


MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Clarence G. Pautzke
Executive Director 

DATE: December 3, 1992

SUBJECT: Groundfish Regulatory Amendments - Final Review

ACTION REQUIRED

- (b) Consider final action on the gangion-cutting/careful release analysis

BACKGROUND

At the September meeting, the IPHC submitted a proposal to require mandatory cutting of gangions at the hook to release halibut caught by groundfish longline vessels. The rational for this proposal is to reduce discard mortality from 16% (a more recent discard mortality rate as estimated from 1991 observer data is approximately 20%) to between 7-14%, in the hook and line fisheries.

In September the Council recommended that NMFS develop a regulation for the BSAI Pacific cod fishery requiring mandatory gangion cutting, or in the case of observed vessels, a combination of gangion cutting and an approved careful fish removal technique, and take final action at this meeting.

The EA/RIR for this proposal will be distributed at this meeting. Alternatives in the analysis are available for both the BSAI and the GOA and are as follows:

Alternative 1: Status Quo, apply the current discard mortality rate.

Alternative 2: Require halibut be released outboard of the roller by gangion cutting.

Alternative 3: Require halibut be released outboard of the roller by gangion cutting or careful removal of the hook with a gaff in a manner that does not add injury to the halibut.

If the Council chooses Alternative 2 or 3, several implementation issues require attention, including the following:

- Will the careful release regulation apply to all vessels, or just to vessels with observers on board?
- Which fisheries will the careful release regulation apply to, just BSAI Pacific cod (the Council's original intent in September) or to all hook and line fisheries in both the BSAI and GOA?

- A third issue is the choice of discard mortality rates. Currently, discard mortality rates for the 1993 fisheries will be based on longline rates from 1991 observer data. Compliance with a careful release regulation will result in a reduced rate. A rate can be determined from 1993 in-season observer reports that would accurately reflect the effects of careful release. However, this information will not be available at the start of the 1993 fisheries. The IPHC recommends the Council establish a preseason, assumed rate temporarily, and update this rate with in-season data as appropriate.

Comments from the International Pacific Halibut Commission and the North Pacific Longline Association are under Item D-2(b)(1). NMFS will provide written comment addressing the issues mentioned above and also report at this meeting on the feasibility of such a proposal. If the Council recommends specific changes to the regulations at this meeting, and if those recommendations are approved by the Secretary of Commerce, they probably would not be in place before mid-1993. A large part of the groundfish TACs will have been taken by then; therefore, much of the potential benefits due to a reduced halibut mortality rate will be foregone for the 1993 season. The IPHC is recommending that this measure be implemented as an emergency rule in order that it apply to the first part of the 1993 fisheries.

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INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA
AND THE UNITED STATES OF AMERICA

AGENDA D-2(b)(1)
DECEMBER 1992

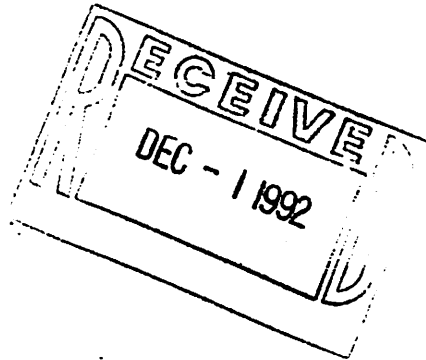
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November 1, 1992

Dr. Clarence Pautzke
Executive Director
NPFMC
P. O Box 103136
Anchorage, AK 99510



Dear Clarence:

At the December meeting, the North Pacific Fishery Management Council will review and make a recommendation on a hook and line careful release regulatory amendment. The Staff of the International Pacific Halibut Commission strongly recommends Alternative 3, the most flexible of the alternatives. This alternative should also be implemented as an emergency rule, or its benefits will be lost for a large part of the year. Careful release will reduce mortality of discarded halibut, and allow more harvest by the halibut fishery, more groundfish harvest, or both.

We believe that the choice of Alternative 3 is fairly easy. However, hard decisions must be made on actual implementation of the regulation, and we offer our thoughts on two of these issues.

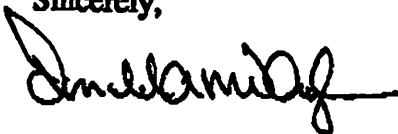
1. Observed and unobserved vessels. We recommend that the careful release regulation apply to all hook and line vessels. However, discard mortality rates from careful release should be applied only to those vessels carrying an observer, for the entire period that the observer is on board (include unobserved portions of the catch). Fishermen on unobserved vessels probably will partially comply with the regulations. Giving them credit for full compliance with the regulation will underestimate the true mortality, but giving credit only to observed vessels will cause a cost to those unobserved vessels that do comply, by giving them no credit for compliance. However, all vessels will benefit from reduced discard mortality rates of observed vessels. We believe that some careful release techniques are easier than higher mortality release techniques now being used. Compliance while an observer is on board can lead to acceptance of careful release techniques on a regular basis, and to wider use of careful release rates.

In a practical sense, use of careful release rates only for observed vessels mainly benefits the freezer longliner fleet that has nearly 100% observer coverage. If the Council opted only to regulate highly observed fisheries, the BSAI Pacific cod fishery would be the most appropriate.

2. Choice of discard mortality rates. Three discard mortality rates could be applied to the 1993 fishery under careful release regulation: longline rates from 1991 observer data; a reduced rate which assumes some level of compliance; or an in-season rate based on 1993 observer reports of condition factors. We recommend using a preseason, assumed rate temporarily, and updating that rate with in-season data as appropriate. Under this proposal, observers would include in their weekly reports the number of excellent, poor, and dead halibut observed. NMFS would transmit this information to the Halibut Commission. After several months of data collection, we would recalculate the discard mortality rate for NMFS to use in its bycatch management. A second recalculation later in the year would update the rate. This recommendation assumes that NMFS can change discard mortality rates in-season to use best available information, a question currently under legal review. For the preseason rate, whether temporary or permanent, we recommend the upper end of the range identified in the regulatory amendment analysis, or 14%. If the Council recommends against careful release regulations, the discard mortality rates for hook and line fisheries should be those recommended in the SAFE documents.

We welcome this opportunity for the Council to provide the hook and line fleet with a mechanism to reduce discard mortality rates for halibut. The Halibut Commission Staff will work closely with the NMFS observer program and regional management staffs to make the careful release regulation as effective as possible.

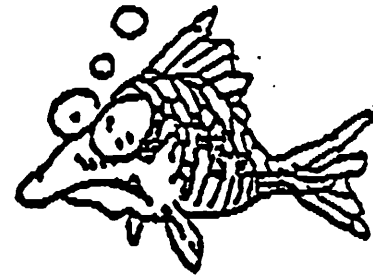
Sincerely,



Donald A. McCaughran
Director

cc. Commissioners
AK Region, NMFS

North
Pacific
Longline
Association



Agenda D-2(e)

December 1, 1992

RECEIVE

DEC - 1 1992

Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

RE: Gangion-Cutting/Careful Release of Halibut

Dear Rick:

The North Pacific Longline Association represents longliners who catch halibut unintentionally in their directed fisheries for other species. We wish to reduce the mortality associated with this bycatch as much as possible. For this reason we encourage the Council not only to adopt Alternative 3, but also to recommend its implementation through emergency rule.

Alternative 3

Alternative 3 incorporates three "careful release" techniques which may be used to release halibut with minimal injury - gangion-cutting, "shaking" by rolling the hook out of the lip with a gaff, and hook-straightening. This last technique proved highly successful during a halibut research charter this summer - a short video is available if the Council wishes to see it.

Adoption of this alternative would provide fishermen with the flexibility they need to adopt a careful release technique suitable to their particular operation. We strongly recommend that the Council adopt Alternative 3.

Compliance - Emergency Rule

In order to assure compliance with the "careful release" rule, we request that the Council recommend its implementation by emergency rule - so that careful release techniques must be employed from January 1, 1993, or as soon thereafter as possible. We expect this will result in significant halibut savings.

Our request for favorable Council action on Alternative 3 and emergency implementation is a sincere and urgent one. We really want to reduce the halibut mortality associated with our fishery.

Sincerely,

Thorn Smith

Thorn Smith

**ENVIRONMENTAL ASSESSMENT/REGULATORY IMPACT REVIEW/
INITIAL REGULATORY FLEXIBILITY ANALYSIS**

FOR THE

**PROPOSED CAREFUL RELEASE OF PACIFIC HALIBUT
CAUGHT OF GROUND FISH HOOK-AND-LINE**

**IN THE GULF OF ALASKA
AND BERING SEA ALEUTIAN ISLANDS**

1.0 INTRODUCTION

The domestic groundfish fisheries in the exclusive economic zone (EEZ) of the Gulf of Alaska (GOA) and Bering Sea and Aleutian Islands area (BSAI) are managed by the Secretary of Commerce (Secretary) in accordance with the Fishery Management Plans (FMPs) for Groundfish of the GOA and BSAI. These FMPs were prepared by the North Pacific Fishery Management Council (Council) under the Magnuson Fishery Conservation and Management Act (Magnuson Act). These FMPs are implemented by regulations appearing at 50 CFR Parts 611, 672 and 675. General regulations that also pertain to U.S. fisheries appear at 50 CFR part 620.

The environmental assessment/regulatory impact review/initial regulatory flexibility analysis (EA/RIR/IRFA) addresses rulemaking that proposes to implement a regulation requiring the careful release of Pacific halibut caught on groundfish hook-and-line gear in the Gulf of Alaska (GOA) and Bering Sea and Aleutian Islands Area (BSAI) to increase the bycatch survival rate of Pacific halibut.

A description of, and reasons for, this action follows:

2.0 CHANGE FISHING GEAR RESTRICTIONS IN THE BERING SEA-ALEUTIAN ISLANDS AND GULF OF ALASKA

2.1 Description of the problem and need for action.

2.1.1 Background. Fisheries in the BSAI and GOA are prosecuted with a variety of gear types. Each gear type causes different problems for bycatch of prohibited species. Prohibited species catch (PSC) limits are established that may be apportioned to gear groups and fisheries as bycatch allowances. Gear groups and fisheries that reach seasonal PSC limits are closed through specific time periods, and those that reach annual PSC limits are closed for the balance of the year, often with large amounts of uncaught total allowable catch (TAC) amounts remaining. The Council has taken bycatch management actions designed to reduce bycatch and maintain groundfish harvest. In the case of Pacific halibut, PSC limits are in terms of mortality rather than actual amounts of halibut caught. Mortality limits provide a two-pronged approach to bycatch management: first by actions that reduce bycatch rates, and second by actions that increase survival of discarded bycatch.

In the case of hook and line fisheries for groundfish, potential survival of discarded halibut is very high. Circle hooks and semi-circle hooks used by the majority of hook and line fishermen catch halibut in the mouth, and cause little inherent damage. However, inappropriate release methods cause severe wounds that lead to higher probability of death. Discard mortality rates estimated from 1990 observer hook and line data are 16%, much higher than the 2-5% mortality rates possible for

properly released halibut. Impaling with gaffs, using hook strippers (crucifiers), and allowing halibut to linger on deck before discard are examples of actions that cause higher mortality. Current federal regulations at CFR 50 parts 675.20(c)(3) and 672.20(e)(2) are silent on halibut release methods, other than halibut must be returned to the sea with a minimum of injury.

Requirements for mandatory careful release techniques would increase the survival of discarded halibut, by reducing or eliminating the actions that cause increased mortality. Increased halibut survival would allow more groundfish harvest by hook and line fisheries while remaining within the same or even lower halibut PSC mortality limits. Fishermen may not be able to carefully release every halibut, because of occasional mistakes or slips. NMFS's enforcement division recognizes the need to establish a standard that prevents a scenario where a fisherman becomes an instant bandit by inadvertently failing to shake, straighten a hook, or cut a gangion. This standard called "substantial compliance" means that if a person has taken reasonable steps or has made substantial efforts to comply, then inadvertent or minor violations of law would not be cited as a violation.

Enforcement and monitoring of the careful release regulations would be easier to achieve in the BSAI than in the GOA because observer coverage is significantly higher in the BSAI. Hook and line fishing in the GOA is conducted with a large number of vessels less than 125 feet in length that require only 30% observer coverage, and vessels less than 60 feet that do not require observers. On the average, about 18% of the longline groundfish in the GOA is caught aboard observed vessels. In the BSAI, most of the hook and line vessels are greater than 125 feet and require 100% observer coverage. On the average, about 90% of the longline groundfish in the BSAI is caught aboard observed vessels.

Applying careful release regulations to observed or unobserved vessels would have important implications. Fishermen on unobserved vessels would be required to comply with the regulations. Giving them credit for full compliance would underestimate true discard mortality. Conversely, giving credit only to observed vessels would cause a cost to those unobserved vessels that do comply but would provide them no benefit. Different application of careful release regulations to observed and unobserved vessels would need to be balanced against compliance concerns and the need to provide a regulatory incentive to reduce halibut handling mortality.

2.1.2. Discard mortality rates for careful release.

Discard mortality rates for halibut by hook and line fisheries are calculated from 1990 observer data (Williams and Wilderbuer 1992) as 16% for all fisheries and areas, and from 1991 observer data (Williams and Wilderbuer in prep) as 16-25% in the GOA and 20% in the BSAI. These calculations derive from the distribution of condition factors (an index of survival) determined by on-board observers aboard fishing vessels. Williams and Wilderbuer estimated the discard survival rate for excellent condition fish at 95-98% (2-5% mortality) from data in Peltonen (1969), and for poor condition fish at half the excellent rate from data in Myhre (1974). No dead condition fish are assumed to survive. In 1991 approximately 70% of the discarded BSAI halibut were in excellent condition, 24% in poor condition, and 6% in dead condition. An IPHC tagging study of carefully released halibut and halibut released with a crucifier tallied hook injuries (Steve Kaimmer, IPHC, pers. comm). Halibut discard mortality caused by use of crucifiers is estimated at more than three times that of carefully released halibut. "Horned" halibut, impaled with the gaff and held against the roller until the hook tears free, experience even higher discard mortality. Even though the tagging study did not use the same condition factors as used by observers, about 93% of carefully released fish were in the equivalent of excellent condition. Poor condition fish accounted for about 6% of the releases, and dead fish about 1%. Results from the tagging study suggest that the upper range

of discard survival is about 93%, or a 7% discard mortality rate. Lower compliance or less skilled roller men would lower the average condition factor. At values in the BSAI midway between those of 1991 and the tagging study--82% excellent, 15% poor, and 3% dead--the discard mortality rate would be 14%. These results suggest a probable range of discard mortality rate from a careful release regulation of 7-14%.

While a range of discard mortality rates may be reasonable, we cannot predict actual condition factors and discard mortality rate in advance for a careful release regulation. The level of compliance and actual observer data will be major factors in determining discard mortality rates. As an alternative to a preset discard mortality rate, an inseason rate may be calculated if observers transmit weekly tallies of condition factors to the National Marine Fisheries Service with weekly reports of other required data. Weekly data would be aggregated until June (or some other month); 1993 by the IPHC for a recalculation of the discard mortality rate. A mid season recalculation would provide a feedback to fishermen on the effectiveness of their efforts, and would offer a reward (or penalty) for good (or poor) compliance.

2.1.3 Need for mandatory action.

If analysis shows that net benefits accrue from carefully releasing halibut from hook and line vessels, why are mandatory regulations necessary, and why shouldn't the fleet take these actions voluntarily? Careful release to reduce halibut bycatch mortality is in the best interest of the group as a whole, but causes some costs to individuals. If all individuals participate, then all benefit. If only some participate, they would accrue costs that nonparticipants do not, yet the nonparticipants would also benefit. Mandatory action lets the individual's best interest more closely coincide with the group's interest. The North Pacific Longline Association, a group of primarily BSAI freezer-longliners, has endorsed the careful release concept.

2.2 The Alternatives.

The alternatives are available for the BSAI and the GOA. However, each area is managed under a different Fishery Management Plan. The Council and NMFS may choose a different alternative in each area, or may choose different alternatives for separate fisheries within an Area.

2.2.1 Alternative 1: Do nothing - maintain the status quo.

Adoption of this alternative would maintain the current requirement for releasing halibut in "good condition" but would not specify release techniques.

2.2.2 Alternative 2: Amend the Federal Regulations to require that halibut caught on groundfish hook and line gear be released outboard of the roller by cutting the gangion as close to the hook as possible.

Adoption of this alternative would provide a quantifiable method of releasing halibut to increase survival of discards. Gangion cutting is the most observable and subject to the least interpretation by observers as to adequate compliance with the regulation.

2.2.3. Alternative 3: Amend the Federal Regulations to require that halibut caught on groundfish hook and line gear be released outboard of the roller by cutting the gangion as close to the hook as possible or by carefully removing the hook with a gaff in a way that does not add injury to the

halibut, and without penetrating the halibut with the gaff.

Adoption of this alternative would provide fishermen with flexibility to use the method best suited to each vessel for releasing halibut to increase survival of discards. Careful removal with the gaff could take the form of rolling the hook out of the lip using the gaff, or hook straightening using the gaff.

2.3. Biological and environmental impacts of the alternatives.

Few biological or environmental impacts would occur by adopting any alternative. If halibut PSC limits currently set by the Council remain at status quo and are reached by the fishery, then the amount of dead halibut would not change as a result of any alternative. However, if discard mortality rates are reduced as anticipated, the amount of dead halibut would decline for a given amount of Pacific cod harvest, and more halibut would be available for harvest in the directed fishery. Most of the groundfish caught by hook and line gear in the BSAI in 1991 was Pacific cod, and the Pacific cod harvest by all gears in 1992 is expected to exceed the TAC. Therefore, no additional Pacific cod harvest would result from either alternative. Lower halibut discard mortality rates for hook and line gear from Alternatives 2 or 3 may change the distribution of Pacific cod harvest among fishing gears.

Released halibut experience some probability of mortality regardless of the release technique. Release mortality for halibut with the hook carefully removed is about 2-5%, based on underwater pen holding experiments with tagged halibut (Peltonen 1969). Halibut dropping to the water surface may be stunned at contact and experience a slightly increased mortality. A requirement for cut gangions would cause halibut to be released with hooks still in the mouth, which may interfere with feeding. Reduced feeding effectiveness is expected to be small and to have an unmeasurable effect on prey species. Attacks on hooked fish by amphipods (sand fleas) cause some unknown level of mortality that should not differ by release technique. In the aggregate, the maximum mortality of carefully released fish in the BSAI should be 14% or less based on 1991 data or 11% or less based on 1990 data. Either is below the BSAI 1990 discard mortality rate of 16% and the 1991 rate of 20%.

Obtaining condition factor data with which to estimate discard mortality rate for the new regulation would be critical. The fishermen would be in compliance by releasing the halibut to the sea outboard of the roller, unless they violate the existing regulation requiring release with minimum of injury. The observer would need to assess the condition factor of released halibut and must assign condition factor in part by how well the fisherman releases the halibut. Roughly shaking the hook from the halibut would cause higher mortality than would result from smooth shaking.

2.3.1 Biological effects to marine mammals

Interactions between marine mammals and hook-and-line gear are not frequent, but do occur. Steller sea lions and killer whales are known to intentionally interact with hook-and-line gear, and feed on hooked fish and discards from vessels. Marine mammals feeding on halibut released by cutting the gangions may be at risk of physical injury from ingested hooks. From this standpoint, Alternative 3 is preferable since it would result in a reduced number of halibut released with hooks. Alternative 2, which requires mandatory cutting of all gangions, would result in a greater number of halibut released with hooks, and could result in a higher number of hooks ingested by marine mammals. Alternative 3 would reduce the possible adverse effects on marine mammals while accomplishing the goal of reducing halibut mortality.

2.4. Socioeconomic impacts of the alternatives and regulatory impact review of proposed alternatives

Alternative 1, the status quo, would involve no change in industry costs or in management costs. The current discard mortality rates in the hook and line fishery would continue to be higher than necessary. Observer data from 1991 hook and line fisheries indicate that discard mortality rates are even higher than in 1990. If the halibut PSC limit is reached before the directed fishing allowance for Pacific cod is harvested, opportunity to fish for remaining amounts of Pacific cod may be foregone and economic loss to the hook and line fishery would occur. Adopting Alternatives 2 or 3 should reduce discard mortality rates to between 7 and 14%.

In 1991 and 1992, the BSAI hook and line fishery for all targets harvested 61,418 and 90,010 mt of Pacific cod, respectively, and accounted for 464 and 1,102 mt of halibut bycatch mortality based on the 16 percent mortality assumption derived from 1990 data. In 1992, a 750-mt halibut mortality limit was implemented for the BSAI non-trawl fisheries. The effective date of the mortality limit was delayed, however, until after the Pacific cod TAC had been harvested. A 900-mt mortality limit is proposed for the BSAI non-trawl fisheries in 1993 under Amendment 21 to the FMP. In spite of these restrictions, the Pacific cod TAC is expected to be harvested given the trawl and non-trawl fleet capacity to harvest this species and a recommendation from the Council to exclude the 1993 pot gear fisheries from fishery closures implemented under halibut bycatch restrictions.

Hook-and-line harvest of Pacific cod in 1993 is difficult to predict, and depends to a large degree on the ability of the trawl and pot fisheries to compete for Pacific cod and associated halibut bycatch. For demonstration purposes, assume that the hook and line Pacific cod harvest and the halibut bycatch rates would be in the 1991-1992 range. A reduction of the discard mortality rate from 16% to 10% would lower halibut mortality by 38% (or the equivalent to about a 60% increase in PSC limit), while a reduction to 8% would reduce halibut mortality by half (the equivalent of doubling the PSC limit).

Careful release of halibut would impose cost to the hook and line fishing industry. Cutting gangions would cause loss of hooks, and would require replacement of hooks and gangions. At a bycatch rate of approximately 14 halibut per mt of Pacific cod (Gregg Williams, IPHC, pers. comm.), approximately 840,000-1,400,000 hooks and gangions would need replacing during a fishing year for a harvest of 60,000-100,000 mt by the hook and line fishery. At a cost of about \$0.15 per hook and gangion (Jim Beamon and Don Iverson, North Pacific Longline Association, pers. comm.), cutting gangions would add \$126,000-210,000 to equipment cost. Replacing a hook and gangion takes about 30 seconds, but would not add labor cost to the fishery because fishermen tend to work for a share rather than a wage. Replacing several hooks per day would be added to the daily work load, and total about 9,000 hours annually.

Careful shaking would cause no increased gear cost, but may require slower retrieval of hook and line gear during occasions of halibut bycatch. Hook straightening would cause some hook and gangion loss, but most hooks can be reshaped several times. On a rolling boat in rough seas, cutting gangions potentially could impose safety concerns to the fishermen. Accidental cutting of the groundline also could occur. Significant lost time would accrue searching for and retrieving the lost gear, and some gear would not be found. The probability of cutting a groundline or slowing the retrieval process depends on the skill of the fishermen involved, and cannot be predicted in advance.

Opportunity cost (gross wholesale value minus variable costs of harvesting and processing) of halibut ranges from \$2,200 to 2,900 per mt (Joe Terry, Alaska Fishery Science Center, pers. comm.). At about 6 kg average weight of halibut in the longline bycatch (6.2 kg in 1990, 5.4 kg in 1991), \$2.60

per kg of halibut, and 16% discard mortality (84% survival), each released halibut represents \$13.10 in halibut value. At reduced discard mortality rates of 10% or 8% (90% and 92% survival), each cut gangion represents \$14.04 and \$14.35, respectively, in halibut value, or \$0.94 and \$1.25 of increased value.

For PSC limits to constrain the longline fishery with the lower discard mortality rates, longline harvest of groundfish (mostly Pacific cod) must increase. An increase in cod harvest would come at the expense of trawl-caught cod. If so, the Pacific cod fishery would not use its full PSC allotment, which would then be available for other trawl fisheries.

The cost of hooks and gangions and possibly slower retrieval would be offset by the lower discard mortality rate for halibut (roughly half of the present value). If the longline fishery uses all the halibut PSC mortality limit set by the Council, then their groundfish harvest would increase (roughly double). The halibut fishery would not benefit in this case. If the longline groundfish harvest remains about the same, the halibut mortality would decrease (about half the present value) and the savings will be available to the halibut fishery. The groundfish fishery would not benefit in this case. A middle case of increased groundfish harvest and increased halibut catches is possible. In all cases, the increased value of groundfish or halibut exceeds the cost of lost hooks and gangions or slower retrieval.

Under alternatives 2 or 3, additional indirect costs could be incurred by management agencies, particularly if inseason adjustments to assumed mortality rates were routinely implemented. Observers would have to summarize halibut viability data (number in excellent, poor, and dead condition) and include this in inseason catch messages. This would take time away from the observers' duties and produce an increase workload. Additionally, data management programs currently are not set up to handle this information, and would need to be revised. Inseason adjustments of assumed mortality rates would also require NMFS and IPHC staff time to assess inseason observer data and inform and respond to industry inquiries on any action NMFS may take to adjust mortality assumptions.

Under alternatives 2 and 3, observers would have to observe and make a judgement on the condition of the released halibut while they are sampling. If a vessel's crew routinely appears to be in violation of the regulation, then the observer would need to take time from the normal sampling duties to document the number and percentage of halibut that were observed to be mishandled, and describe how the halibut were handled. Observer Program staff would be involved in evaluating the extent of the mishandling and overseeing the writing of the affidavit, if necessary. NMFS Enforcement and General Counsel staff would be involved in processing the case as a violation of the fishing regulations. The amount of effort expended by the observers, the Observer Program, NMFS Enforcement, and General Counsel is dependent on the degree of compliance by the vessels.

OTHER EXECUTIVE ORDER 12291 REQUIREMENTS

Executive Order 12291 requires that the following three issues be considered:

- (a) will the proposed action have an annual effect on the economy of \$ 100 million or more?
- (b) will the proposed action lead to an increase in the costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions?

- (c) will the proposed action have significant adverse effects on competition, employment, investment, productivity, or on the ability of U.S. based enterprises to compete with foreign enterprises in domestic or export markets?

Regulations impose costs and cause redistribution of costs and benefits. If the proposed regulations are implemented as anticipated, these costs are not expected to be significant relative to total operational costs. This regulatory amendment is not expected to have an annual effect of \$ 100 million.

None of the alternatives would lead to a substantial increase in the price paid by consumers, local governments, or geographic regions since higher prices would be associated with higher value products and not with the same products, and because no significant quantity changes are expected in groundfish markets.

None of the alternatives considered would have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S. based enterprises to compete with foreign enterprises in domestic or export markets.

IMPACT OF THE AMENDMENT RELATIVE TO THE REGULATORY FLEXIBILITY ACT

The Regulatory Flexibility Act (RFA) requires that impacts of regulatory measures imposed on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions with limited resources) be examined to determine whether a substantial number of such small entities will be significantly impacted by these measures. Fishing vessels are considered to be small businesses. Over 1000 vessels may be used to deploy hook-and-line gear to fish for groundfish off Alaska in 1993, based on Federal groundfish permits issued by NMFS. All of these vessels potentially could be affected by measures considered under alternatives 2 and 3.

FINDING OF NO SIGNIFICANT IMPACT

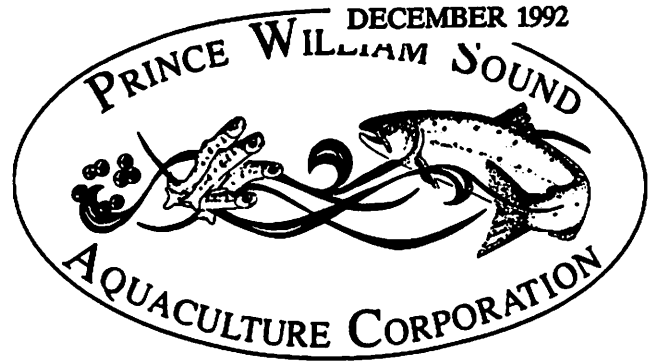
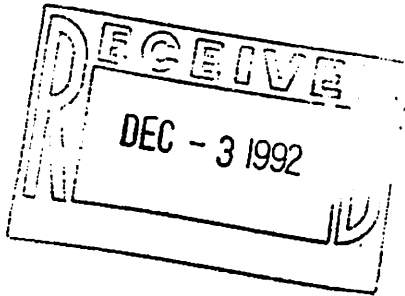
For the reasons discussed above, neither implementation of the status quo, Alternative 2, or Alternative 3 would significantly affect the quality of the human environment, and the preparation of an environmental impact statement on the final action is not required under Section 102(2)(c) of the National Environmental Policy Act or its implementing regulations.

EFFECTS ON ENDANGERED AND THREATENED SPECIES AND ON THE ALASKA COASTAL ZONE

Steller sea lions, a threatened species, occasionally interact with hook-and-line gear, and may ingest hooked fish as well as fish discarded from vessels. None of the alternatives considered to reduce halibut mortality is expected to result in any adverse effects to Steller sea lions. The NMFS Regional Director has determined that formal consultation under Section 7 of the Endangered Species Act is not required prior to implementation of any of the alternatives.

Each of the alternatives discussed above would be conducted in a manner consistent, to the maximum extent practicable, with the Alaska Coastal Zone Management Program within the meaning of Section 307(c)(1) of the Coastal Zone Management Act of 1972 and its implementing regulations.

DECEMBER 1992



December 1, 1992

Clarence G. Pautzke, Executive Director
 North Pacific Fishery Management Council
 P. O. Box 103136
 Anchorage, AK 99510

Dear Mr. Pautzke:

My recent discussions with members of the American Factor Trawlers Association have revealed a difference in opinion regarding the preferred opening date for the Bering Sea pollock B season. All are in favor of a shift in the season, but the preferred date ranges from August 1 to September 15, among many of the trawlers.

We of the Prince William Sound Aquaculture Corporation favor a September 15 opening of the B season. Our experience indicates that the Alaska salmon industry, and Alaskans in general, will benefit by the diversification of the industry and the markets supplied by a greater variety of salmon products produced by water-based processors.

In recent years, the full utilization of our salmon resources has been achievable only through the participation of factory vessels. In 1991, pink salmon were wasted in Prince William Sound because factory vessels were not available. In 1992 factory trawlers processed pink salmon that would otherwise have been underutilized even though the local processing capacity was judged by the state to be sufficient to hand the entire run.

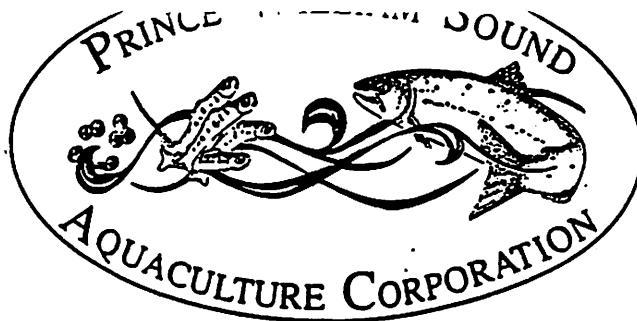
We recognize that the Alaska salmon fisheries are outside the jurisdiction of the NPFMC, which must provide for the efficient use of th pollock resources. Therefore, please accept our recommendation as one in support of those participants in the pollock fishery who advocate a September opening of the pollock B season.

Thank you for sharing this letter with the NPFMC Council members.

Best regards,

John McMullen
 President

CC: Cordova District Fishermen United
 Cordova Aquatic Marketing Assn.
 Prince William Sound Seiner's Assn.
 Joe Blum, AFTA
 PWSAC Executive Committee



September 16, 1992

Clarence G. Pautzke, Executive Director
North Pacific Fishery Management Council
P. O. Box 103136
Anchorage, AK 99510

Dear Sir:

The North Pacific Fisheries Management Council (the Council) is scheduled to meet during the week of September 20, during which time it will consider the dates of the Bering Sea pollock "B" season. As a major salmon producer, Prince William Sound Aquaculture Corporation (PWSAC) is very interested in the Council's action on this issue. Please let me explain.

PWSAC is involved in a fishery which is not managed by the Council, and therefore is probably of secondary importance to the Council. However, the fishing companies which you do regulate in the pollock fishery are important to the full development and maintenance of the Alaska salmon industry.

Prices paid to fishermen and producers for Alaska pink salmon in 1991 and 1992 have not sustained those business ventures. In fact, traditional salmon processors in the upper Gulf of Alaska advertised months prior to the 1991 season that they would not buy pink salmon from PWSAC, the major producer of pinks in this region. The resultant and well publicized wastage of pink salmon in Prince William Sound prompted PWSAC to undertake an extensive effort to pre-sell its cost recovery fish in 1992. This was accomplished, due in part to the availability of factory trawlers which processed pinks into products for new and developing markets.

PWSAC is fully aware of its supporting role in the Alaska salmon industry. However, our role is also one which provides opportunity for the various segments of the industry, as would be provided by the Council if the dates of the Alaska pollock and salmon fisheries did not overlap.

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The production of major numbers of pink and chum salmon in Pacific Russia is about to be channeled through new processing facilities to world markets. I am told that several countries are involved in the development of those salmon resources and that representatives of the U.S. processing industry have been investigating business opportunities there.

What this means to me is that now is the time to promote Alaska salmon in as many product forms as possible and in as many markets as possible. New processing and distribution ventures must be given the opportunity to establish markets for Alaska salmon prior to the time that salmon from other sources fill those niches.

By establishing September 1 or 15 as the opening date for the Bering Sea pollock "B" season, the Council can, in addition to achieving improved utilization of the pollock resource, allow the salmon industry to diversify, which is necessary to secure the future of Alaska salmon in world markets.

Thank you for your consideration of these statements.

Sincerely,



John McMullen
President

CC: NPFMC Council Members