (already allocated to AFA fishery cooperatives).~~

~~Suboption 1.1.1 Exclude certain species to prevent allocations that are so small that they preclude persons from harvesting their allocation of species that are typically taken in directed fisheries. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.~~

~~Option 1.2 Include only the following target species—Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, Al Pacific Ocean perch. Species could be added or deleted through an amendment process. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.~~

Component 2 Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. *Options selected from this component would be in addition to those PSC options selected in Component 9 from Amendment 80a.*

Option 2.1 No change in overall amount of the current PSC limits.

Option 2.2 Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year

Suboption 2.2.1 Transfers of PSC after August 1 are not taxed .

Suboption 2.2.2 Only un-bundled transfers of PSC are taxed.

Option 2.3 Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.

Component 3 Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. (It may be that some license holders identified as part of the sector in Amendment 80a, may not be issued Sector Eligibility Endorsements. License holders that do not meet the criteria identified in this component will not be eligible to participate in the cooperative or open access components of the fisheries included in the program.) Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector. **Only vessels that qualify for a Sector Eligibility Endorsement may participate in cooperatives under this program.**

Option 3.1 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002

Option 3.2 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002

Option 3.3 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002

Option 3.4 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002

Component 4 Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. **There may be more than one cooperative formed.** No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:

Option 4.1 At least 30 percent

~~Option 4.2 At least 51 percent~~

Option 4.3 At least 67 percent

~~Option 4.4 At least 75 percent~~

~~Option 4.5 At least 80 percent~~

~~Option 4.6 At least 90 percent~~

Option 4.7 100 percent

Option 4.8 All less one distinct and separate harvesters using the 10 percent threshold rule.

Component 5 Determines the method of allocation of PSC limits and groundfish between the cooperative and open access pools.

Option 5.1 Catch history is based on total catch

Option 5.2 Catch history is based on total retained catch

Component 6 Determines which years of catch history are used for **establishing cooperative allocations in the calculation.** The allocation of groundfish between the cooperative and open access pool is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and open access pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the open access pool.

Option 6.1 1995-2002, but each license holder drops its lowest annual catch during this period

Option 6.2 1995-2003, but each license holder drops its lowest annual catch during this period

Option 6.3 1997-2002, but each license holder drops its lowest annual catch during this period

Option 6.3 1998-2002, but each license holder drops its lowest annual catch during this period

Suboption 6.3.1 Each license holder does not drop its lowest annual catch during this period

Option 6.4 1998-2003, but each license holder drops its lowest annual catch during this period

- Suboption 6.4.1 Each license holder drops two years during this period
- Option 6.5 1999-2002, but each license holder drops its lowest annual catch during this period
- Option 6.6 1999-2003, but each license holder drops its lowest annual catch during this period
- Component 7** Determines if excessive share limits are established in the non-AFA trawl catcher processor sector.
- Option 7.1 There is no limit on the consolidation in the non-AFA trawl catcher processor sector.
- Option 7.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.
- Component 8** Establishes measures to **maintain relative harvest amounts of non-allocated species until such time as other fisheries are rationalized.**
- Option 8.1 Sideboards for ~~cooperative members~~ **the non-AFA trawl CP sector** would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the ~~cooperative non-AFA trawl CP sector~~ and open access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.
- Suboption 8.1.1 Sideboards will be allocated between cooperative and non-cooperative LLP holders.**
- ~~Option 8.2 The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation. This restriction would be discussed in the annual report of the cooperative submitted to the Council and NOAA Fisheries.~~

Other Elements of Amendment 80b

This section provides additional specifics and elements for the non-AFA trawl catcher processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRIU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate and on those vessels who do not join a cooperative as individuals. If the cooperative, **in the aggregate**, cannot meet the standard ~~in the aggregate~~ over a period of two years then the **standard GRS for the current year** would be imposed on individual vessels within the cooperative.
- Non-AFA trawl catcher processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the non-AFA trawl catcher processor sector will need to have trawl and catcher processor endorsements with general

licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.

- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers must reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the non-AFA trawl catcher processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the non-AFA trawl catcher processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the non-AFA trawl catcher processor sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the non-AFA trawl catcher processor cooperative(s) and those sector participants that elect not to join a cooperative.
 - BSAI non-AFA trawl catcher processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
 - BSAI non-AFA trawl catcher processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI non-AFA trawl catcher processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).
 - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.

- Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.
- The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
- Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council and the non-AFA trawl catcher processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
- A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
- An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. **This program will be similar to the data collection program in the BSAI crab rationalization program.** Details of the collection will be developed in the analysis of the alternatives.

**Amendment 80 Discussion Paper
December 2004
North Pacific Fishery Management Council**

In October 2004, the Council made major modifications to the scope of Amendment 80. The intent of the Council's action was to streamline the proposed action to reflect the amendments original purpose, to provide the Non-AFA Trawl Catcher Processor sector with a tool to meet the groundfish retention standards proposed in Amendment 79.

Primary among the Council's modifications to the components and options was the removal of sector allocations of groundfish except yellowfin sole, rock sole, flathead sole, Atka mackerel, Aleutian Islands Pacific Ocean perch, Alaska plaice, and arrowtooth flounder to the Non-AFA Trawl Catcher Processor sector. At that same meeting, the Council reaffirmed that sector allocations of Pacific cod is an important issue. The Council then charged staff with providing a discussion paper, at the December 2004 meeting, that would serve as a starting point for a new plan amendment to retain or alter the current BSAI Pacific cod allocations.

Other modifications to Amendment 80 included removal of the option of an underutilized species threshold fishery, and instead addressed the concept by adding four new allocation options. The Council removed the eligibility criteria for all sectors except the Non-AFA Trawl Catcher Processor sector, because the focus of Amendment 80 has shifted back to its original intent.

The following discussion paper presents several elements of Amendment 80 that need further clarification or modification. These elements include revising the problem statement, revising the strawman alternatives, revising the components and options, and reviewing allocation tables for the Non-AFA Trawl Catcher Processor sector and catch history tables for the trawl sectors. Three attachments are included with the discussion paper to assist in this process:

Attachment A is a clean copy of Amendment 80 motion based on the Council's modifications at the October 2004 meeting.

Attachment B presents a staff annotated Amendment 80 motion that notes where the Council should provide further clarification.

Attachment C provides allocation tables for the Non-AFA Trawl Catcher Processor sector for each of the primary target species. The allocation tables are based on the allocation options in Component 4 and catch history years in Component 5. Also included in the attachment are catch history tables by the primary target species for each of the trawl sectors.

Revision of Problem Statement

At the October 2004 meeting, the Council indicated that they would review and revise the problem statement for Amendment 80 in December. The Council made major modifications to Amendment 80, and as a result, the current problem statement appears beyond the scope of the

proposed action and should be modified. The original problem statement, with those sections that appear beyond the scope of the current Amendment 80 lined out, is provided in the text box.

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, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. ~~The Council also recognizes that the fishing industry is made up of participants who have a vested interest in the continued improvement in the long term conservation of the groundfish resources, but at times could be burdened with additional costs associated with management programs that improve conservation or reduce bycatch.~~ The problem facing the Council is ~~two-fold.~~ First, ~~is to develop programs to slow the race for fish, and reduce bycatch and its associated mortalities, while maintaining a healthy harvesting and processing industry, recognizing long term investments in the fisheries, and promoting safety, efficiency, and further rationalization in all sectors.~~ Second, ~~is to fashion a management program that would mitigate the cost, to some degree, for those participants burdened with additional costs associated with management programs that improve conservation and reduce bycatch, while also continuing to reduce discards of groundfish and crab to practicable and acceptable levels.~~

Revised Alternatives for Amendment 80

Since Amendment 80 was substantially modified by the Council, the strawman alternatives for the proposed action need to be revised. Based on various combinations of the components and options for the revised Amendment 80, three strawman alternatives were developed, for purposes of focusing the analysis. Alternative 1 is no action. Alternative 2 would allow the sector to form multiple cooperatives, while Alternative 3 would establish a single cooperative for the sector. Descriptions of the three alternatives are provided below.

Alternative 1: No Action

Under this alternative, current management of groundfish and PSC limits in the BSAI would remain in effect. A management measure pending Secretary of Commerce approval is the groundfish retention standard (GRS). Since approval by the Council in June 2003, GRS has not been submitted to the Secretary of Commerce for approval, and implementation will likely be delayed until 2006. For the purposes of the analysis, it is assumed that Amendment 79 will phase in a minimum retention standard for Non-AFA Trawl Catcher Processors longer than 125 feet length overall over a three-year period starting in 2006 at 75 percent and culminating in 2008 at 85 percent.

Alternative 2: Multiple Cooperatives

This alternative would allocate yellowfin sole, rock sole, flathead sole, Atka mackerel, and Aleutian Island Pacific Ocean perch¹ to multiple cooperatives. To form a cooperative, 30 percent

¹ Note that the Council's current proposed alternative would also allocate arrowtooth flounder and Alaska plaice to this sector. The list of species included in strawmen Alternatives 2 and 3 will need to be modified if the Council keeps those species in the list to be allocated.

of the eligible Non-AFA Trawl Catcher Processor participants would have to agree to form a cooperative. Those participants who elect not to join a cooperative could either try to form their own cooperative or elect to participate outside a cooperative but within the sector. Allocation of these primary target species will be equal to retained catch of the Non-AFA Trawl Catcher Processor sector relative to the retained catch by all vessels for the years 1998 to 2002. The remaining portion of the primary target species not allocated to the Non-AFA Trawl Catcher Processor sector will be allocated to the BSAI open access fishery for all other sectors. After each Non-AFA Trawl Catcher Processor cooperative has harvested its allocation, cooperative members may fish in the open access if they have unused PSC from the cooperative. Allocation of the groundfish and PSC limits between cooperatives and those sector participants who elect not to join a cooperative is proportional to the retained catch of primary target species of the eligible license holders included in each pool for the years 1998-2002, with no years of catch history excluded.

To be eligible to participate in the Non-AFA Trawl Catcher Processor sector, each qualified participant must have caught 500 mt of groundfish with trawl gear and processed that fish during the years 1998 to 2002. Those vessels failing to qualify for the sector would be restricted to the open access fishery outside the Non-AFA Trawl Catcher Processor sector.

The PSC allowance to the Non-AFA Trawl Catcher Processor sector would be based on the method currently applied during the annual TAC setting process. Only PSC apportioned to the trawl sectors would be assigned this sector and the allocation would be based on the amount of a PSC species assigned to each of the directed fishing species groups. PSC allowance for the Non-AFA Trawl Catcher Processor sector will be determined by the sector's proportion of trawl PSC usage for the years 1998-2002. The PSC allowance will not be reduced from the amount calculated for the sector's allowance.

Consolidation in the Non-AFA Trawl Catcher Processor sector would not be constrained. There would be no limit on the percentage of the Non-AFA Trawl Catcher Processor sector allocation that an eligible participant (individuals or entities) can hold.

Sideboards for the Non-AFA Trawl Catcher Processor sector would be established by regulation based on the same years used to calculate the apportionment of PSC and groundfish between the Non-AFA Trawl Catcher Processor sector and the open access pool. The sideboards would remain in place until such time as these other fisheries are rationalized. Within the Non-AFA Trawl Catcher Processor sector, sideboards will be allocated between cooperative and non-cooperative LLP holders based on the same years used to allocate groundfish species to the sector.

CDQ allocations for each of the groundfish species noted in Component 1 would remain at 7.5 percent. The PSC allocated to the CDQ program as PSQ reserves would be issued at the same percentage as the CDQ groundfish allocation.

Component, options, and suboptions for Alternative 2 of Amendment 80

Component	Option	Description
1	n/a	Allocate only the following primary target species: Yellowfin sole, rock sole, flathead sole, Atka mackerel, and AI POP.
3	3.1	7.5% CDQ allocation of each species noted in Component 1.
4	4.2	For purposes of apportionments, allocation to the Non-AFA Trawl Catcher Processor shall be based on retained catch of the sector over retained catch by all sectors

5	5.1	Allocation of primary target species shall be based on the years 1998-2002.
6	6.4	PSC allocated to the CDQ program in proportion to the CDQ allocation under Component 3 for each PSC limit.
7	7.1.1	Apportion PSC to each species group through annual TAC setting process (the current method).
7	7.2.2.	Apportion PSC in each species group to the Non-AFA Trawl Catcher Processor sector based on usage by the sector for the years used to determine the groundfish sector apportionments.
7	7.3.5	Do not reduce PSC apportionments from calculated level.
8	8.1	No change in overall amount of the current PSC limits from those selected in Component 7.
9	9.1	Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998 and 2002 to be eligible for the Non-AFA Trawl Catcher Processor sector.
10	10.1	At least 30 percent of the eligible licenses must join a cooperative before the cooperative is allowed to operate.
11	11.2	Catch history is based on retained catch
12	12.4	Years of catch history used to calculate allocation of groundfish and PSC allowances between the cooperative and non-cooperative participants are 1998-2002, with no dropped year.
13	13.1	There is no limit on the consolidation of shares in the Non-AFA Trawl Catcher Processor sector.
14	14	Sideboards for the Non-AFA Trawl Catcher Processor sector would be established by regulation.
14	14.1	Sideboards will be allocated between cooperative and non-cooperative LLP holders.

Alternative 3: Single Cooperative

This alternative would allocate yellowfin sole, rock sole, flathead sole, Atka mackerel, and Aleutian Island Pacific Ocean perch to multiple cooperatives². To form a cooperative, 67 percent of the eligible Non-AFA Trawl Catcher Processor participants would have to agree to form a cooperative. Those participants who elect not to join a cooperative would participate outside the cooperative that was formed but within the sector. Allocation of the primary target species will be equal to total catch of the Non-AFA Trawl Catcher Processor sector relative to the total catch by all sectors for the years 1995 to 2002. The remaining portion of the primary target species not allocated to the Non-AFA Trawl Catcher Processor sector will be allocated to the BSAI open access fishery and can be harvested by eligible license holders. After the Non-AFA Trawl Catcher Processor cooperative has harvested its allocation, cooperative members may fish in the open access if they have unused PSC from the cooperative. Allocation of groundfish and PSC limits between the cooperative and the Non AFA Trawl Catcher Processor sector participants who elect not to join a cooperative will be based on historic catch. The division will be based on the proportion of total catch of primary target species made by each eligible license holders included in each pool for the years 1995-2002 relative to the total harvest within the sector. License holders would be allowed to drop their lowest annual catch during this period

² As noted in Alternative 2, this list of species is different than the species to be allocated under the Council's options.

To be eligible to participate in the Non-AFA Trawl Catcher Processor sector, each qualified participant must have caught 500 mt of groundfish with trawl gear and processed that fish during the years 1997 to 2002. Those participants who fail to qualify for the sector would be restricted to the open access fishery outside the Non-AFA Trawl Catcher Processor sector.

PSC allowances made to the target species groupings would be based on the current management method applied during the annual TAC setting process. PSC allowance to the Non-AFA Trawl Catcher Processor sector will be determined by the proportion of target species harvested by the sector during the years 1995-2002. The PSC allowance will be reduced to 95 percent of calculated level before the Non-AFA Trawl Catcher Processor allocation is made.

Consolidation in the Non-AFA Trawl Catcher Processor sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

Sideboards for the Non-AFA Trawl Catcher Processor sector would be established by regulation using the same years used to calculate the apportionment of groundfish and PSC between the Non-AFA Trawl Catcher Processor sector and the open access pool (1995-2002). Sideboards will remain in place until such time as these other fisheries are rationalized. Sideboards will be allocated between cooperative and non-cooperative LLP holders using the same years for dividing the other target species (1995-2002).

CDQ allocations for each of the groundfish species noted in Component 1, would be set at 10 percent. The PSC allocated to the CDQ program, as PSQ reserves, would be at the proportion as the CDQ allocations.

Component, options, and suboptions for Alternative 3 of Amendment 80

Component	Option	Description
1	n/a	Allocate only the following primary target species: Yellowfin sole, rock sole, flathead sole, Atka mackerel, and AI POP.
3	3.2	10% CDQ allocation of each species noted in Component 1.
4	4.1	For purposes of apportionments, allocation to the Non-AFA Trawl Catcher Processor shall be based on total catch of the sector over total catch by all sectors
5	5.2	Allocation of primary target species shall be based on the years 1995-2002.
6	6.4	PSC allocated to the CDQ program in proportion to the CDQ allocation under Component 3 for each PSC limit.
7	7.1.1	Apportion PSC to each species group through annual TAC setting process (the current method).
7	7.2.4	Apportion PSC in each species group to the Non-AFA Trawl Catcher Processor sector in proportion to the target species harvested for the years used to determine the groundfish sector apportionments.
7	7.3.4	Reduce PSC apportionments to 95% of calculated level.
8	8.1	No change in overall amount of the current PSC limits from those selected in Component 7.
9	9.3	Qualified license holders must have caught 500 mt. of groundfish

		with trawl gear and processed that fish between 1997-2002 to be eligible for the Non-AFA Trawl Catcher Processor sector.
10	10.2	At least 67 percent of the eligible licenses must join a cooperative before the cooperative is allowed to operate.
11	11.1	Catch history is based on total catch
12	12.1	Years of catch history used to calculate allocation of groundfish and PSC allowances between the cooperative and non-cooperative participants are 1995-2002, with each license holder dropping its lowest annual catch during this period.
13	13.2	Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history.
14	14	Sideboards for the Non-AFA Trawl Catcher Processor sector would be established by regulation.
14	14.1	Sideboards will be allocated between cooperative and non-cooperative LLP holders.

**Attachment A
Amendment 80 Component and Options
December 2004
North Pacific Fishery Management Council**

I. Amendment 80 Revised Components and Options

Component 1 Identifies which species will be included in the sector allocation

Allocate only the following primary target species to the Non-AFA Trawl Catcher Processor sector: yellowfin sole, rock sole, flathead sole, Atka mackerel, Aleutian Islands Pacific Ocean Perch, arrowtooth flounder, and Alaska plaice. Species could be added or deleted through an amendment process. All of these species will be allocated to the non-AFA trawl catcher processor cooperative.

Component 2 Management of secondary species.

Option 2.1 Use the current management system.

Option 2.2 Use ICAs for all non-target species—ICAs would be managed with soft caps.

Option 2.3 Use ICAs for all non-target species—ICAs would be managed with hard caps.

Component 3 CDQ allocations for each species in the program (except pollock and fixed gear sablefish) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

Option 3.1 7.5%

Option 3.2 10%

Option 3.3 15%

Component 4 Identifies the sector allocation calculation (after deductions for CDQs).

For purpose of allocation to the non-AFA trawl catcher processor sector, each primary species allocation will be based upon the years and percentage of average catch history selected in Component 5 using one of the following:

Option 4.1 Total legal catch of the sector over total legal catch by all sectors

Option 4.2 Retained legal catch of the sector over retained legal catch by all sectors

Option 4.3 Total legal retained catch over ABC

Option 4.4 Total legal catch over ABC

Option 4.5 Total legal retained catch over TAC

Option 4.6 Total legal catch over TAC

The remaining portion of primary species included in this program will be allocated to those non-AFA trawl catcher processor participants who elect not join a cooperative. Open access will include amounts to accommodate AFA sideboards and other fishery practices. Rules for the non-AFA trawl catcher processor fishery include:

1. After each non-AFA trawl catcher processor cooperative has completed its allocated harvests, cooperative members may fish in open access.
2. Vessels other than non-AFA trawl catcher processor with appropriate LLP endorsements may fish in open access.

Component 5 Catch history years used to determine the allocation to the non-AFA trawl catcher processor sector in Component 4.

- Option 5.1 1995-1997
- Option 5.2 1995-2002
- Option 5.3 1998-2002
- Option 5.4 1998-2004
- Option 5.5 1999-2003
- Option 5.6 2000-2004

Component 6 PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

- Option 6.1 7.5% of each PSC limit
- Option 6.2 8.5% of each PSC limit
- Option 6.3 10% of each PSC limit
- Option 6.4 Proportional to the CDQ allocation under Component 3 for each PSC limit

Component 7 Sector allocations of PSC limits (Council must choose one suboption from both Option 7.1 and 7.2 in order to apportion PSC between non-AFA trawl catcher processors and the open access).

- Option 7.1 Apportion PSC to each fishery group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).
 - Suboption 7.1.1 Through annual TAC setting process (the current method) with a new breakout for the non-AFA trawl catcher processor sector.
 - Suboption 7.1.2 In proportion to the historic fishery group's apportionment using the most recent five years.
 - Suboption 7.1.3 In proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.
- Option 7.2 Apportion PSC allotments made to fishery groups in Option 9.1 to non-AFA trawl catcher processor sector and open access.
 - Suboption 7.2.1 In proportion to TAC allocated to the non-AFA trawl catcher processor sector.
 - Suboption 7.2.2 In proportion to the PSC usage by the non-AFA trawl catcher processor sector for the years used to determine the groundfish sector apportionments.
 - Suboption 7.2.3 In proportion to the total groundfish harvested by the non-AFA trawl catcher processor sector for each PSC fishery group for the years used to determine the groundfish sector apportionments.
 - Suboption 7.2.4 In proportion to the target species harvested by the non-AFA trawl catcher processor sector in that PSC fishery group for the years used to determine the groundfish sector apportionments.
- Option 7.3 Select a PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 7.2. PSC reduction options can vary species by species, and sector by sector.
 - Suboption 7.3.1 Reduce apportionments to 60% of calculated level.

Suboption 7.3.2	Reduce apportionments to 75% of calculated level.
Suboption 7.3.3	Reduce apportionments to 90% of calculated level.
Suboption 7.3.4	Reduce apportionments to 95% of calculated level.
Suboption 7.3.5	Do not reduce apportionments from calculated level.

Non-AFA trawl catcher processor cooperative members may carry unused PSC from cooperative into the open access fishery.

Component 8 Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. Options selected from this component would be in addition to those PSC options selected in Component 7.

- Option 8.1 No change in overall amount of the current PSC limits.
- Option 8.2 Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year
 - Suboption 8.2.1 Transfers of PSC after August 1 are not taxed .
 - Suboption 8.2.2 Only un-bundled transfers of PSC are taxed.
- Option 8.3 Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.

Component 9 Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector. Only vessels that qualify for a sector eligibility endorsement may participate in cooperative under this program.

- Option 9.1 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002
- Option 9.2 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002
- Option 9.3 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002
- Option 9.4 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002

Component 10 Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. There may be more than one cooperative formed. No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:

- Option 10.1 At least 30 percent
- Option 10.2 At least 67 percent
- Option 10.3 At least 100 percent
- Option 10.4 All less one distinct and separate harvesters using the 10 percent threshold rule.

Component 11 Determines the method of allocation of PSC limits and groundfish between the cooperative and eligible non-AFA trawl catcher processor participants who elect not to be in a cooperative.

- Option 11.1 Catch history is based on total catch
- Option 11.2 Catch history is based on total retained catch

Component 12 Determines which years of catch history are used for establishing cooperative allocations. The allocation of groundfish between the cooperative and those eligible participants who elect not to join a cooperative is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and non-cooperative pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement, which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the non-cooperative pool.

- Option 12.1 1995-2002, but each license holder drops its lowest annual catch during this period
- Option 12.2 1995-2003, but each license holder drops its lowest annual catch during this period
- Option 12.3 1997-2002, but each license holder drops its lowest annual catch during this period
- Option 12.4 1998-2002, but each license holder drops its lowest annual catch during this period
 - Suboption 12.4.1 Each license holder does not drop its lowest annual catch during this period
- Option 12.5 1998-2003, but each license holder drops its lowest annual catch during this period
 - Suboption 12.5.1 Each license holder drops two years during this period
- Option 12.6 1999-2002, but each license holder drops its lowest annual catch during this period
- Option 12.7 1999-2003, but each license holder drops its lowest annual catch during this period

Component 13 Determines if excessive share limits are established in the non-AFA trawl catcher processor sector.

- Option 13.1 There is no limit on the consolidation in the non-AFA trawl catcher processor sector.
- Option 13.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

Component 14 Establishes measures to maintain relative amounts of non-allocated species until such time as other fisheries are rationalized.

Sideboards for the non-AFA trawl catcher processor sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the non-AFA trawl catcher processor and open access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.

Suboption 14.1.1 Sideboards will be allocated between cooperative and non-cooperative LLP holders.

Other Elements of Amendment 80

This section provides additional specifics and elements for the non-AFA trawl catcher processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRJU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate and on those vessels who do not join a cooperative as individuals. If the cooperative, in the aggregate, cannot meet the standard over a period of two years then the GRS for the current year would be imposed on individual vessels within the cooperative.
- Non-AFA trawl catcher processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the non-AFA trawl catcher processor sector will need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers must reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the non-AFA trawl catcher processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the non-AFA trawl catcher processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the non-AFA trawl catcher processor sector in the BSAI. Groundfish species not included in the

- program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the non-AFA trawl catcher processor cooperative(s) and those sector participants that elect not to join a cooperative.
 - BSAI non-AFA trawl catcher processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
 - BSAI non-AFA trawl catcher processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI non-AFA trawl catcher processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).
 - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.
 - The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
 - Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council and the non-AFA trawl catcher processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
 - A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
 - An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. This program will be similar to the data collection program in the BSAI crab rationalization program. Details of the collection will be developed in the analysis of the alternatives.

Attachment B
Staff Annotated Amendment 80 Motion
December 2004
North Pacific Fishery Management Council

I. Amendment 80 Revised Components and Options

Component 1 Identifies which species will be included in the sector allocation. Allocate only the following primary target species to the Non-AFA Trawl Catcher Processor sector: yellowfin sole, rock sole, flathead sole, Atka mackerel, Aleutian Islands Pacific Ocean Perch, arrowtooth flounder, and Alaska plaice. Species could be added or deleted through an amendment process. All of these species will be allocated to the Non-AFA Trawl Catcher Processor cooperative.

All of the species in this component, except Alaska plaice and arrowtooth flounder, have historically been targeted in the BSAI. The Council's intent for including Alaska plaice and arrowtooth flounder indicates that the biomass for these fisheries could support a directed fishery if, in the future, pollock stocks decline. However, if they are allocated as primary target species, there is a potential the sector might be forced to discard Alaska plaice and arrowtooth flounder prior to reaching the species TAC, thereby making it difficult for the cooperatives to stay within the groundfish retention standard (GRS). Historically, very little of the Alaska plaice and arrowtooth flounder caught in the BSAI are retained. This is likely due, in part, to limitations in worldwide consumer markets. As of October 27, 2004, the weekly production and observer reports indicate that the catcher processors retained approximately 3.6 percent of the Alaska plaice and 22.5 percent of the arrowtooth flounder. Given the limited amount of Alaska plaice and arrowtooth flounder that has been retained historically, some allocation options in Component 2 could potentially undermine the success of a cooperative in meeting the GRS by forcing the sector to discard these species well before reaching the TAC. If the Council selects an option that allocates species based on retained catch relative to the species TAC, then the Non AFA Trawl Catcher Processor sector would get a small allocation relative their historic percentage indirect catch thereby forcing the sector to discard their Alaska plaice and arrowtooth flounder once this allocation is harvested. However, if Alaska plaice and arrowtooth flounder were treated as secondary species, then vessels would be allowed to retain these species up to the TAC. Because of the intent noted in the problem statement concerning reducing discards, the Council may want to reconsider including Alaska plaice and arrowtooth flounder as an allocated species to the Non-AFA Trawl Catcher Processor sector. If later, the Council elects to include Alaska plaice or arrowtooth flounder in the allocation to the Non-AFA Trawl Catcher Processor sector, they could through the amendment process.

Component 2 Management of secondary species.

- Option 2.1 Use the current management system.
- Option 2.2 Use ICAs for all non-target species—ICAs would be managed with soft caps.
- Option 2.3 Use ICAs for all non-target species—ICAs would be managed with hard caps.

Currently there are three options under consideration that range from the current management system to a system based on an incidental catch allowance with hard caps. Prior to the October 2004 Council meeting, the intent of Amendment 80a was to allocate all targeted groundfish (excluding pollock and fixed gear sablefish) to all sectors operating in the BSAI.

However, in October the Council limited groundfish allocations to the Non-AFA Trawl Catcher Processor sector. The Council also recognized that sideboards of some secondary groundfish species would be needed to limit the sector to its historical harvest. Given that these sideboards provide an upper bound on catch of species not allocated to the Non-AFA Trawl Catcher Processor sector, management options other than those currently used are no longer applicable.

Component 3 CDQ allocations for each species in the program (except pollock and fixed gear sablefish) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

- Option 3.1 7.5%
- Option 3.2 10%
- Option 3.3 15%

Based on the intent of the Council to streamline Amendment 80, it is assumed that the species being considered in this component are those species being allocated to the Non-AFA Trawl Catcher Processor sector in Component 1. Including other target species beyond what is allocated in the revised action, could create extensive time delays because of additional analysis and potentially controversial allocation issues. In addition, since the Council refocused Amendment 80 to just an allocation of the primary flatfish fisheries to the Non-AFA Trawl Catcher Processor sector, proposing to adjust CDQ allocations for other primary targeted species could be interpreted as beyond the scope of the revised proposed action.

Component 4 Identifies the sector allocation calculation (after deductions for CDQs). For purpose of allocation to the Non-AFA Trawl Catcher Processor sector, each primary species allocation will be based upon the years and percentage of average catch history selected in Component 5 using one of the following:

- Option 4.1 Total legal catch of the sector over total legal catch by all sectors
- Option 4.2 Retained legal catch of the sector over retained legal catch by all sectors
- Option 4.3 Total legal retained catch over ABC
- Option 4.4 Total legal catch over ABC
- Option 4.5 Total legal retained catch over TAC
- Option 4.6 Total legal catch over TAC

The remaining portion of primary species included in this program will be allocated to those Non-AFA Trawl Catcher Processor participants who elect not join a cooperative. Open access will include amounts to accommodate AFA sideboards and other fishery practices. Rules for the Non-AFA Trawl Catcher Processor fishery include:

1. After each Non-AFA Trawl Catcher Processor cooperative has completed its allocated harvests, cooperative members may fish in open access.
2. Vessels other than Non-AFA Trawl Catcher Processor with appropriate LLP endorsements may fish in open access.

1. Currently there are six different options for allocating the primary target species. The first two options (4.1 and 4.2) are from the original Amendment 80 before October 2004. The remaining four options were added in October 2004. Options 4.3 and 4.4 are based on the amount of catch as a percentage of the ABC, and Options 4.5 and 4.6 are based on the percentage of catch using the TAC as the denominator. Although Options 4.3 and 4.4 could be

used to allocate groundfish, they could result in so small of an allocation that it could undermine the benefits of the cooperative program (see Attachment C for allocation tables). When combined with an incentive fishery like the one in this component, an allocation considerably less than their historical average might create a "race for fish." The cooperative would likely race through their initial allocation in order to participate in the incentive fishery. Further, once in the incentive fishery, participants would race one another. If this result is realized the program will not provide an atmosphere that will help the sector meet the GRS.

2. An option exists to allow cooperative member vessels to fish "open access" after the cooperative has completed its allocated harvest. NOAA Enforcement questions what "once the cooperative has caught their allocation..." looks like. Is this "all" of a cooperative's fish, their "first" allocation of an allocated species, or some thing else? There could be enforcement/monitoring concerns here, but it is still too early in the process to provide a complete list, as we do not know the overall program structure?

3. It is unclear how participants who qualify in the Non-AFA Trawl Catcher Processor sector but elect not to join a cooperative would gain access to the incentive fishery. Based on the components and options in the revised Amendment 80, the Council may choose to have less than 100 percent participation from eligible participants to form a cooperative. If the Council selects one of these options, then there is the potential for eligible participants to elect not to join a cooperative. The Council could clarify the language in this component by requiring the non-cooperative apportionment to be fully harvested in addition to having PSC available that was issued to the Non-AFA Trawl Catcher Processor sector.

4. Is it the intent of the Council to leave a portion of the BSAI groundfish un-rationalized at this time? The October 2004 motion apportions the remaining TAC for the primary species not allocated to the Non-AFA Trawl Catcher Processor to the open access fishery. Participants with the appropriate LLP will be allowed to participate in the open access fishery, leaving current participants racing one another in addition to any new entrants and Non-AFA Trawl Catcher Processors that do not qualify for the sector. Since the unallocated groundfish would not be included under a rationalization program (other than LLP), it could potentially create increased interest from other LLP holders looking to establish catch history, thus potentially exacerbating the race for fish.

5. It is unclear how the PSC allowance for the cooperative will be managed between the allocated fisheries and the open access fishery. Recognizing that a cooperative could potentially exhaust all of its PSC allowance in the open access fishery before finishing their allocation, it should be clear in the motion that the cooperative is responsible for managing their PSC allowance. If a cooperative utilizes all of their PSC allowance in the incentive fishery, they will not have enough for harvesting their remaining allocated species and could be restricted from these fisheries for the remainder of the season.

6. It is unclear from the revised proposed action how incidental catch of the primary target species will be managed. Prior to October 2004, incidental catch allowance for the primary target species was to be managed by the individual cooperatives. However, the revisions in October 2004 only allocate the primary target species to one sector, with the remaining TAC allocated to the open access fishery, leaving in question how incidental catch allowance for the cooperative and open access will be managed. To assist the Council in developing options for managing the incidental catch allowance for primary target species, staff has provided below three options the Council might consider for the proposed action.

Option 1

Require the cooperative to manage their own allocation, taking into account their incidental catch. Once the cooperative has harvested their allocation of a primary target species, members can no longer target that species, and they must discard that species while targeting other allocated species. One of the primary benefits of this option is it allows the cooperative to efficiently harvest their allocation. An incidental catch allowance determined outside the cooperative would likely be less efficient and could potentially leave incidental catch unharvested at the end of the year. In addition, by allowing the cooperative to manage its own incidental catch, some of the costs of monitoring incidental catch are transferred to the cooperative.

For participants in the open access fishery, incidental catch allowance would be managed as is currently regulated. NOAA Fisheries estimates an incidental catch allowance based on the projected incidental catch rates for each primary target species. The incidental catch allowance combined with directed fishing allowance equals the ITAC. If the directed fishing allowance is exceeded, the fishery is restricted to bycatch status. On bycatch status, vessels are allowed to retain their bycatch of that species up to the incidental catch allowance. Once the incidental catch allowance is exceeded, the species is restricted to "prohibited species" status and can no longer be retained.

Option 2

This option would be similar to the first, but would allow the cooperative, when they have harvested their allocation of a primary target species, to deduct incidental catch from the open access fishery, if any quota remains. With the exception of accessing quota from the open access fishery for incidental catch, the open access fishery would be managed as currently regulated.

Cooperative participants benefit from this option by allowing them access to open access quota for additional incidental catch. This will allow the participants to continue harvesting other primary target species. However, the option appears to have some drawbacks. One such drawback is that it removes some of the incentive for the cooperative to efficiently manage its allocation. By allowing the cooperative to use the open access fishery for incidental catch, the cooperative may not factor in their incidental catch allowances in managing their allocation. By not factoring in their incidental catch, the cooperative will focus more on harvesting their primary target species and less on reducing their bycatch. Another potential drawback, is the potential for increased racing. As effort in the open access flatfish fisheries increases, allowing the cooperative access to the quota will further increase the "race for fish" in the open access fishery.

Option 3

This option would establish an incidental catch allowance prior to the Non-AFA Trawl Catcher Processor sector allocation, thereby creating only an incidental catch allowance that is shared between the cooperative and open access fishery participants. The incidental catch allowance would be managed as currently regulated.

For the cooperative, the most significant drawback is the deduction from their allocation of an incidental catch allowance, which would be shared by all groundfish participants. Since both the cooperative and open access participants are sharing the incidental catch allowance, there is the potential for both cooperative and open access fishery participants to harvest the incidental catch allowance as fast as possible before the species is restricted to "prohibited species" status. This could potentially degrade the success of the cooperative program by increasing bycatch and discards.

Component 5 Catch history years used to determine the allocation to the Non-AFA Trawl Catcher Processor sector in Component 4.

Option 5.1	1995-1997
Option 5.2	1995-2002
Option 5.3	1998-2002
Option 5.4	1998-2004
Option 5.5	1999-2003
Option 5.6	2000-2004

Component 6 PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

Option 6.1	7.5% of each PSC limit
Option 6.2	8.5% of each PSC limit
Option 6.3	10% of each PSC limit
Option 6.4	Proportional to the CDQ allocation under Component 3 for each PSC limit

Component 7 Sector allocations of PSC limits (Council must choose one suboption from both Option 7.1 and 7.2 in order to apportion PSC between Non-AFA Trawl Catcher Processors and all other trawl sectors combined).

Option 7.1	Apportion PSC to each species group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).
Suboption 7.1.1	Through annual TAC setting process (the current method) with a new breakout for the Non-AFA Trawl Catcher Processor sector.
Suboption 7.1.2	In proportion to the historic species group's apportionment using the most recent five years.
Suboption 7.1.3	In proportion to the actual amounts of PSC mortality attributed to the species group over a defined set of years.
Option 7.2	Apportion PSC allowances made to species groups in Option 7.1 to Non-AFA Trawl Catcher Processor sector and all other trawl sectors combined.
Suboption 7.2.1	In proportion to TAC allocated.
Suboption 7.2.2	In proportion to the PSC usage for the years used to determine the groundfish sector allocation.
Suboption 7.2.3	In proportion to the total groundfish harvested for each PSC species group for the years used to determine the groundfish sector allocation.
Suboption 7.2.4	In proportion to the target species harvested in that PSC fishery group for the years used to determine the groundfish sector allocation.
Option 7.3	Select a PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 7.2. PSC reduction options can vary species by species, and sector by sector.
Suboption 7.3.1	Reduce apportionments to 60% of calculated level.
Suboption 7.3.2	Reduce apportionments to 75% of calculated level.

Suboption 7.3.3	Reduce apportionments to 90% of calculated level.
Suboption 7.3.4	Reduce apportionments to 95% of calculated level.
Suboption 7.3.5	Do not reduce apportionments from calculated level.

Non-AFA Trawl Catcher Processor cooperative members may carry unused PSC from cooperative into the open access fishery.

1. In the revised motion from October, the Council added text to Suboption 7.1.1 that indicates that a new breakout for the Non-AFA Trawl Catcher Processor sector is needed. However, this added text is placed in the wrong option and instead, should be moved to Option 7.2, where a new breakout for this sector can be accommodated.

2. The Council also added additional language that would allow the Non-AFA Trawl Catcher Processor cooperative members to carry unused PSC from the cooperative into the open access fishery that is noted in Component 4. To eliminate any potential confusion, it is recommended this language be moved to Component 4.

3. In October, the Council removed Pacific cod allocations from Amendment 80. Since the Council removed Pacific cod allocations from the proposed action, it is assumed that PSC allowances for the Pacific cod fishery have also been removed.

Component 8 Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. Options selected from this component would be in addition to those PSC options selected in Component 7.

Option 8.1	No change in overall amount of the current PSC limits.
Option 8.2	Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year
Suboption 8.2.1	Transfers of PSC after August 1 are not taxed .
Suboption 8.2.2	Only un-bundled transfers of PSC are taxed.

Option 8.3 Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.

Component 9 Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector. Only vessels that qualify for a sector eligibility endorsement may participate in cooperative under this program.

Option 9.1	Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002
Option 9.2	Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002
Option 9.3	Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002
Option 9.4	Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002

The Council should clarify whether Non-AFA Trawl Catcher Processor licenses that do not qualify for the sector are barred from the BSAI open access groundfish fishery. Based on the language in the revised Amendment 80, it appears that licenses that may not be used to qualify a vessel to participate as a Non-AFA Trawl Catcher Processor, because they do not meet sector eligibility, would be allowed to participate in the open access fishery. However, prior to the October 2004 modifications, it was the intent of the Council that owners of license that may no longer be used on Non-AFA Trawl Catcher Processors, that failed to qualify for sector eligibility in Amendment 80b, would be permanently removed from the BSAI fishery. Discussion with members of the industry indicate that there are some latent licenses with history in the Non-AFA Trawl Catcher Processor sector that would not qualify for the sector. These licenses could be used in the open access fishery under the current regulations, but they would have to meet the GRS if the vessel is 125 ft or greater LOA.

Finally, it is assumed that the term groundfish, as used to determine eligibility in the sector, are those primary target species noted in Component 1.

Component 10 Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. There may be more than one cooperative formed. No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:

- Option 10.1 At least 30 percent
- Option 10.2 At least 67 percent
- Option 10.3 At least 100 percent
- Option 10.4 All less one distinct and separate harvesters using the 10 percent threshold rule.

Component 11 Determines the method of allocation of PSC limits and groundfish between the cooperative and eligible Non-AFA Trawl Catcher Processor participants who elect not to be in a cooperative.

- Option 11.1 Catch history is based on total catch
- Option 11.2 Catch history is based on total retained catch

Component 12 Determines which years of catch history are used for establishing cooperative allocations. The allocation of groundfish between the cooperative and those eligible participants who elect not to join a cooperative is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and non-cooperative pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement, which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the non-cooperative pool.

- Option 12.1 1995-2002, but each license holder drops its lowest annual catch during this period
- Option 12.2 1995-2003, but each license holder drops its lowest annual catch during this period

- Option 12.3 1997-2002, but each license holder drops its lowest annual catch during this period
- Option 12.4 1998-2002, but each license holder drops its lowest annual catch during this period
- Suboption 12.4.1 Each license holder does not drop its lowest annual catch during this period
- Option 12.5 1998-2003, but each license holder drops its lowest annual catch during this period
- Suboption 12.5.1 Each license holder drops two years during this period
- Option 12.6 1999-2002, but each license holder drops its lowest annual catch during this period
- Option 12.7 1999-2003, but each license holder drops its lowest annual catch during this period

Component 13 Determines if excessive share limits are established in the Non-AFA Trawl Catcher Processor sector.

- Option 13.1 There is no limit on the consolidation in the Non-AFA Trawl Catcher Processor sector.
- Option 13.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

Component 14 Establishes measures to maintain relative amounts of non-allocated species until such time as other fisheries are rationalized.

Sideboards for the Non-AFA Trawl Catcher Processor sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the Non-AFA Trawl Catcher Processor and open access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.

- Suboption 14.1.1 Sideboards will be allocated between cooperative and non-cooperative LLP holders.

Other Elements of Amendment 80

This section provides additional specifics and elements for the Non-AFA Trawl Catcher Processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRIU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate and on those vessels who do not join a cooperative as individuals. If the cooperative, in the aggregate, cannot meet the standard over a period of two years then the GRS for the current year would be imposed on individual vessels within the cooperative.

1. *This provision seems problematic for both legal and practical reasons. First, the provision seems to anticipate a determination that a cooperative has not met the GRS standard. Such a determination, whether through an enforcement action or administratively, would give rise to due process rights for both the cooperative and the individuals within the cooperative before there could be a final agency decision/action. Such due process rarely can occur within a set schedule, and appeals may delay the Agency's ability to impose its decision on an individual or cooperative until years after the actual behavior occurred. This is particularly the case in the context of an enforcement action where there would be the need for two investigations, two prosecutions, and two appeals (in order to establish the failure over a two year period) before any sanction could be imposed. Second, it is not appropriate for this Amendment to attempt to dictate a precise sanction (in this case, a permit sanction that the individuals vessels would not be able to participate in the cooperative at least with regard to the GRS). Sanctions and penalties for civil administrative violations are established by NOAA/GC, not by NMFS and the Council through regulation. Moreover, it is important that application of any penalty schedule developed by NOAA/GC - including whether or not a permit sanction is appropriate - be left to the discretion of the prosecutor based on the facts in a particular case. Nonetheless, to the extent the Council or NMFS wishes to indicate that violation of a particular provision is serious and warrants severe penalties, such assistance is not only helpful, but welcome.*

In addition to any suggestion about the nature of a penalty resulting from a coop's violation of an annual GRS standard, the Council may want to reconsider its approach for a multi year compliance with the GRS standard as a toggle for whether or not the GRS would be applied at a cooperative or individual vessel basis. NMFS does not believe that such a toggle would work given the legal and practical concerns raised above. Further, any change in cooperative membership over the 3 year time period of accountability and penalty would further confound this concept. Maintaining GRS compliance monitoring on an annual basis at the cooperative level and relying on enforcement actions to address any violations would remove these concerns. Although the potential for reverting back to individual vessel accountability was intended by the Council as an incentive for cooperative members to meet the GRS, NMFS believes that an effective enforcement program applied to cooperative members severally and individually would be effective as well.

2. *Under Amend 79, the under-125' Non-AFA Trawl Catcher Processor vessels will not be subject to the GRS program standards, and will not be required to have the scales, full weighing, observer sampling station and coverage levels of the over 125' vessels. Under status quo, these under 125' vessels will continue be subject to 30% coverage requirements. Under the current options for Amend 80, the under-125' vessels have the opportunity to bring their histories into a cooperative, and the aggregate fishing activities of the cooperative members are what will be used for determining compliance with the applicable GRS standard.*

From the "monitorability" standpoint, given that the under 125' vessels will not be required to have scales, full catch weighing and full observer coverage, I do not see a viable way to have any meaningful enforcement integrity in an aggregate cooperative-wide GRS rate if under-125 vessels are allowed to bring their GRS compliance history into the cooperative and have their fishing activities used in the calculation of a coop-based GRS rate, while still operating under the exemptions of Amendment 79. Given the inability to independently quantify 70% of the fishing days' catch/production, the calculation of a cooperative GRS rate would be at the mercy of the under-125 vessels' "voluntary" data.

In recent informal discussions with several representatives of the non-AFA trawl CP industry, some indicated their general understanding of the interplay of the two programs was that under Amendment 80, the under-125' vessels would be able to bring their history/catches into a cooperative, and have their catch be used in the computations of cooperative based GRS rates, but believed these vessels would also remain under status quo 30% coverage levels, per Amendment 79. Generally, they justified this belief based upon the potentially small proportion of the cooperatives' total allocation that would be based upon the contribution(s) of any under-125' vessel, and the Council's stated recognition of prohibitive costs and/or physical difficulty/inability to place scales/sampling stations aboard these vessels. One industry representative suggested the GRS rate generated during the observed portion of the vessel's cooperative fishing activities might be applied as a proxy to the balance of their fishing activities.

From the standpoint of integrity of compliance monitoring, even if the under-125' vessels were required to weigh on a scale the 30% "observed" catch, this would not solve the problem, as there would be no effective means to insure accurate accountability of product produced from the same lot of fish which went over the scale. Depending upon the degree of potential penalty the cooperative would be subject to for a GRS violation, there might exist an increasingly significant economic interest of a cooperative to structure the cooperative's fishing to harvest more fish on the smaller, unobserved vessels, where the ability to unlawfully bias the data is certainly higher than a 200% observed vessel. As industry has pointed out and as data generally indicates, the smaller vessels generally have higher discard rates. Fishing activities could also be structured to discard at a higher rate on "unobserved" tows. (Despite the RST and other protocols, vessels have easily socially engineered abilities to know in advance which tows will be sampled.) Allowing the addition of other than 100% weighed/observed catch to be introduced into GRS rate calculations could additionally exacerbate institutionalized observer data bias.

The requirement that all catch used to comply with an aggregate GRS must be weighed on a scale and be observed, may be implicit in the minds of some or most. However, given the specific exemptions for full catch weighing and the GRS for the under-125' vessels in Amendment 79, combined with the recent direction of the Amendment 80 cooperative provisions, there is some degree of disconnect existing in the minds of the effected industry participants, and perhaps some in the agency. Enforcement and SF have been clear throughout the 79/80 record regarding the need for 100% weighing of catch in any kind of a GRS enforcement structure. Given the recent change in the Amendment 80 and the apparent lack of common understanding, Enforcement nonetheless feels it is necessary to be very explicit of this expectation, for any effective enforcement integrity to exist in any cooperative-based GRS compliance monitoring.

- Non-AFA Trawl Catcher Processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the Non-AFA Trawl Catcher Processor sector will need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All

transfers must reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.

- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the Non-AFA Trawl Catcher Processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the Non-AFA Trawl Catcher Processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the Non-AFA Trawl Catcher Processor sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the Non-AFA Trawl Catcher Processor cooperative(s) and those sector participants that elect not to join a cooperative.
 - BSAI Non-AFA Trawl Catcher Processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
 - BSAI Non-AFA Trawl Catcher Processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI Non-AFA Trawl Catcher Processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).
 - BSAI Non-AFA Trawl Catcher Processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI Non-AFA Trawl Catcher Processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
- Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.
- The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
- Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not

be the purview of the cooperative. The Council and the Non-AFA Trawl Catcher Processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.

- A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
- An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. This program will be similar to the data collection program in the BSAI crab rationalization program. Details of the collection will be developed in the analysis of the alternatives.

**Attachment C – Allocation and Historic Catch Tables
December 2004
North Pacific Fishery Management Council**

Table A1.1 Allocation of the primary target species to the Non-AFA Trawl Catcher Processor Sector

Species	Years	Year Option	Total Legal Harvest	Total Legal Retained Harvest	Option 4.1 (Total/Total)	Option 4.2 (Retain/Retain)	Option 4.3 (Retain/ABC)	Option 4.4 (Total/ABC)	Option 4.5 (Retain/TAC)	Option 4.6 (Total/TAC)
Atka Mackerel	1995-1997	5.1	203,087	172,171	*	86.2%	56.0%	66.0%	68.1%	80.3%
	1995-2002	5.2	422,580	369,370	*	91.2%	48.8%	55.8%	63.7%	72.9%
	1998-2002	5.3	219,493	197,199	*	96.1%	43.9%	48.8%	60.4%	67.2%
	1998-2003	5.4	268,435	234,956	*	96.7%	45.8%	52.4%	60.8%	69.4%
	1999-2003	5.5	224,823	195,045	*	99.6%	43.5%	50.2%	60.5%	69.7%
	2000-2003	5.6	176,353	150,833	*	99.8%	50.2%	58.7%	60.6%	70.8%
Alaska Plaice	1995-1997	5.1	30,188	8,036	^b	70.3%	^b	^b	^b	^b
	1995-2002	5.2	74,652	9,992	^b	73.0%	^b	^b	^b	^b
	1998-2002	5.3	44,464	1,956	^b	86.7%	^b	^b	^b	^b
	1998-2003	5.4	52,872	1,964	^b	86.7%	^b	^b	^b	^b
	1999-2003	5.5	43,250	694	^b	70.0%	^b	^b	^b	^b
	2000-2003	5.6	34,375	637	^b	80.1%	^b	^b	^b	^b
Arrowtooth	1995-1997	5.1	17,465	1,514	*	59.7%	0.4%	5.0%	3.8%	43.7%
	1995-2002	5.2	64,299	16,392	*	90.5%	1.5%	5.8%	4.5%	17.6%
	1998-2002	5.3	46,834	14,878	*	95.5%	2.0%	6.2%	4.6%	14.4%
	1998-2003	5.4	55,806	17,964	*	93.6%	2.1%	6.4%	5.3%	16.6%
	1999-2003	5.5	45,905	16,015	*	93.7%	2.2%	6.4%	5.0%	14.3%
	2000-2003	5.6	37,668	14,047	*	93.3%	2.8%	7.5%	7.8%	20.8%

* The percentages for Option 4.1 are not provided because total harvest figures over all sectors are not available. Total harvest figures for the C/P fleet are available in NMFS Weekly Production Reports, but total harvest figures for catcher vessels can only be estimated, as historical fish ticket reporting procedures for catcher vessels does not routinely include at-sea discard information. This project did not attempt to estimate the catcher/vessel at-sea discards.

^b Alaska plaice prior to 2002 was included in other flatfish for purposes of setting an ABC and TAC.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A1.2 Allocation of the primary target species to the Non-AFA Trawl Catcher Processor Sector

Species	Years	Year Option	Total Legal Harvest	Total Legal Retained Harvest	Option 4.1 (Total/Total)	Option 4.2 (Retain/Retain)	Option 4.3 (Retain/ABC)	Option 4.4 (Total/ABC)	Option 4.5 (Retain/TAC)	Option 4.6 (Total/TAC)
Flathead Sole	1995-1997	5.1	35,525	24,905	*	94.4%	7.0%	10.0%	24.1%	34.3%
	1995-2002	5.2	111,969	86,131	*	96.9%	10.0%	13.0%	20.5%	26.7%
	1998-2002	5.3	76,444	61,226	*	97.9%	12.1%	15.1%	19.4%	24.2%
	1998-2003	5.4	87,781	70,351	*	98.1%	12.3%	15.3%	21.0%	26.1%
	1999-2003	5.5	68,159	54,846	*	98.2%	12.4%	15.5%	23.3%	28.9%
	2000-2003	5.6	53,751	43,214	*	98.1%	13.4%	16.7%	27.3%	33.9%
Pacific Ocean Perch	1995-1997	5.1	31,910	27,327	*	98.6%	77.2%	90.1%	77.2%	90.1%
	1995-2002	5.2	76,052	66,173	*	99.4%	64.0%	73.6%	69.2%	79.5%
	1998-2002	5.3	44,141	38,846	*	100.0%	57.1%	64.9%	64.4%	73.2%
	1998-2003	5.4	55,984	48,669	*	99.2%	60.3%	69.4%	66.7%	76.7%
	1999-2003	5.5	47,458	40,967	*	99.1%	59.7%	69.2%	67.3%	78.0%
	2000-2003	5.6	36,678	31,387	*	98.8%	63.4%	74.1%	66.3%	77.4%
Rock Sole	1995-1997	5.1	99,891	44,422	*	90.3%	4.4%	9.9%	19.6%	44.0%
	1995-2002	5.2	235,553	103,797	*	93.4%	4.2%	9.5%	10.4%	23.7%
	1998-2002	5.3	135,662	59,375	*	95.9%	4.0%	9.2%	7.7%	17.7%
	1998-2003	5.4	162,450	72,757	*	96.6%	4.6%	10.2%	9.0%	20.0%
	1999-2003	5.5	139,941	63,421	*	96.8%	5.0%	10.9%	8.9%	19.7%
	2000-2003	5.6	113,853	53,520	*	96.9%	6.4%	13.6%	13.3%	28.3%

* The percentages for Option 4.1 are not provided because total harvest figures over all sectors are not available. Total harvest figures for the C/P fleet are available in NMFS Weekly Production Reports, but total harvest figures for catcher vessels can only be estimated, as historical fish ticket reporting procedures for catcher vessels does not routinely include at-sea discard information. This project did not attempt to estimate the catcher/vessel at-sea discards.
 Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A1.3 Allocation of the primary target species to the Non-AFA Trawl Catcher Processor Sector

Species	Years	Year Option	Total Legal Harvest	Total Legal Retained Harvest	Option 4.1 (Total/Total)	Option 4.2 (Retain/Retain)	Option 4.3 (Retain/ABC)	Option 4.4 (Total/ABC)	Option 4.5 (Retain/TAC)	Option 4.6 (Total/TAC)
Yellowfin	1995-1997	5.1	248,641	185,213	*	65.0%	23.5%	31.6%	29.9%	40.1%
	1995-2002	5.2	543,849	412,718	*	76.1%	22.5%	29.7%	28.6%	37.7%
	1998-2002	5.3	295,208	227,505	*	88.5%	21.8%	28.2%	27.7%	35.9%
	1998-2003	5.4	359,183	281,811	*	89.6%	24.3%	31.0%	31.1%	39.7%
	1999-2003	5.5	287,267	228,106	*	91.3%	24.3%	30.6%	33.3%	41.9%
	2000-2003	5.6	238,487	192,395	*	92.8%	30.5%	37.8%	40.6%	50.3%

* The percentages for Option 4.1 are not provided because total harvest figures over all sectors are not available. Total harvest figures for the C/P fleet are available in NMFS Weekly Production Reports, but total harvest figures for catcher vessels can only be estimated, as historical fish ticket reporting procedures for catcher vessels does not routinely include at-sea discard information. This project did not attempt to estimate the catcher/vessel at-sea discards.
 Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.1 Yellowfin sole catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	30	46,558.4	59.6%
	AFA Trawl CPs	19	14,558.1	18.6%
	Non Trawl CPs	18	135.7	0.2%
	AFA 9 + 3	10	5,572.9	7.1%
	AFA CVs	42	10,159.3	13.0%
	Non-Trawl CVs	2	a	a
	Motherships w/o FT ^b	25	1,132.2	1.4%
	Total		78,116.6	99.9%
1996	Non-AFA Trawl CPS	28	48,519.9	61.0%
	AFA Trawl CPs	19	21,686.6	27.3%
	Non Trawl CPs	22	3.8	0.0%
	AFA 9 + 3	11	2,276.6	2.9%
	Non AFA Trawl CVs	3	a	a
	AFA CVs	28	5,906.3	7.4%
	Non-Trawl CVs	6	1,169.7	1.5%
	Total		79,562.8	100.1%
1997	Non-AFA Trawl CPS	27	90,135.0	70.8%
	AFA Trawl CPs	14	17,163.0	13.5%
	Non Trawl CPs	23	15.7	0.0%
	AFA 9 + 3	7	5,849.1	4.6%
	Non AFA Trawl CVs	3	a	a
	AFA CVs	27	14,196.4	11.1%
	Non-Trawl CVs	3	a	a
	Total		127,359.3	100.0%
1998	Non-AFA Trawl CPS	23	53,704.7	83.3%
	AFA Trawl CPs	19	10,378.7	16.1%
	Non Trawl CPs	27	14.3	0.0%
	AFA CVs	27	282.3	0.4%
	Non-Trawl CVs	3	a	a
	Motherships w/o FT ^b	19	73.4	0.1%
		Total		64,453.4
1999	Non-AFA Trawl CPS	23	35,711.3	83.9%
	AFA Trawl CPs	16	5,627.5	13.2%
	Non Trawl CPs	21	4.2	0.0%
	AFA CVs	18	1,209.0	2.8%
	Non-Trawl CVs	4	0.3	0.0%
		Total		42,552.3
2000	Non-AFA Trawl CPS	21	42,993.1	82.0%
	AFA Trawl CPs	14	2,333.7	4.5%
	Non Trawl CPs	25	5,583.5	10.6%
	AFA CVs	67	1,524.4	2.9%
		Total		52,434.7
2001	Non-AFA Trawl CPS	22	43,579.7	97.2%
	AFA Trawl CPs	14	1,216.5	2.7%
	Non Trawl CPs	23	18.0	0.0%
	AFA CVs	41	0.0	0.0%
		Total		44,814.2
2002	Non-AFA Trawl CPS	22	51,515.8	97.4%
	AFA Trawl CPs	15	1,340.5	2.5%
	Non Trawl CPs	30	10.0	0.0%
	AFA CVs	33	0.2	0.0%
		Total		52,866.6
2003	Non-AFA Trawl CPS	22	54,306.3	94.8%
	AFA Trawl CPs	13	2,988.3	5.2%
	Non Trawl CPs	30	8.2	0.0%
	AFA CVs	59	0.3	0.0%
	Non-Trawl CVs	10	0.0	0.0%
		Total		57,303.0

^a Data was withheld to protect confidentiality

^b Mothership w/o FT means mothership data without fish ticket data.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.2 Rock sole catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	32	12,563.6	87.4%
	AFA Trawl CPs	20	717.3	5.0%
	Non Trawl CPs	24	2.1	0.0%
	AFA 9 + 3	10	318.4	2.2%
	Non AFA Trawl CVs	3	.	.
	AFA CVs	47	487.2	3.4%
	Non-Trawl CVs	7	0.2	0.0%
	Motherships w/o FT ^b	28	286.6	2.0%
Total			14,375.5	100.0%
1996	Non-AFA Trawl CPS	29	12,437.7	95.4%
	AFA Trawl CPs	19	405.9	3.1%
	Non Trawl CPs	21	0.5	0.0%
	AFA 9 + 3	11	108.6	0.8%
	AFA CVs	30	81.7	0.6%
	Non-Trawl CVs	1	.	.
	Motherships w/o FT ^b	29	0.7	0.0%
	Total			13,035.1
1997	Non-AFA Trawl CPS	28	19,420.7	89.3%
	AFA Trawl CPs	19	481.9	2.2%
	Non Trawl CPs	15	0.4	0.0%
	AFA 9 + 3	8	762.7	3.5%
	Non AFA Trawl CVs	4	0.0	0.0%
	AFA CVs	49	1,092.0	5.0%
	Non-Trawl CVs	5	0.0	0.0%
	Total			21,757.7
1998	Non-AFA Trawl CPS	23	9,336.1	95.1%
	AFA Trawl CPs	18	475.6	4.8%
	Non Trawl CPs	20	0.1	0.0%
	AFA CVs	46	8.1	0.1%
	Total			9,819.9
1999	Non-AFA Trawl CPS	23	9,901.3	96.1%
	AFA Trawl CPs	15	38.6	0.4%
	Non Trawl CPs	18	328.7	3.2%
	AFA CVs	35	31.6	0.3%
	Total			10,300.3
2000	Non-AFA Trawl CPS	22	10,508.9	87.7%
	AFA Trawl CPs	14	118.0	1.0%
	Non Trawl CPs	17	1,233.9	10.3%
	Non AFA Trawl CVs	4	11.2	0.1%
	AFA CVs	80	89.7	0.7%
	Motherships w/o FT ^b	6	26.3	0.2%
	Total			11,988.1
2001	Non-AFA Trawl CPS	22	13,127.5	98.9%
	AFA Trawl CPs	16	115.4	0.9%
	Non Trawl CPs	19	0.1	0.0%
	AFA CVs	70	1.9	0.0%
	Motherships w/o FT ^b	6	28.8	0.2%
	Total			13,273.7
2002	Non-AFA Trawl CPS	22	16,501.1	99.8%
	AFA Trawl CPs	16	25.5	0.2%
	Non AFA Trawl CVs	4	4.1	0.0%
	AFA CVs	60	6.7	0.0%
	Total			16,537.4
2003	Non-AFA Trawl CPS	22	13,382.1	99.7%
	AFA Trawl CPs	13	2.7	0.0%
	Non Trawl CPs	23	0.3	0.0%
	Non AFA Trawl CVs	8	23.3	0.2%
	AFA CVs	86	9.7	0.1%
	Motherships w/o FT ^b	5	2.8	0.0%
	Total			13,420.9

^a Data was withheld to protect confidentiality

^b Mothership w/o FT means mothership data without fish ticket data.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.3 Flathead sole catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	32	6,161.0	92.0%
	AFA Trawl CPs	20	240.7	3.6%
	Non Trawl CPs	29	8.5	0.1%
	AFA 9 + 3	10	53.0	0.8%
	Non AFA Trawl CVs	3	^a	^a
	AFA CVs	48	217.6	3.2%
	Non-Trawl CVs	4	0.1	0.0%
	Motherships w/o FT ^b	27	18.9	0.3%
	Total		6,699.7	100.0%
1996	Non-AFA Trawl CPS	29	8,641.1	96.4%
	AFA Trawl CPs	19	57.0	0.6%
	Non Trawl CPs	26	8.5	0.1%
	AFA 9 + 3	11	1.4	0.0%
	Non AFA Trawl CVs	6	0.8	0.0%
	AFA CVs	40	250.5	2.8%
	Total		8,959.3	99.9%
1997	Non-AFA Trawl CPS	28	10,102.6	94.1%
	AFA Trawl CPs	19	70.0	0.7%
	Non Trawl CPs	23	27.2	0.3%
	AFA 9 + 3	9	196.2	1.8%
	Non AFA Trawl CVs	2	^a	^a
	AFA CVs	50	337.0	3.1%
	Total		10,732.9	100.0%
1998	Non-AFA Trawl CPS	23	15,504.9	97.8%
	AFA Trawl CPs	19	247.4	1.6%
	Non Trawl CPs	30	28.3	0.2%
	Non AFA Trawl CVs	6	0.0	0.0%
	AFA CVs	59	39.1	0.2%
	Non-Trawl CVs	2	^a	^a
	Motherships w/o FT ^b	27	30.2	0.2%
Total		15,849.9	100.0%	
1999	Non-AFA Trawl CPS	23	11,631.5	98.6%
	AFA Trawl CPs	15	22.3	0.2%
	Non Trawl CPs	30	131.0	1.1%
	AFA CVs	64	9.1	0.1%
	Total		11,793.9	100.0%
2000	Non-AFA Trawl CPS	20	12,036.7	94.2%
	Non Trawl CPs	28	737.1	5.8%
	Non AFA Trawl CVs	7	1.3	0.0%
	Total		12,775.0	100.0%
2001	Non-AFA Trawl CPS	22	12,135.0	99.8%
	AFA Trawl CPs	15	0.1	0.0%
	Non Trawl CPs	30	11.8	0.1%
	AFA CVs	79	0.0	0.0%
	Motherships w/o FT ^b	6	18.4	0.2%
	Total		12,165.3	100.1%
2002	Non-AFA Trawl CPS	22	9,918.4	99.7%
	AFA Trawl CPs	15	10.4	0.1%
	Non Trawl CPs	31	14.6	0.1%
	Non AFA Trawl CVs	7	0.0	0.0%
	AFA CVs	68	0.6	0.0%
	Total		9,943.9	99.9%
2003	Non-AFA Trawl CPS	22	9,124.2	99.6%
	Non Trawl CPs	35	30.2	0.3%
	Non AFA Trawl CVs	8	1.0	0.0%
	AFA CVs	91	9.1	0.1%
	Total		9,164.6	100.0%

^aData was withheld to protect confidentiality

^bMothership w/o FT means mothership data without fish ticket data.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.4 Atka Mackerel catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	15	52,200.3	84.9%
	AFA Trawl CPs	8	1,824.3	3.0%
	AFA 9 + 3	4	7,439.9	12.1%
	AFA CVs	11	15.9	0.0%
	Total		61,480.3	100.0%
1996	Non-AFA Trawl CPS	18	77,626.9	91.8%
	AFA Trawl CPs	4	1,392.4	1.6%
	Non Trawl CPs	16	1.4	0.0%
	AFA 9 + 3	4	5,501.9	6.5%
	AFA CVs	18	12.7	0.0%
	Total		84,535.2	99.9%
1997	Non-AFA Trawl CPS	11	42,344.3	78.8%
	AFA Trawl CPs	4	3,869.2	7.2%
	Non Trawl CPs	12	0.2	0.0%
	AFA 9 + 3	7	7,527.2	14.0%
	AFA CVs	3	a	a
	Total		53,740.9	100.0%
1998	Non-AFA Trawl CPS	21	39,911.1	84.4%
	Non Trawl CPs	13	3.3	0.0%
	AFA 9 + 3	5	7,376.9	15.6%
	AFA CVs	26	0.3	0.0%
	Total		47,291.5	100.0%
1999	Non-AFA Trawl CPS	19	44,212.4	99.0%
	AFA Trawl CPs	10	438.3	1.0%
	Non Trawl CPs	9	0.7	0.0%
	AFA CVs	12	0.2	0.0%
	Total		44,651.5	100.0%
2000	Non-AFA Trawl CPS	16	36,423.5	100.0%
	Non Trawl CPs	8	2.7	0.0%
	Non AFA Trawl CVs	1	a	a
	Total		36,426.2	100.0%
2001	Non-AFA Trawl CPS	18	45,526.6	99.8%
	Non Trawl CPs	14	65.1	0.1%
	AFA CVs	27	16.4	0.0%
	Motherships w/o FT ^b	6	7.8	0.0%
	Total		45,615.9	99.9%
2002	Non-AFA Trawl CPS	17	31,125.1	99.7%
	Non Trawl CPs	9	2.2	0.0%
	Non AFA Trawl CVs	2	a	a
	AFA CVs	47	77.9	0.2%
	Total		31,205.1	99.9%
2003	Non-AFA Trawl CPS	17	37,757.4	99.8%
	AFA Trawl CPs	13	3.4	0.0%
	Non AFA Trawl CVs	6	0.2	0.0%
	AFA CVs	72	86.3	0.2%
	Non-Trawl CVs	22	0.3	0.0%
	Total		37,847.5	100.0%

^a Data was withheld to protect confidentiality

^b Mothership w/o FT means mothership data without fish ticket data.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.5 Pacific Ocean perch catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	14	8,053.1	97.5%
	AFA Trawl CPs	17	198.0	2.4%
	Non Trawl CPs	3	a	a
	AFA CVs	10	7.5	0.1%
	Total		8,258.6	100.0%
1996	Non-AFA Trawl CPS	14	8,949.5	98.6%
	AFA Trawl CPs	14	122.2	1.3%
	AFA 9 + 3	4	1.1	0.0%
	AFA CVs	14	6.4	0.1%
	Total		9,079.3	100.0%
1997	Non-AFA Trawl CPS	10	10,324.6	99.6%
	AFA Trawl CPs	14	0.3	0.0%
	AFA 9 + 3	6	13.4	0.1%
	AFA CVs	16	29.8	0.3%
	Total		10,368.1	100.0%
1998	Non-AFA Trawl CPS	12	7,701.7	100.0%
	AFA Trawl CPs	7	0.9	0.0%
	Non Trawl CPs	2	a	a
	AFA CVs	13	0.7	0.0%
	Total		7,703.3	100.0%
1999	Non-AFA Trawl CPS	12	9,580.0	100.0%
	Non Trawl CPs	1	a	a
	Non-Trawl CVs	1		
	Total		9,580.0	100.0%
2000	Non-AFA Trawl CPS	10	6,995.6	100.0%
	Non AFA Trawl CVs	1	a	a
	Non-Trawl CVs	1	a	a
	Total		6,995.6	100.0%
2001	Non-AFA Trawl CPS	11	6,319.5	100.0%
	Non Trawl CPs	5	0.3	0.0%
	Total		6,319.8	100.0%
2002	Non-AFA Trawl CPS	11	8,249.1	100.0%
	Total		8,249.1	100.0%
2003	Non-AFA Trawl CPS	10	9,823.2	96.3%
	AFA Trawl CPs	2	a	a
	Total		9,823.2	96.3%

^a Data was withheld to protect confidentiality

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.6 Arrowtooth flounder catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	31	170.1	39.8%
	Non Trawl CPs	43	196.6	46.0%
	Non AFA Trawl CVs	2	a	a
	AFA CVs	41	60.3	14.1%
	Non-Trawl CVs	2	a	a
	Total			426.9
1996	Non-AFA Trawl CPS	28	804.4	66.4%
	Non Trawl CPs	46	210.8	17.4%
	Non AFA Trawl CVs	6	0.7	0.1%
	AFA CVs	41	195.7	16.1%
	Non-Trawl CVs	6	0.3	0.0%
	Total			1,211.9
1997	Non-AFA Trawl CPS	26	539.4	60.2%
	Non Trawl CPs	43	251.2	28.1%
	Non AFA Trawl CVs	2	a	a
	AFA CVs	42	104.8	11.7%
	Non-Trawl CVs	2	a	a
	Total			895.5
1998	Non-AFA Trawl CPS	23	1,948.2	93.0%
	Non Trawl CPs	45	138.2	6.6%
	Non AFA Trawl CVs	5	0.2	0.0%
	AFA CVs	53	8.8	0.4%
	Non-Trawl CVs	4	0.3	0.0%
	Total			2,095.6
1999	Non-AFA Trawl CPS	24	1,968.1	96.4%
	Non Trawl CPs	39	70.4	3.4%
	AFA CVs	57	1.9	0.1%
	Non-Trawl CVs	5	2.2	0.1%
	Total			2,042.5
2000	Non-AFA Trawl CPS	21	3,917.2	94.6%
	Non Trawl CPs	41	225.1	5.4%
	Total			4,142.3
2001	Non-AFA Trawl CPS	22	4,248.3	97.9%
	Non Trawl CPs	44	92.9	2.1%
	AFA CVs	75	0.0	0.0%
	Non-Trawl CVs	11	0.1	0.0%
	Total			4,341.3
2002	Non-AFA Trawl CPS	22	2,796.5	94.3%
	Non Trawl CPs	41	169.1	5.7%
	AFA CVs	61	0.1	0.0%
	Total			2,965.8
2003	Non-AFA Trawl CPS	22	3,085.1	85.7%
	AFA Trawl CPs	14	2.6	0.1%
	Non Trawl CPs	39	508.2	14.1%
	Non AFA Trawl CVs	8	0.1	0.0%
	AFA CVs	92	0.1	0.0%
	Non-Trawl CVs	19	5.5	0.2%
	Total			3,601.5

^aData was withheld to protect confidentiality

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.

Table A2.7 Alaska plaice catch history for the trawl sectors from 1995 to 2003

Year	Sector	Vessel Number	Retained Tons	Percent of Total
1995	Non-AFA Trawl CPS	28	3,792.6	74.8%
	AFA Trawl CPs	12	259.7	5.1%
	AFA 9 + 3	10	178.4	3.5%
	AFA CVs	16	800.6	15.8%
	Motherships w/o FT ^b	15	38.9	0.8%
	Total			5,070.2
1996	Non-AFA Trawl CPS	26	2,524.4	86.3%
	AFA Trawl CPs	14	64.3	2.2%
	AFA CVs	16	336.4	11.5%
	Total		2,925.1	100.0%
1997	Non-AFA Trawl CPS	26	1,718.5	50.0%
	AFA Trawl CPs	10	10.6	0.3%
	AFA 9 + 3	4	20.0	0.6%
	AFA CVs	12	1,684.8	49.1%
	Total		3,433.8	100.0%
1998	Non-AFA Trawl CPS	22	1,270.3	99.8%
	Non Trawl CPs	1	^a	^a
	Total		1,270.3	99.8%
1999	Non-AFA Trawl CPS	22	57.6	29.2%
	Non Trawl CPs	2	^a	^a
	AFA CVs	10	125.5	63.6%
	Total		183.1	92.8%
2000	Non-AFA Trawl CPS	21	533.8	77.2%
	Non Trawl CPs	4	58.8	8.5%
	AFA CVs	49	99.0	14.3%
	Total		691.7	100.0%
2001	Non-AFA Trawl CPS	20	67.2	100.0%
	Total		67.2	100.0%
2002	Non-AFA Trawl CPS	21	27.4	100.0%
	Total		27.4	100.0%
2003	Non-AFA Trawl CPS	21	8.2	100.0%
	Total		8.2	100.0%

^a Data was withheld to protect confidentiality

^bMothership w/o FT means mothership data without fish ticket data.

Source: Data summarized from 1995-2003 NMFS Weekly Production Reports and 1995-2003 ADFG groundfish fish tickets. The 2003 fish ticket data should be considered preliminary.



UNITED STATES SEAFOODS

F/T Seafreeze Alaska • F/T Ocean Peace • F/T Ocean Alaska • F/V Ocean Hope III • F/V Alaska Beauty

November 30, 2004

Ms. Stephanie Madsen, Chair
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99601

RECEIVED
DEC - 1 2004
N.P.F.M.C.

Re: C-5 IR/IU

Dear Madam Chair:

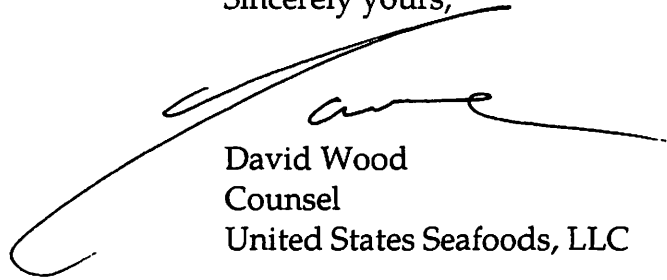
I am writing this letter to voice United States Seafoods, LLC's ("USSF") support for the steps taken at the October meeting to streamline and re-focus Amendment 80.

The most important step was the removal of Pacific cod and all of the non Amendment 79 sectors from Amendment 80. Despite some controversy at the time, the new Amendment 80 is less contentious and much more manageable than the old package. With Amendment 80's new focus, you will be better able to develop a program that provides non-AFA trawl catcher processor vessels the tools to meet the mandate of Amendment 79 — which is the original purpose of Amendment 80 in the first place. Despite the benefits of this new streamlined approach, we believe that Amendment 80 is still perceived as a convenient vehicle for addressing a variety of allocation issues, and expect that you will be asked to add other sectors back into this package. Adding other sectors back into Amendment 80, simply does not make sense given the primary purpose of this regulatory package. As a multi-sector company itself, USSF believes that the concerns of the other sectors can be addressed fairly without including them directly in the Amendment 80 program. In short, we hope that Amendment 80 will remain focused on the Non-AFA trawl CP sector as it is now.

The October motion also introduced a new open access fishery approach to Amendment 80. And, while the details of this new approach have not been fully fleshed out we believe we are on the right track here as well.

Thank you for the opportunity to submit these brief comments. I look forward to discussing this program with you and other Council members in greater detail at the December meeting.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'David Wood', with a long, sweeping underline that extends to the left and then curves back under the signature.

David Wood
Counsel
United States Seafoods, LLC

Groundfish Forum

4241 21st Avenue West, Suite 200
Seattle, WA 98199
(206) 213-5270 Fax (206) 213-5272
www.groundfishforum.org

December 1, 2004

Ms. Stephanie Madsen, Chairman
North Pacific Fishery Management Council
605 West 4th Ave.
Anchorage, AK 99501
FAX: 907-271-2817

Re: Agenda Item C-5, IRIU: Amendment 79

Dear Madam Chair,

Groundfish Forum is a trade organization representing 19 'head-and-gut' trawl catcher processors which target non-pollock species in the Bering Sea, Aleutian Islands and Gulf of Alaska. We represent 90% of the capacity of the non-AFA trawl catcher-processor sector. We are writing you regarding implementation of Amendment 79 (the Groundfish Retention Standard, or GRS) which was passed by the Council in June of 2003. While Amendment 79 is not listed on the agenda for the December Council meeting, it is an issue of great concern to our sector and relates directly to IRIU, so we are addressing it under this agenda item.

As you know, when the Council passed Amendment 79, the GRS was anticipated to go into effect in 2005 at a 65% level. The Council explicitly expressed its intent to implement coops for the non-AFA trawl CP fleet as quickly as possible, to provide them with the tools to meet the GRS. When Amendment 79 passed, implementation of coops (then known as 'Amendment A') was expected to happen in January of 2006.¹ Thus the Council had chosen to start the GRS one year prior to implementation of coops, at a level (65%) which was expected to be achievable by the sector. The first year would allow for the sector and the Agency to adjust to the demands of flow scales and increased observer coverage, and to work out the specifics of new sampling procedures needed to calculate retention for enforcement purposes.

As the following timeline shows, the anticipated date for implementation of coops ('Trailing Amendment A,' which later became Amendment 80A and finally Amendment 80) has been repeatedly and consistently pushed forward after nearly every Council meeting since the GRS was adopted. The Initial Review of this action, originally scheduled for February of 2004, is now scheduled for February of 2005 – one full year later than it was slated when Amendment 79 passed. Final Action, originally scheduled for June of 2004, is now scheduled for April of 2005.

¹ IRIU motion from North Pacific Fisheries Management Council newsletter, June 2003, page 9.

Timeline of BSAI non-pollock Catch Process sector rationalization at the NPFMC

Initial Review and Final Action Dates											
Council Meeting	Feb '04	Apr '04	Jun '04	Oct '04	Dec '04	Feb '05	Apr '05				
Jun '03	I → F										
Oct '03	I										
Dec '03	I → F										
Feb '04	I → F										
Apr '04	I → F										
Jun '04								I			
Oct '04								I → F			
I=Initial Review F=Final Action											

Source: NPFMC website

As NMFS has continued to work on implementation and enforcement issues for Amendment 79, the actual anticipated implementation date for the GRS has also slipped from January 2005 to January 2006.


This means that both the anticipated final action on non-AFA trawl CP coops and implementation of the GRS have moved out about one full year from the expected dates for these programs. The relative time between implementation of the GRS and implementation of the coop program remains about the same as it was upon approval of the GRS, and the concerns about the first year of implementation also remain the same. Given this delay in both programs, we believe that it is logical and appropriate that the GRS standard at implementation in January of 2006 be set at 65%, as it would have been had implementation occurred when originally scheduled in January of 2005.

Not only is this appropriate given the timeline, we understand that there are still significant concerns within the Agency regarding how the GRS will be monitored and enforced. The Observer Program, enforcement and the vessels involved need to develop standard approved techniques to separate PSC and non-FMP materials from the catch, to verify the accuracy and appropriateness of product recovery rates (PRRs) for various products, and to confirm reporting procedures among a number of other issues. Some of the difficulties will not become clear until Amendment 79 is actually implemented. If the GRS is set unrealistically high during this first year, and coops are not available to the sector, both the Agency and the sector could be burdened with serious complications which result primarily from the inevitable problems associated with a change in procedures. This situation does nothing to improve retention, and could actually make the cost of the program higher than anticipated and impracticable under the Magnuson-Stevens Act.

In short, we urge the Council and the NMFS to recognize that the timeline has shifted since passage of Amendment 79 but the implementation concerns remain much the same. Because of this, we request that the initial retention rate or GRS be set at 65%, as was anticipated when the Amendment was passed.

Thank you for the opportunity to comment on this issue, and please contact us if you have any questions or would like to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read 'TE Luttrell', with a long horizontal line extending to the right.

T. Edward Luttrell
Executive Director

Groundfish Forum

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December 1, 2004

Ms. Stephanie Madsen, Chairman
North Pacific Fishery Management Council
605 West 4th Ave.
Anchorage, AK 99501
FAX: 907-271-2817

Re: Agenda Item C-5, IRIU: Amendment 80

Dear Madam Chair,

Groundfish Forum is a trade organization representing 19 'head-and-gut' trawl catcher processors which target non-pollock species in the Bering Sea, Aleutian Islands and Gulf of Alaska. We represent 90% of the capacity of the non-AFA trawl catcher-processor sector. We are writing you regarding Amendment 80, the revised version of Amendment 80A and B which was passed by the Council at its October 2004 meeting. In particular, we would like to address the 'open access' portion of the proposed Amendment. We will discuss the formulas used for sector allocations, a 'threshold' proposal, and sector eligibility.

Allocation formulas

The revised Amendment no longer includes the 'threshold' proposals which were designed to provide access to non-pollock fisheries by non-traditional sectors once rationalization is completed. Instead, there are a variety of alternatives for allocating fish to the non-AFA trawl CP sector which, to a greater or lesser extent, reserve a portion of the TAC which will not be allocated to the sector.

Two of these the alternatives (Component 4, options 4.3 and 4.4) calculate the sector allocation using ABC as the denominator. Since the species of primary interest have traditionally had very high ABCs relative to the TAC, we believe that this is on its face an unacceptable approach. It would result in very low allocations simply because the stocks were abundant; using the same approach in the pollock fishery would mean that just a little over half of the stock would have been allocated to the pollock fleet last year. Clearly this is not an appropriate measure of dependence.

Options 4.5 and 4.6 would allocate to the sector using TAC as the denominator. This is also not an appropriate measure, since in the BSAI, TACs are restrained by the 2.0 million ton cap when major fish stocks are high, and may conversely be set higher than the expected catch when there is 'slack' under the 2.0 million ton level. In some past years, when the total expected catch in the BSAI was less than 2.0 million tons, excess

TAC was 'parked' in flatfish stocks because they were the only species which had sufficient room under the ABC. It was never expected that all of these TACs would be harvested. For this reason, catch relative to TAC does not represent the true dependence of the H&G fleet on these stocks. If, in spite of this, the Council feels it is necessary to analyze a TAC-related option, we request that the calculation use ITAC rather than TAC, since the TAC includes the CDQ reserve which is never available to the non-CDQ fishery.

We support using option 4.2 instead, which allocates to the sector based on the retained catch of the sector relative to the retained catch of all sectors. This reflects the true use of and dependence on these fisheries.

Threshold proposal

We believe that re-allocating fish from the non-AFA trawl CP sector to other sectors is not appropriate when the harvest capability of the fleet meets or exceeds the TAC levels, as is currently the case, both because it takes fish away from a fleet which is dependent on it, and because it re-allocates these fish to other sectors which are likely experiencing high TACs in their target fisheries. Instead, we request the Council to consider a threshold option as proposed by its IRIU Technical Committee. The attachment to this letter, '**Threshold proposal for BSAI non-pollock fisheries rationalization plan**,' is based on the Committee's recommendations and outlines a program which allows other sectors to access traditional H&G stocks without unreasonably penalizing the H&G sector.

Open access and sector eligibility

Any of the options which reserve some fish for non-H&G participants require the Council to define who may fish on this reserve. The Council could, for example, decide that the reserve is specifically to fund AFA vessels up to sideboard amounts, or to allow shoreside vessels to access these stocks. Whatever the Council chooses, it is important to address the issue of sector eligibility. As in all rationalization programs, it is necessary to 'close the class' for rationalization to work. In this case, the recent Congressional action contained in the 2005 Consolidated Appropriations Act specifically defines who will qualify to participate in BSAI non-pollock trawl fisheries. Section 219 (a)(7)(C) states that to qualify for the non-AFA trawl catcher-processor subsector one must have harvested and processed not less than 150 mt of non-pollock groundfish during the qualification period (1997-2002). Further, Section 219 (g)(1)(A) specifies that 'Only a member of a catcher processor subsector may participate in the catcher processor sector of the BSAI non-pollock groundfish fishery.'

Summary

In summary, we believe that it is inappropriate to re-allocate fish away from the H&G sector unless the TACs are sufficiently high that the dependent vessels (the H&G trawl fleet) are not able to harvest the entire amount. The attached threshold proposal explains

this concern, and outlines a program which allows re-allocation in appropriate situations, based on the recommendations of the Council's IRIU Technical Committee. Further, we recognize that recent Congressional action has defined who will qualify for the BSAI non-pollock fisheries.

Thank you very much for the opportunity to comment on these issues.

Respectfully,



T. Edward Luttrell
Executive Director

Attachment: Threshold proposal for BSAI non-pollock fisheries rationalization plan

Threshold proposal for BSAI non-pollock fisheries rationalization plan

Prepared by Groundfish Forum

December 1, 2004

Introduction:

The North Pacific Fisheries Management Council is in the process of creating a rationalization plan for the non-AFA trawl catcher/processor ('H&G') fleet in the Bering Sea and Aleutian Islands. The plan is intended to allow this fleet to coop so as to fish more slowly and efficiently, to reduce the level of discards as mandated by Amendment 79 to the BSAI FMP (the Groundfish Retention Standard, or GRS).

The H&G fleet targets flatfish, Atka mackerel, rockfish and Pacific cod. While other sectors also fish Pacific cod, H&G vessels harvest over 90% of the flatfish, mackerel and rockfish caught in the BSAI. Over 90% of the capacity of the H&G fleet is represented by Groundfish Forum.

Rationalization allows vessels to fish more carefully and efficiently, because they are assured access to their traditional harvest and do not have to race to get their share of the catch. It has worked remarkably well in the pollock, sablefish and halibut fisheries and is soon to be implemented in crab fisheries as well. To date, no rationalization program has included a provision to allow other sectors to participate after rationalization even when, as in the pollock fisheries, the TACs have increased dramatically.

However, in this case, there is a desire to retain the ability of the AFA and shoreside sectors to access flatfish (particularly yellowfin sole) in the future.¹ Since flatfish TACs are currently fully utilized, there is no 'excess' fish available to re-allocate to these sectors.

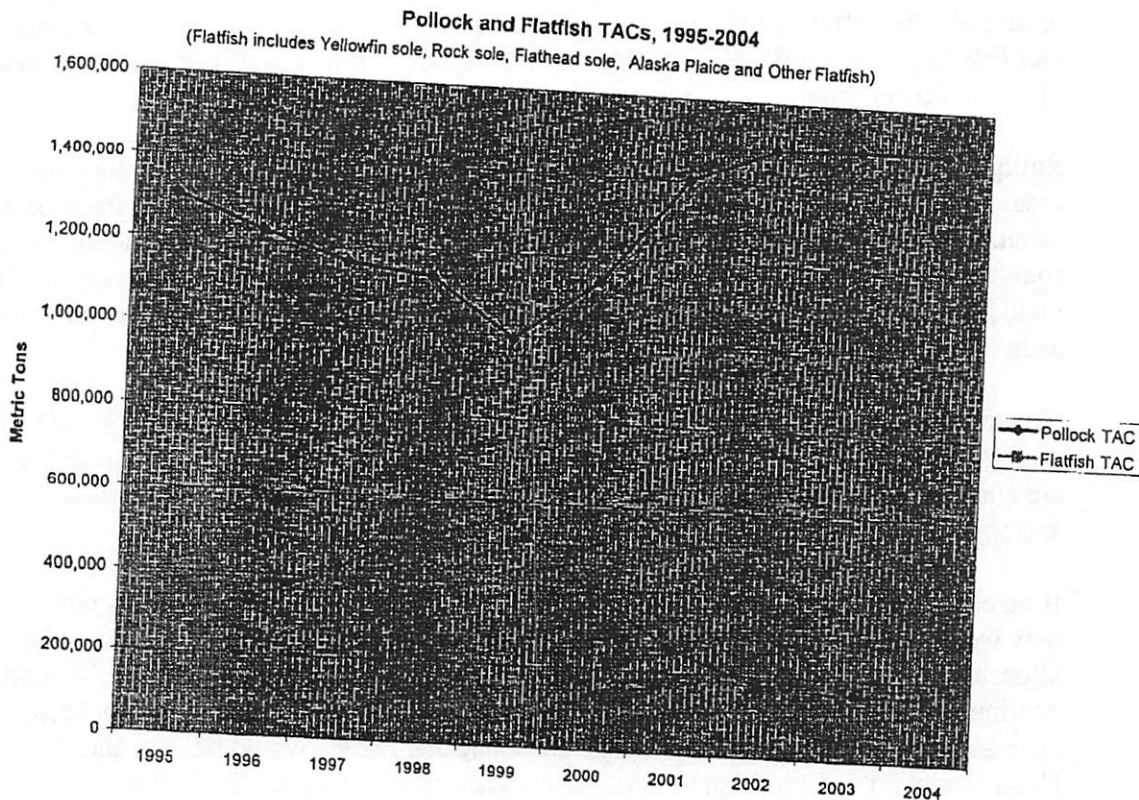
If other sectors are granted access to flatfish at the current time, it would mean either that they would be competing with the existing H&G fleet, or that the H&G fleet would be allocated less than its traditional harvest. In the first instance, the 'race for fish' would continue and vessels would be rewarded for fishing fast rather than fishing efficiently; the necessary tool of rationalization as a means to cleaner fishing would be lost, and the H&G fleet would not be able to meet the mandate of Amendment 79. In the second instance, the existing fleet would be unjustifiably penalized for the purpose of allowing non-traditional entrants into the fishery.

The Council is faced with developing a mechanism to allow other sectors to have access to a fully-utilized fishery at some point in the future, while still maintaining the integrity of the rationalization plan to minimize discards in the H&G fleet.

¹ Flatfish can only be reasonably harvested using bottom trawls, so non-trawl sectors would not benefit from access to the fishery. To date, processing flatfish shoreside has been problematic due to the difficulty of maintaining the quality of the product while transporting it to the processor. AFA vessels are not currently targeting yellowfin sole because the pollock TAC is at such a high level they are fully occupied harvesting pollock.

The fisheries

The BSAI fisheries are constrained by a 2.0 million ton limit on the aggregate TACs for all groundfish. As one TAC increases, others must decrease to stay within the limit. The pollock TAC is generally set as close as possible to the maximum allowable catch, so it increases in times of high abundance of pollock and decreases as pollock stocks drop. Other TACs fluctuate to accommodate these changes. Typically, flatfish TACs are set below the maximum allowable catch when pollock TACs are high, and increase when pollock TACs are low. The following table illustrates this phenomenon, showing how pollock and flatfish TACs have oscillated during the years 1995 to 2004:



As this chart shows, the pollock TAC is currently at a very high level, while flatfish TACs are very low. In fact, the yellowfin sole TAC was so low in 2004 that the fishery (which normally runs into October or November) closed on TAC in June. There was enough halibut left in the PSC cap to fund another 30,000 to 40,000 tons of flatfish, had it been available under the TAC. Flatfish ABCs (Allowable Biological Catches) are typically high enough to allow this level of harvest; the TAC is just constrained because of the high level of pollock.

As noted in footnote 1 on page 1, the only sectors likely to benefit from access to flatfish TACs are bottom trawl fisheries. The largest trawl sector, AFA vessels, is currently fully occupied trying to harvest all of the pollock it is allocated (and, in fact, left over 11,000 tons unharvested in 2004). Shoreside processors, which are interested in flatfish, are still finding the fishery problematic since it is difficult to maintain the quality of the fish during transport from the grounds.

Since the flatfish TACs are so low and other likely participants in flatfish fisheries are not in need of access at this time, it does not make sense to re-allocate flatfish now. However, as pollock TACs drop at some point in the future, flatfish TACs will be able to rise and may reach a point at which the H&G fleet is not able to harvest the full TAC. At the same time, vessels which primarily harvest pollock will have more ability to focus on other targets. Also, shoreside processors may be able to develop ways to more profitably handle flatfish in the future.

Threshold proposal

The primary goal is to develop a plan which preserves the H&G fleet's traditional harvest and provides the tool of rationalization so that they can meet the mandate of Amendment 79. Secondly, the plan could allow other sectors to access excess flatfish TAC when it reaches a level beyond the ability of the H&G fleet to harvest it, which is likely to coincide with an increased interest and ability for other sectors to harvest flatfish.

The key to meeting the mandate of Amendment 79 is to establish a threshold level which reflects the historic ability of the H&G fleet to harvest the particular species, taking into account the increased efficiency which will be realized under rationalization. Below the threshold amount, each sector is allocated its current proportion of the flatfish catch. This assures that the sectors can continue to fish as they are at this time, while eliminating the 'race for fish' and giving the H&G fleet the ability to coop effectively to meet the new Groundfish Retention Standard.

When pollock TACs are lower and flatfish TACs increase above the threshold level, the excess fish could be allocated as the Council chooses. AFA sideboard limits, shoreside fisheries and new entrants could be accommodated according to priorities established by the Council. Since yellowfin sole is the only species currently of interest to vessels outside the H&G fleet, the Council could establish a threshold for that species first and add others as interest develops and TACs allow.

Based on historical harvest levels of the H&G fleet and considering the potential for increased efficiency under rationalization, we recommend setting the yellowfin threshold at 125,000 metric tons. Below 125,000 tons the TAC would be allocated to each sector proportional to their current use of yellowfin sole. Above this level, yellowfin sole can be distributed according to the Council's goals and priorities.

Summary

The Council has approved Amendment 79 to the BSAI FMP, which mandates increased retention by the H&G fleet. The key to achieving this goal is to eliminate the 'race for fish' in the H&G sector and allow them to fish more slowly and efficiently. Recognizing this, the Council is now developing a plan to rationalize the non-pollock fisheries in the BSAI. While these species are primarily harvested by the H&G fleet, there is a desire to develop a system which will allow other sectors to have access to them in the future.

When pollock TACs are high, non-pollock TACs are compressed to keep the aggregate catch below 2.0 million metric tons. In 2004, pollock TACs were at or near record high levels, while flatfish TACs were very low. Flatfish fisheries ended as early as June in 2004 (four months earlier than in typical years), even though there was enough PSC left to catch 30,000 to 40,000 more tons. In contrast, when the pollock fishery closed by regulation on November 1 there was still 11,800 metric tons of pollock unharvested. In this situation, it does not make sense to re-allocated flatfish away from the H&G fleet.

When pollock TACs drop in the future, flatfish TACs will likely increase. As this happens, more flatfish will be available and vessels which have been pre-occupied with pollock will have the time to focus on other species.

We recommend setting a tonnage threshold level for non-pollock TACs below which fish will be allocated proportional to the current harvest level. This allows fisheries to operate at their current level while removing the race for fish within the H&G sector. When the TAC exceeds the threshold level, the excess TAC may be re-apportioned according to the Council's goals and priorities.

Because yellowfin sole is the species of most interest to non-H&G sectors, we recommend establishing a threshold for this species first. As interest in other species develops, threshold levels for these species can be adopted.

Based on historic catch levels and considering the improved efficiency provided by rationalization, we recommend setting the yellowfin sole threshold at 125,000 metric tons.

**FISHING VESSEL OWNERS' ASSOCIATION
INCORPORATED**

ROOM 232, WEST WALL BUILDING • 4005 20TH AVE. W.
SEATTLE, WASHINGTON 98199-1290
PHONE (206) 284-4720 • FAX (206) 283-3341

SINCE 1914

December 1, 2004

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

RE: IRIU

Dear Chairwoman Madsen:

Under this agenda item, the Fishing Vessel Owners' Association (FVOA) has supported efforts by the trawl industry to develop options that minimize the bycatch of prohibited species while providing an incentive to harvest the optimum yield, particularly of various flounders in the Bering Sea. There have been two enforcement actions this year that greatly affect the Council and those members of the industry that are seeking long-term solutions to bycatch issues relative to the current IRIU options.

FVOA has supported options to achieve the OY for the several valuable flounder species by using an Individual Bycatch Quota (IBQ) to be used in a co-op fashion. We believe not only would those flounder catcher processors involved be able to achieve a given OY, but also could do it with less prohibited species mortalities. Trawl organizations have similarly testified to this end with regards to IBQs before the Council.

I have attached the press releases for two recent enforcement cases. Both incidents involve small factory trawlers targeting on flounders in the Bering Sea. Both incidents reportedly involve the attempt to deceive federal observers of the true bycatch of the prohibited species being caught. What bothers us is the degree of sophistication that appears to have been used in this deception. In one case, there was reportedly actual

Ms. Stephanie Madsen
December 1, 2004
Page 2

hardware developed and a conveyor system used to jettison the fish before being counted by the observer. In the second case federal daily and weekly reports were reportedly falsified when sent into NMFS as well as pre-sorting of the catch before the observer counted the fish.

"According to Special Agent Mike Adams, this "presorting" of halibut from the observer's samples, leads to significant under-reporting and the consequent extension of the groundfish season beyond when they would otherwise be ordered closed."

These are not typical infractions. To use this type of deception involves significant coordination. In short, there must be a game plan that is developed and executed. In any case where equipment is bought, built and a hole cut in the hull for fish to go out, investigators presumably would look into the possibility of management involvement.

These two cases are troubling with regards to proceeding with IRIU options that FVOA has supported in the past without a better way to protect the integrity of the observers observations. Future IBQs and IFQ formats must be analyzed for their enforceability, and status quo is not acceptable. It is obvious that even with an observer on board, the value of successful deception is greater than the potential cost of being caught.

In summary, FVOA continues to support the various IBQ options to be analyzed but the current enforcement should be examined. We believe that enforcement policy should be strict, clear, and applicable to all persons involved, including management, not just the crew, if IBQs are to be utilized.

Sincerely,



Robert D. Alverson
Manager

RDA:cb

11/10/04 WED 10:01 AM 8072711888

ANCHORAGE DISTRICT COURT



*Approved
John King
Acting SAK*

United States Attorney's Office
District of Alaska
222 West 7th Avenue, #9
Anchorage, Alaska 99513-7567

FOR IMMEDIATE RELEASE
Wednesday, November 10, 2004

Contact: Deborah Smith
First Assistant U.S. Attorney
907-271-5071 / Fax: 271-2345

Commercial Fishing Captains Sentenced To Jail, Fines, Loss of Occupation For Under-Reporting Halibut By-Catch

Anchorage, AK - Commercial fishing Captain Paul Ison and First Mate Daniel Skauge pleaded guilty and were sentenced today in Anchorage Federal District Court for their roles in intentionally under-reporting the amount of "by-catch" halibut brought aboard the M/V Unimak during the 2000 groundfish season in the Bering Sea and Gulf of Alaska.

District Court Judge Robert Beistline ordered Ison and Skauge each to spend four months in prison, pay fines of \$25,000 and restitution of \$25,000 to the International Pacific Halibut Commission; forego employment in the fishing industry for one year and write an article for publication in a fishing journal explaining their criminal behavior.

"This conduct involves both economic and environmental crime," said United States Attorney Timothy Burgess, noting that this was the first criminal case of its kind to be prosecuted in this district. "We will pursue such cases aggressively in the future in order to deter fraud and protect the fishery resources shared by all," he added.

Ison, 49, and Skauge, 49, of Woodinville, Washington each pled guilty to violating the Magnuson-Stevens Fishery Conservation and Management Act by filing false daily and weekly reports with the National Marine Fisheries Service concerning the amount of halibut caught by the M/V Unimak while the vessel fished for rex sole, rock sole and other groundfish in the Bering Sea and Gulf of Alaska in 2000. During groundfish fishing operations, halibut are incidentally caught in groundfish trawl nets, and are considered a "prohibited species" which may not be retained aboard vessels such as the M/V Unimak. Observers stationed aboard groundfish vessels measure the amount of groundfish and prohibited species, including halibut caught and report the information along to the National Marine Fisheries Service. The Service tracks this information on a daily basis and closes groundfish fisheries based on that information.

Groundfish fisheries are immediately closed when a pre-determined quota of groundfish species or prohibited species are reported caught by the fleet.

"Manipulation of by-catch reporting, by falsifying weekly production reports and causing sample bias in the observer reports, damages the government's ability to manage fisheries and can lead to serious over-harvesting of fish populations" said Special Agent Mike Adams, of the NOAA Fisheries Office for Law Enforcement.

According to Adams, this "presorting" of halibut from the observer's samples, leads to significant under-reporting and the consequent extension of the groundfish season beyond when they would otherwise be ordered closed.

The convictions of Ison and Skauge come on the heels of a civil action against Rebecca Irene Fisheries, LLC, which operates a groundfish vessel similar to the F/V Unimak in the Bering Sea and Gulf of Alaska. In July 2004, following a hearing in Seattle, an administrative law judge found that the M/V Rebecca Irene under-reported halibut by-catch amounts during the 2000 and 2001 groundfish seasons and ordered the company to pay a fine of \$240,000 and undergo a 60-day suspension of its groundfish permit during the 2005 season.

The investigation of this case was conducted by Special Agents of the NOAA Fisheries Office for Law Enforcement and prosecuted by the United States Attorney's Office for the District of Alaska and the Environment and Natural Resources Division of the U.S. Department of Justice.

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Office for Law Enforcement



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NOAA Fisheries
Office for Law Enforcement

FOR IMMEDIATE RELEASE
June 18, 2004

CONTACT:

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NOAA (907) 586-7032

Susan Auer
NOAA (907) 586-7414, Ext. 222

NOAA Fisheries wins Halibut Pre-Sorting Case

NOAA's Office of General Counsel for Enforcement and Litigation recently won a court case against owners and operators of the FV Rebecca Irene for pre-sorting of halibut in Alaska. Administrative Law Judge Edwin Bladen has ordered the owners and operators to pay \$240,000 in fines. The Rebecca Irene's fishing permits are also suspended from January 1, 2005 for sixty days. The National Oceanic and Atmospheric Administration (NOAA) is an agency of the Department of Commerce.

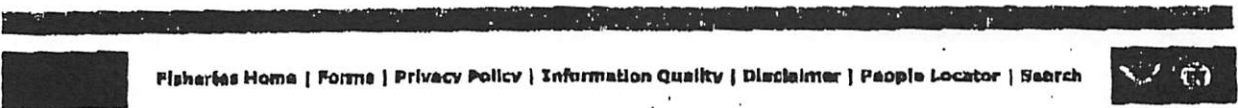
"Vessel owners and crew that engage in pre-sorting injure the performance of observers and compromise the integrity and accuracy of observer data" said Special Agent Ernest Soper, NOAA Fisheries Office for Law Enforcement - Alaska Division. "Interfering with the observer's sampling hampers the ability of NOAA Fisheries and the North Pacific Management Council to effectively manage Alaska's fisheries."

The Rebecca Irene's owners and operators were trawling for groundfish during the time of the violations. Halibut are incidentally caught in the trawl fishery. Such 'bycatch' is monitored as part of NOAA Fisheries' fishery observer system, and is controlled by law. NOAA Fisheries relies upon that observer data to assist it in determining and controlling the extent of bycatch of halibut.

The vessel owner, Rebecca Irene Fisheries LLC, and vessel operator Mark Decker were found responsible for the crew's removal of halibut from the vessel's conveyor belt prior to the observer having an opportunity to include those halibut in the sampling. They also were found liable for failing to minimize the catch of halibut and for the crew's actions that impeded the observers' ability to perform their duties.

NOAA Fisheries Office for Law Enforcement - Dutch Harbor Field Office led the investigation which uncovered violations of the Magnuson-Stevens Fishery Conservation and Management Act, and culminated in Judge Bladen finding the defendants guilty and meting out fines and sanctions.

The owners and operators of the FV Rebecca Irene have until June 28, 2004 to appeal. NOAA's National Marine Fisheries Service (NOAA Fisheries) is dedicated to protecting and preserving our nation's living marine resources through scientific research, management, enforcement, and the conservation of marine mammals and other protected marine species and their habitat. To learn more about NOAA Fisheries in Alaska, please visit our website.



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**PUBLIC TESTIMONY SIGN-UP SHEET FOR
AGENDA ITEM C-5 IR/14**

	NAME (PLEASE PRINT)	AFFILIATION
1		
2	DAVE WOOD	US Seafoods
3	ERIC OLSON	BBEDC
4	Donna Parker	Arctic Storm
5	BRENT PLINK	UCB
6	Paul MacGoy	At-Sea Processors Assn
7	Jan Jacobs	American Seafoods
8	LORI Swanson / ED	GFF
9	Bill Orr	Signature Shds.
10	Susan Robinson	Fishermen's Finest
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

PROPOSAL 453 - 5 AAC 28.629(d). Lawful
Amend this regulation to provide the following:

Is this really
CS Supply?

ands Area.

In Sitkin Sound, allow trawls as legal gear in the Pacific

PROBLEM: The Adak under 60 foot Pacific cod w... gear. The fishing district adjacent to Adak is closed to the use of trawls. This trawl closure necessitates that small boats must travel significant distance from Adak in order to fish. This is extremely hazardous as well as economically inefficient. Currently, there are no small jig or pot vessels working around Adak in the winter so there is no potential for gear conflict if trawling were to be allowed in the Sitkin Sound waters described in 5 AAC 28.690.

WHAT WILL HAPPEN IF NOTHING IS DONE? The board adopted 5 AAC 28.629(d) and (e) in order to facilitate development of a small boat fishing fleet in Adak. A small boat fishing fleet is emerging but it is almost exclusively a trawl fleet during the winter Pacific cod season, and 5 AAC 28.629(d) prohibits the use of trawl gear inside state waters in the areas adjacent to Adak.

WILL THE QUALITY OF THE RESOURCE HARVESTED OR PRODUCTS PRODUCED BE IMPROVED?

WHO IS LIKELY TO BENEFIT? The current under 60 foot fleet, fishing out of Adak during the winter Pacific cod season uses trawl gear. There is no other gear type being used by under 60 foot vessels during the winter cod fishery around Adak. Under 60 foot vessels are the only vessels allowed to fish in the state waters of Sitkin Sound, described in 5 AAC 28.690. Nothing is being reallocated by allowing the use of trawl gear in the area.

WHO IS LIKELY TO SUFFER? Efforts to establish an under 60 foot Pacific cod fleet in Adak are thwarted by 5 AAC 28.629(d), which prohibits the use of trawls in adjacent state waters. Small boats need access to local Adak fishing grounds during the winter cod fishery for economic and obvious safety reasons. Without this requested change, most of the under 60 foot fleet will likely be forced to give up on the Adak fishery and return to their previous fisheries.

OTHER SOLUTIONS CONSIDERED?

PROPOSED BY: Joe Childers

(HQ-04-F-347)

*

C-5 IR/IU - COUNCIL - 12.13.04

(DAVE WOOD/US SEAFOODS)

We SUPPORT THE AP MOTION, in addition we ask you to consider the following actions:

1. REMOVE ARROWTOOTH AND ALASKA PLAICE FROM THE LIST OF SPECIES INCLUDED IN THE PROGRAM - Component 1. As recommended by staff.

2. **EQUITABLE ALLOCATIONS WITHIN THE NON-AFA CP SECTOR:**
To make allocations within the Non-AFA trawl CP sector consistent with NS 4's requirement that allocations be "fair and equitable to all fishermen," and NS 6's requirement that "measures take into account variations and contingencies in catch," the Pre-IR/IU catch history options which span many years should drop more years. This is required by the MSA and is appropriate given the nature of the multi-species trawl fisheries. Groundfish Forum and Non-Groundfish Forum vessels have agreed to revise and streamline the catch history years as follows:

80 Component 12

Option 12.1	1995-2002	drop 1
Option 12.2	1995-2003	drop 3
Option 12.3	1997-2002 3	drop 2
Option 12.4	1998-2002	drop 1
Sub-option 12.4.1	1998-2002	drop 0
Option 12.5	1998-2003	drop 1
Sub-option 12.5.1	1998-2003	drop 2
Option 12.6	1999-2002	drop 1
Option 12.7	1999-2003	drop 1

Donna Parker

12/10/04

IRIU

Arctic Storm fully supports separating the complex issues of cod from other species so that the H&G sector can rationalize its sector in a timely fashion and so enable them to reduce discards and comply with the new Groundfish Retention Standard (GRS). However, rationalizing only one sector in a fishery will likely impact the other historic participants in that fishery. Unless the catch history is allocated to all participants, the unintended consequences to other participants is likely to be high depending on the allocation formula and other options chosen by the Council.

The only other historic participants in the flatfish and Atka mackerel fisheries are AFA catcher vessels and AFA catcher processors. While these two sectors are exempt from the GRS because we discard less than 5% of our catch, our catch history should be included as sub-options for allocation in this analysis. Even if the Council later determines that allocations to these sectors is not appropriate, the Council and the public will better understand the consequences of the allocation to the H&G sector on other participants.

The catch data of the AFA CV and AFA CP sectors required to create these sub-options is already available and included as tables in your IRIU action memo. The sub-option should be to, ***“Include AFA CVs and AFA CPs as separate sector allocations.”*** This sub- option should be included in the following components of the current document as revised at the October meeting (Attachment A):

Component 1: Identifies which species will be included in the sector allocation.

Component 4: Identifies the sector allocation calculation.

Component 5: Catch history years used to determine the allocation.

Component 7: Sector allocations of PSC limits.

Recently approved federal legislation enabling the buyout of BSAI non-pollock species identified specific sectors and allocated specific funds to those sectors, including the AFA CP sector. If the sector does not use the funds before 2007, the money rolls to other sectors. Failure to identify separate AFA CV and CP allocations would nullify the AFA CP's sector ability to use those assigned funds.

If the Council is concerned about the possibility of increasing the complexity of the analysis by attempting to develop new management regimes for rationalizing the fisheries in which these two sectors participate, the Council could consider utilizing the existing AFA coop structure. However, simple sector allocations suffice at this time.

If the Council still wishes to create access opportunities for new participants when the flatfish TACs are higher than historic catches, then the Council might want to include Component 10 which was dropped from the document at the October meeting.

If the Council wishes to protect other participants in the cod fishery until such time as those fisheries are rationalized, then the Council might consider segregating from other sectors PSC taken by the H&G fleet in its mixed stock cod fishery.

IRIU

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Groundfish Forum

4241 21st Avenue West, Suite 200
Seattle, WA 98199
(206) 213-5270 Fax (206) 213-5272
www.groundfishforum.org

C-5 handout
public test.
12.13.04

IRIU (C-5)

- Retain the AP recommended changes to **Component 4** (sector allocation calculation):

Option 4.1	Total legal catch of the sector over total legal catch by all sectors
Option 4.2	Retained legal catch of the sector over retained legal catch by all sectors
Option 4.3	Total legal retained catch over ABC
Option 4.4	Total legal catch over ABC
Option 4.5	Total legal retained catch over TAG
Option 4.6	Total legal catch over TAG

Allocating catch relative to ABC is clearly the wrong approach, given the high ABCs of flatfish fisheries in general. Because flatfish TACs fluctuate in response to the pollock TAC (due to the 2.0 million ton cap in the BSAI), allocating catch relative to TAC is also inappropriate. The only true measure of relative use and dependence on these fisheries is catch over catch, whether total or retained.

- Retain the AP recommended changes to **Component 8** (reducing PSC limits upon transfer)

Option 8.1	No change in overall amount of the current PSC limits.
Option 8.2	Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year.
Suboption 8.2.1	Transfers of PSC after August 1 are not taxed.
Suboption 8.2.2	Only un-bundled transfers of PSC are taxed.

PSC is allocated to the coop, not to individual vessels within the coop, so there is no way to determine 'transfers.' Even if there were, it does not make sense to penalize a vessel which has been able to conserve PSC by reducing the value of that savings.

- Retain **Component 15** as inserted by the AP (establishing a threshold)

Component 15 A threshold level may be established for yellowfin sole. TAC below the threshold level will be allocated to the non-AFA trawl CP sector based on the formula determined in Components 4 and 5. TAC in excess of the threshold level will be available to other sectors as well as to the non-AFA trawl sector. Threshold levels for other species may be developed at a later date.

For yellowfin sole, the threshold will be:

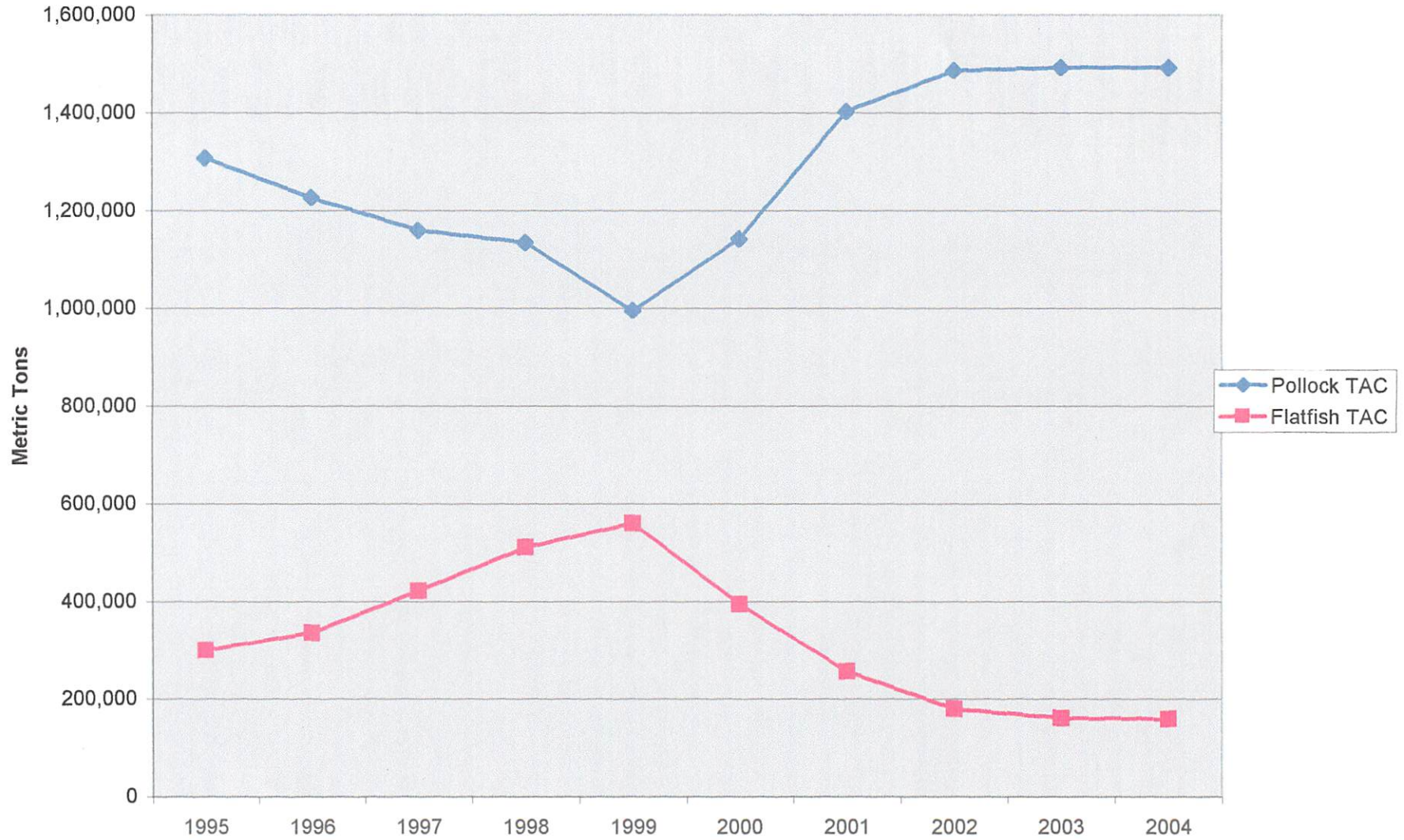
Option 1	125,000 MT
Option 2	150,000 MT
Option 3	175,000 MT

- Option 15.1 Allocate the threshold reserve to the trawl sectors and between AFA and non-AFA sectors using one of the following suboptions: (*Council could pare these down*)

The threshold proposal allocates yellowfin to the non-AFA trawl CP sector at its current usage (about 94% of the TAC), while leaving sufficient TAC for other sectors to continue at their current usage. When the TAC is above the threshold amount, a higher amount of the 'excess' is available for non-H&G users.

Pollock and Flatfish TACs, 1995-2004

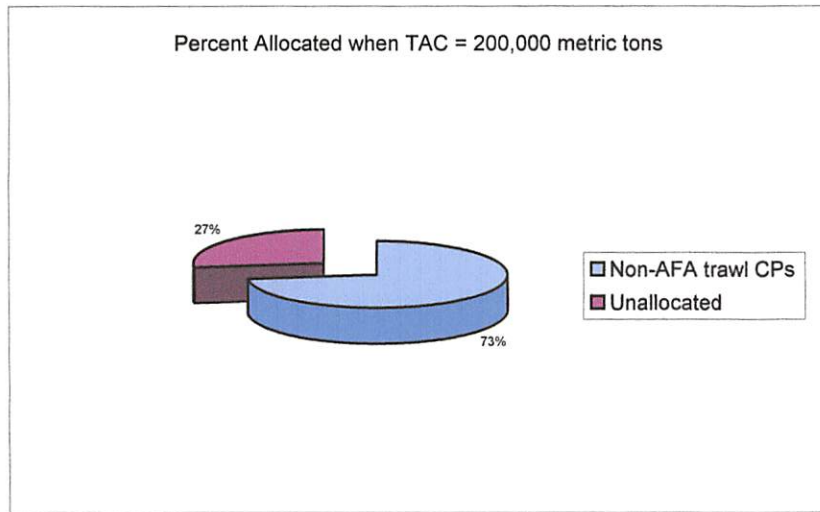
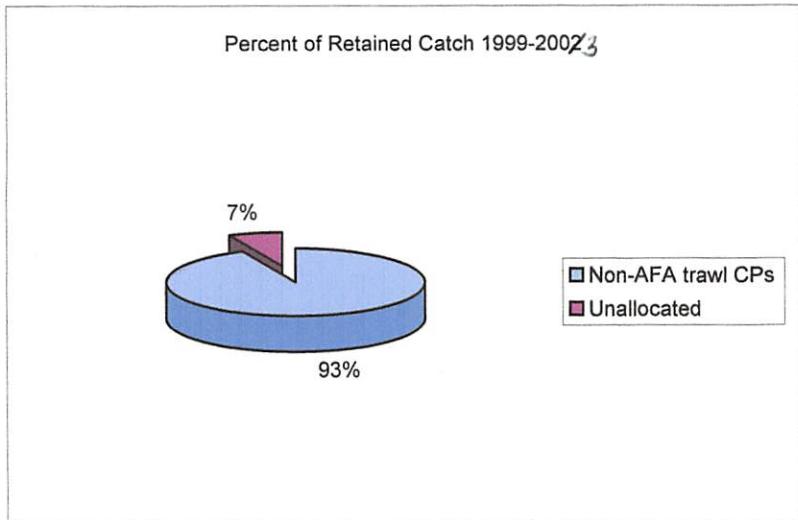
(Flatfish includes Yellowfin sole, Rock sole, Flathead sole, Alaska Plaice and Other Flatfish)



Yellowfin Allocations using 1999-2003 catch and 150,000 ton threshold with Option 10.4.2 CV-i, CP-iii

Years	Sector	Aggregate Catch	99-03 Percent	Share at various TAC levels				% when TAC=200k
				2004 TAC	100,000 mt	150,000 mt	200,000 mt	
1999-03	Non-AFA trawl CPs	228,106.2	93.4%	74,328	86,352	129,528	135,309	73.1%
	Unallocated		6.6%					26.9%
	AFA Trawl CPs	13,506.5	5.5%	4,401	5,113	7,670	25,013	13.5%
	AFA Trawl CVs	2,733.7	1.1%	891	1,035	1,552	23,290	12.6%
	Non-AFA Trawl CVs	0.0	0.0%	0	0	0	1,388	0.8%
Total		244,346.4	100.0%	79,619	92,500	138,750	185,000	100%

ITAC (TAC - CDQ)			
ITAC above threshold	0	0	46,250



Bold – new language
Strikethrough – deleted language
ALL CAPS – staff recommendation
Shaded – consistent with AP motion

Earl Krygier's C-5
motion m/s
12-13-04 (before amendments)

Attachment A
Amendment 80 Component and Options
December 2004
North Pacific Fishery Management Council

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, 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 is an initial step towards rationalization of the BSAI groundfish fisheries. Bycatch reduction measures for the non AFA trawl C/P 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 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.

I. Amendment 80 Revised Components and Options

Component 1 Identifies which species will be included in the sector allocation

Allocate only the following primary target species to the Non-AFA Trawl Catcher Processor sector: yellowfin sole, rock sole, flathead sole, Atka mackerel, **and** Aleutian Islands Pacific Ocean Perch. ~~ARROWTOOTH FLOUNDER, AND ALASKA PLAICE.~~ Species could be added or deleted through an amendment process. All of these species will be allocated to the non-AFA trawl catcher processor cooperative.

~~**Component 2** Management of secondary species.~~

~~Option 2.1 Use the current management system.~~

~~OPTION 2.2 USE ICAS FOR ALL NON TARGET SPECIES ICAS WOULD BE MANAGED WITH SOFT CAPS.~~

~~OPTION 2.3 USE ICAS FOR ALL NON TARGET SPECIES ICAS WOULD BE MANAGED WITH HARD CAPS.~~

Component 3 CDQ allocations for each **PRIMARY TARGET (COMPONENT 1)** species in the program (~~except pollock and fixed gear sablefish~~) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

Option 3.1 7.5%

Option 3.2 10%

Option 3.3 15%

Component 4 Identifies the sector allocation calculation (after deductions for CDQs). For purpose of allocation to the non-AFA trawl catcher processor sector, each primary species allocation will be based upon the years and percentage of average catch history selected in Component 5 using one of the following:

Bold – new language
Strikethrough – deleted language
ALL CAPS – staff recommendation
Shaded – consistent with AP motion

- Suboption 1** Allocations will be managed as a hard cap. When the allocation is reached, further fishing will be prohibited.
- Suboption 2** Allocations will be managed as a soft cap. When the allocation is reached, species will be on prohibited status.

- ~~Option 4.1~~ ~~Total legal catch of the sector over total legal catch by all sectors~~
- Option 4.2 Retained legal catch of the sector over retained legal catch by all sectors
- ~~Option 4.3~~ ~~Total legal retained catch over ABC~~
- ~~Option 4.4~~ ~~Total legal catch over ABC~~
- ~~Option 4.5~~ ~~Total legal retained catch over TAC~~
- Option 4.6 Total legal catch over TAC
- Option 4.7** **Retained legal catch of the sector over total legal catch by all sectors**

The remaining portion of primary species included in this program will be allocated to ~~these non-AFA trawl catcher processor participants who elect not join a cooperative~~ the BSAI limited access fishery. ~~Open access will include amounts to accommodate AFA sideboards and other fishery practices. Rules for the non-AFA trawl catcher processor fishery include:~~

- ~~1. After each non-AFA trawl catcher processor cooperative has completed its allocated harvests of all primary target species, cooperative members may fish in open access.~~
- 2. Vessels other than non-AFA trawl catcher processor with (retained) trawl catch history from 1995-2004 and with appropriate LLP endorsements may fish in the BSAI open limited access fishery.**

Component 5 Catch history years used to determine the allocation to the non-AFA trawl catcher processor sector in Component 4.

- Option 5.1 1995-1997
- Option 5.2 1995-2002
- Option 5.3 1998-2002
- Option 5.4 1998-2004
- Option 5.5 1999-2003
- Option 5.6 2000-2004
- Option 5.7** **The Council can select percentages for each of the species allocated to the non-AFA trawl CP sector.**

Component 6 PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

- Option 6.1 7.5% of each PSC limit
- Option 6.2 8.5% of each PSC limit
- Option 6.3 10% of each PSC limit
- Option 6.4 Proportional to the CDQ allocation under Component 3 for each PSC limit

Bold – new language
Strikethrough – deleted language
ALL CAPS – staff recommendation
Shaded – consistent with AP motion

Component 7 Sector allocations of PSC limits. (~~Council must choose one suboption from both Option 7.1 and 7.2 in order to apportion PSC between non-AFA trawl catcher processors and the open access).~~

~~Option 7.1 Apportion PSC to each fishery group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).~~

~~Suboption 7.1.1 Through annual TAC setting process (the current method) with a new breakout for the non-AFA trawl catcher processor sector.~~

~~Suboption 7.1.2 In proportion to the historic fishery group's apportionment using the most recent five years.~~

~~Suboption 7.1.3 In proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.~~

~~Option 7.2 Apportion PSC allotments made to fishery groups in Option 9.1 under existing regulations with a separate breakout for to non-AFA trawl catcher processor sector for and open access.~~

~~Suboption 7.2.1 In proportion to TAC allocated to the non-AFA trawl catcher processor sector.~~

~~Suboption 7.2.2 In proportion to the PSC usage by the non-AFA trawl catcher processor sector for the years used to determine the groundfish sector apportionments.~~

~~Suboption 7.2.3 In proportion to the total groundfish harvested by the non-AFA trawl catcher processor sector for each PSC fishery group for the years used to determine the groundfish sector apportionments.~~

~~Suboption 7.2.4 In proportion to the target species harvested by the non-AFA trawl catcher processor sector in that PSC fishery group for the years used to determine the groundfish sector apportionments.~~

Option 7.2 Apportion PSC to non-AFA trawl CP sector:

Suboption 7.2.1 Allocation based on historical usage of PSC.

Suboption 7.2.2 Percentage allocations (estimates for PSC associated with Pacific cod catch will be based on the process laid out in Component 4) selected in Component 4 multiplied by the relevant total PSC catch in each PSC fishery group.

Option 7.3 Select a non-AFA trawl catcher processor sector PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 7.2. PSC reduction options can vary species by species, and sector by sector.

Suboption 7.3.1 Reduce apportionments to 60% of calculated level.

Suboption 7.3.2 Reduce apportionments to 75% of calculated level.

Suboption 7.3.3 Reduce apportionments to 90% of calculated level.

Suboption 7.3.4 Reduce apportionments to 95% of calculated level.

Suboption 7.3.5 Do not reduce apportionments from calculated level.

~~Non-AFA trawl catcher processor cooperative members may carry unused PSC from cooperative into the open access fishery.~~

Option 7.4 The Council can select percentages and/or amounts for PSC allocated to the non-AFA trawl CP sector.

Bold – new language
Strikethrough – deleted language
ALL CAPS – staff recommendation
Shaded – consistent with AP motion

~~**Component 8** Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. Options selected from this component would be in addition to those PSC options selected in Component 7.~~

- ~~Option 8.1~~ ~~—————~~ ~~No change in overall amount of the current PSC limits.~~
- ~~Option 8.2~~ ~~—————~~ ~~Reductions in the PSC limit for halibut is accomplished by taxing in-season non permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year~~
- ~~Suboption 8.2.1~~ ~~—————~~ ~~Transfers of PSC after August 1 are not taxed.~~
- ~~Suboption 8.2.2~~ ~~—————~~ ~~Only un bundled transfers of PSC are taxed.~~
- ~~Option 8.3~~ ~~—————~~ ~~Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.~~

Component 9 Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector. Only vessels that qualify for a sector eligibility endorsement may participate in cooperative under this program.

- Option 9.1 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002
- Option 9.2 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002
- Option 9.3 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002
- Option 9.4 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002
- Option 9.5** **Qualified license holders must have caught 150 mt. of groundfish with trawl gear and processed that fish between 1997-2002**

Component 10 Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. There may be more than one cooperative formed. No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:

- Option 10.1 At least 30 percent
- Option 10.2 At least 67 percent
- Option 10.3 At least 100 percent
- Option 10.4 All less one distinct and separate harvesters using the 10 percent threshold rule.

Component 11 Determines the method of allocation of PSC limits and groundfish between the cooperative and eligible non-AFA trawl catcher processor participants who elect not to be in a cooperative.

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- Option 11.1 Catch history is based on total catch
- Option 11.2 Catch history is based on total retained catch

Component 12 Determines which years of catch history are used for establishing cooperative allocations. The allocation of groundfish between the cooperative and those eligible participants who elect not to join a cooperative is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and non-cooperative pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement, which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the non-cooperative pool.

- ~~Option 12.1~~ ~~1995-2002, but each license holder drops its lowest annual catch during this period~~
- Option 12.2 1995-2003, but each license holder drops its **3** lowest annual catches **by species** during this period
- Option 12.3 1997-~~2002~~ **2003**, but each license holder drops its lowest annual catch **by species** during this period
- Option 12.4 1998-2002, but each license holder drops its lowest annual catch **by species** during this period
 - Suboption 12.4.1 Each license holder does not drop its lowest annual catch **by species** during this period
- Option 12.5 1998-2003, but each license holder drops its lowest annual catch **by species** during this period
 - Suboption 12.5.1 Each license holder drops two years during this period
- ~~Option 12.6~~ ~~1999-2002, but each license holder drops its lowest annual catch during this period~~
- Option 12.7 1999-2003, but each license holder drops its lowest annual catch **by species** during this period

Component 13 Determines if excessive share limits are established in the non-AFA trawl catcher processor sector.

- Option 13.1 There is no limit on the consolidation in the non-AFA trawl catcher processor sector.
- Option 13.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can ~~hold~~ use more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

Component 14 Establishes measures to maintain relative amounts of non-allocated species until such time as other fisheries are rationalized.

- Option 14.1** Sideboards for the non-AFA trawl catcher processor sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the non-AFA trawl

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catcher processor and ~~open~~ **limited** access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.

Suboption 14.1.1 Sideboards will be allocated between cooperative and non-cooperative LLP holders.

Option 14.2 Sideboards for the non-AFA trawl CP sector can be established by establishing percentages and/or amounts for the species/fisheries not included in this program.

Suboption 14.2.1 Sideboards will be allocated between cooperative and non-cooperative LLP holders.

Component 15 A threshold level may be established for yellowfin sole. TAC below the threshold level will be allocated to the non-AFA trawl CP sector based on the formula determined in Components 4 and 5. TAC in excess of the threshold level will be available to other sectors as well as to the non-AFA trawl CP sector. Threshold levels for other species may be developed at a later date.

For yellowfin sole, the threshold will be:

Option 1	125,000 MT
Option 2	150,000 MT
Option 3	175,000 MT
Option 4	80,000 MT
Option 5	100,000 MT

~~Option 10.4~~ Allocate the threshold reserve to the ~~trawl sectors and between AFA and non-AFA sectors~~ **non-AFA trawl CP sector and the BSAI limited access fishery** using one of following suboptions :

Suboption 1	30% non-AFA trawl catcher processor sector and 70% limited access fishery
Suboption 2	50% non-AFA trawl catcher processor sector and 50% limited access fishery
Suboption 3	70% non-AFA trawl catcher processor sector and 30% limited access fishery

Other Elements of Amendment 80

This section provides additional specifics and elements for the non-AFA trawl catcher processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRIU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate **ON AN ANNUAL BASIS** and on those vessels who do not join a cooperative as individuals. ~~IF THE COOPERATIVE, IN THE AGGREGATE, CANNOT MEET THE STANDARD OVER A PERIOD OF TWO YEARS THEN THE~~

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~~GRS FOR THE CURRENT YEAR WOULD BE IMPOSED ON INDIVIDUAL VESSELS WITHIN THE COOPERATIVE.~~

- Non-AFA trawl catcher processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the non-AFA trawl catcher processor sector will need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers must reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the non-AFA trawl catcher processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the non-AFA trawl catcher processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the non-AFA trawl catcher processor sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the non-AFA trawl catcher processor cooperative(s) and those sector participants that elect not to join a cooperative.
 - BSAI non-AFA trawl catcher processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
 - BSAI non-AFA trawl catcher processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
 - BSAI non-AFA trawl catcher processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).

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- **BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.**
- **BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.**
- **Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.**
- **The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.**
- **Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council and the non-AFA trawl catcher processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.**
- **A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.**
- **An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. This program will be similar to the data collection program in the BSAI crab rationalization program. Details of the collection will be developed in the analysis of the alternatives.**