

**PUBLIC REVIEW DRAFT  
for an  
ADDENDUM  
to the**

ENVIRONMENTAL ASSESSMENT / REGULATORY IMPACT REVIEW /  
INITIAL REGULATORY FLEXIBILITY ANALYSIS

For a proposed Amendment to the  
Fishery Management Plan for Groundfish of the Gulf of Alaska

**Chinook Salmon Prohibited Species  
Catch in the Gulf of Alaska  
Non-Pollock Trawl Fisheries**

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## List of Acronyms and Abbreviations

'	feet
AAC	Alaska Administrative Code
ABC	acceptable biological catch
ADF&G	Alaska Department of Fish and Game
AEQ	adult equivalent
AFA	American Fisheries Act
AFSC	Alaska Fisheries Science Center
AGDB	Alaska Groundfish Data Bank
AKFIN	Alaska Fisheries Information Network
ANILCA	Alaska National Interest Lands Conservation Act
BASIS	Bering Sea-Aleutian Salmon International Survey
BEG	biological escapement goal
BOF	Board of Fish
BSAI	Bering Sea and Aleutian Islands
CAS	Catch Accounting System
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulations
COAR	Commercial Operators Annual Report
Council	North Pacific Fishery Management Council
CP	catcher/processor
CV	catcher vessel
CWT	coded-wire tag
DPS	distinct population segment
E	East
E.O.	Executive Order
EA	Environmental Assessment
EEZ	Exclusive Economic Zone
EFH	essential fish habitat
EIS	Environmental Impact Statement
ESA	Endangered Species Act
ESU	endangered species unit
FMA	Fisheries Monitoring and Analysis
FMP	fishery management plan
FONSI	Finding of No Significant Impact
FR	<i>Federal Register</i>
FRFA	Final Regulatory Flexibility Analysis
ft	foot or feet
GHL	guideline harvest level
GOA	Gulf of Alaska
ID	Identification
IRFA	Initial Regulatory Flexibility Analysis
IPA	Incentive Plan Agreement
IQF	individually quick frozen
JAM	jeopardy or adverse modification
lb(s)	pound(s)
LEI	long-term effect index
LLP	license limitation program
LOA	length overall
m	meter or meters
Magnuson-Stevens Act	Magnuson-Stevens Fishery Conservation and Management Act

MMPA	Marine Mammal Protection Act
MSST	minimum stock size threshold
mt	metric ton
NAO	NOAA Administrative Order
NEPA	National Environmental Policy Act
NMFS	National Marine Fishery Service
NOAA	National Oceanographic and Atmospheric Administration
NPAFC	North Pacific Anadromous Fish Commission
NPFMC	North Pacific Fishery Management Council
NPPSD	North Pacific Pelagic Seabird Database
Observer Program	North Pacific Groundfish Observer Program
OEG	optimal escapement goal
OMB	Office of Management and Budget
PBR	potential biological removal
PSC	prohibited species catch
PRA	Paperwork Reduction Act
PSEIS	Programmatic Supplemental Environmental Impact Statement
PWS	Prince William Sound
RFA	Regulatory Flexibility Act
RFFA	reasonably foreseeable future action
RIR	Regulatory Impact Review
RP	Central GOA Rockfish Program
RP CV	Rockfish Program Catcher Vessel
RPA	reasonable and prudent alternative
RSW	refrigerated seawater
SAFE	Stock Assessment and Fishery Evaluation
SAR	stock assessment report
SBA	Small Business Act
Secretary	Secretary of Commerce
SEG	sustainable escapement goal
SET	sustainable escapement threshold
SNP	single nucleotide polymorphism
SPLASH	Structure of Populations, Levels of Abundance, and Status of Humpbacks
SRKW	Southern Resident killer whales
SSFP	Sustainable Salmon Fisheries Policy
SW	southwest
TAC	total allowable catch
U.S.	United States
USCG	United States Coast Guard
USFWS	United States Fish and Wildlife Service
VMS	vessel monitoring system
W	West
WED	week-ending date

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## Executive Summary

This document analyzes proposed management measures that could be incorporated into the Council's preferred alternative (PA) for managing Chinook salmon prohibited species catch (PSC) in the Western and Central Gulf of Alaska (GOA), as selected during the June 2013 meeting. The Council will consider the alternatives analyzed in this document, and any measure selected would become part of the proposed rule to be developed from the existing PA.

### Purpose and need

The Council noted that there may be a net benefit in allowing unused Chinook salmon PSC to rollover from the catcher vessel (CV) sector apportionment for the Rockfish Program to support non-Rockfish Program CV fishing activity in the fall. The Council noted that the number of Chinook salmon PSC apportioned to the Rockfish Program CV sector in the PA (1,200 fish) is greater than the sector's historical average PSC use, and that this amount had been proposed with some sort of within-year rollover in mind. An effectively large PSC allowance may alter the incentive for the Rockfish Program CV sector to minimize trawl catch of Chinook salmon. The alternatives analyzed in this document reflect the Council's desire to ensure that the additional flexibility provided by a within-year PSC rollover provision would not reduce the Chinook avoidance incentives designed into the uncertainty pool mechanism, which is part of the existing PA. The alternatives also aim to form a rollover provision in a manner that will not allow the portion of unused PSC that qualified the Rockfish Program CV sector for the following year's uncertainty pool to be taken later in the same year by the non-Rockfish Program CV sector.

### Description of the Alternatives

The following alternatives propose management measures that would apply exclusively to the catcher vessel sector in the directed non-pollock trawl fisheries in the Western and Central Gulf of Alaska.

Alternative 1: No action.

Alternative 2: The addition of the rollover provision as described in the EA/RIR to the Rockfish Program CV Chinook PSC cap and uncertainty pool.

Alternative 3: The addition of a provision allowing the rollover of all but 160 Chinook PSC and a Rockfish Program CV uncertainty pool.  
[Staff note: Council clarified that such a rollover would occur on October 1]

Alternative 4: Roll over all Chinook PSC remaining in the Rockfish Program CV Chinook PSC cap when all Rockfish cooperatives have checked-out of the fishery but no later than November 15, and no uncertainty pool.

[Staff note: Council clarified that "no uncertainty pool" would only apply to the Rockfish Program CV sector]

Alternative 5: Roll over all Chinook PSC but 50 or 100 fish remaining in the Rockfish Program CV sector Chinook cap on October 1. Any salmon remaining when the Rockfish Program fishery closes will be released to the other CV non-pollock fisheries on November 15. No uncertainty buffer would apply to the Rockfish Program CV sector.

**(Council's preliminary preferred alternative)**

For the purpose of this follow-on action, the analyst considers the status quo to be the Council's preferred alternative for a GOA non-pollock trawl Chinook salmon PSC limit, described in the motion approved by

the Council in June 2013. Selecting the no action alternative would result in a final recommendation on Chinook salmon PSC limits consisting of the elements in the existing preferred alternative.

Alternative 1

The three sectors defined in the Council’s PA are the GOA catcher/processors (CP), catcher vessels that are declared fishing under the Rockfish Program (RP CV), and catcher vessels that are not fishing under the Rockfish Program (non-RP CV). Based on historic average Chinook salmon PSC, the PA apportions the combined annual hard cap between the CP and CV sectors, and further subdivides the CV sector apportionment between RP trips and all other CV fishing activity. Of the 3,900 Chinook salmon PSC apportioned to the CV sector, 1,200 are set aside for trips by vessels fishing in the Rockfish CV sector. This apportionment to the RP CV sector is not further allocated among the specific cooperatives. Reaching the limit would close all CV fishing under the Rockfish Program for the year. Unused Chinook PSC would not become available to support non-RP CV fishing in any case. The difference between the Chinook taken in the RP CV sector and the limit of 1,200 fish would be, in essence, retired at the point when either (1) all RP CV cooperatives have checked-out of the Program for the year, or (2) after November 15, whichever comes first. All other CV activity in the non-pollock trawl fisheries, from January 20 through December 31, would be limited by a Chinook PSC hard cap of 2,700 fish.

The Council’s preferred alternative includes a provision to incentivize taking fewer Chinook PSC than the amount set by the limit, while also providing sectors that perform well with a moderate amount of flexibility around their PSC apportionment in the case of a subsequent year with high PSC encounter. Termed the “uncertainty pool” in the PA, this mechanism allows any sector that records less than its proportional share of a 6,500 Chinook salmon total hard cap in one year to access up to its proportional share of 1,000 *additional* Chinook in the following year, if that sector surpasses its base apportioned PSC limit. This provision could be thought of as an insurance policy that must be earned in every year.

Table ES-1 shows the apportionment of the total Chinook PSC limit to each of the three sectors defined in the preferred alternative. A sector’s performance in relation to the uncertainty pool threshold does not affect, nor is it affected by, the performance of other sectors. If a sector performs within its uncertainty pool threshold in a year (Year 1), and continues to do so in subsequent years (Year 2), the sector’s effective maximum allowable amount of PSC will never exceed its base PSC limit plus its uncertainty pool buffer. A sector that earns an uncertainty buffer for Year 2 is held to the same performance standard (threshold) that it faced in Year 1 in order to maintain the benefit of the uncertainty buffer in the following year (Year 3). These limits guarantee that the incentive to avoid Chinook salmon does not decrease over time, even if performance has been good.

**Table ES-1 Chinook salmon PSC Limit apportionment, uncertainty pool performance thresholds and buffer sizes**

		Rockfish Program Catcher Vessels	Non-Rockfish Program Catcher Vessels	Catcher/Processors
<i>Apportionment Share</i>		16%	36%	48%
Base PSC Limit	<b>7,500</b>	1,200	2,700	3,600
Uncertainty Pool Threshold	<b>6,500</b>	1,040	2,340	3,120
Uncertainty Pool Buffer	<b>1,000</b>	160	360	480

### Alternative 2

Alternative 2 would incorporate the CV aspect of the rollover provision, as described in the EA/RIR presented to the Council in June 2013, into the Council's PA. Chinook salmon PSC that was not utilized in the Rockfish Program CV sector – less a defined amount of PSC to be “held back” – would be rolled over to the non-RP CV sector on October 1. The amount of the rollover would be effectively determined by Chinook PSC usage in the RP CV sector up to that date. If Alternative 2 were selected, the Council would need to choose one of three potential amounts of the unused Rockfish Program CV Chinook salmon PSC to roll over for use in the fall non-Rockfish Program non-pollock CV trawl fisheries:

- Option 1: All but **104** of the remaining Rockfish Program CV Chinook salmon PSC;
- Option 2: All but **156** of the remaining Rockfish Program CV Chinook salmon PSC;
- Option 3: All but **208** of the remaining Rockfish Program CV Chinook salmon PSC.

Any Chinook salmon taken in the Rockfish Program CV sector between October 1 and November 15 would be debited from the amount of PSC that is not rolled into the non-Rockfish Program fall fisheries – i.e., the pool of between 104 and 208 Chinook salmon.

### Alternative 3

Alternative 3 is functionally similar to Alternative 2 in that it would, on October 1, allow a portion of unused Chinook PSC from the Rockfish Program CV sector to be rolled over for use in the fall non-Rockfish Program CV fisheries. As above, selecting Alternative 3 would not alter the design of the uncertainty pool mechanism. Alternative 3 would allow the rollover of all but **160** of the remaining Chinook PSC apportioned to the Rockfish Program CV sector. As with Alternative 2, staff assumes that any Chinook PSC occurring in the Rockfish Program CV sector between October 1 and November 15 would be debited against the pool of 160 Chinook salmon that remains with the sector.

### Alternative 4

Alternative 4 would allow all Chinook salmon PSC that was not utilized by the Rockfish Program CV sector to be rolled over for use by CVs that are not operating under the Rockfish Program. This rollover would take place once all RP CV cooperatives have been officially “checked out” of the Program by their respective cooperative manager, or on November 15 – whichever occurs first. Alternative 4 would also remove the Rockfish Program CV sector from the uncertainty pool mechanism. This is necessary because using *all* of the Chinook PSC rolled over from the RP CV sector to the fall non-Rockfish fishery would include catching the 160 Chinook salmon that the RP CV sector avoided in order to earn its share of the uncertainty buffer.

### Alternative 5

Alternative 5, the Council's preliminary preferred alternative (PPA), would create a date-certain October 1 rollover of unused Chinook salmon PSC – less some amount held back – from the RP CV sector to the other non-pollock CV fisheries. The alternative contains two options for the hold-back amount: **50** Chinook salmon (Option 1), or **100** Chinook salmon (Option 2). The PPA removes the RP CV sector from the uncertainty pool mechanism, obviating the need for Chinook PSC allowances to be held back to preserve salmon savings that might be utilized in the form of the following year's uncertainty buffer. The Chinook PSC that is held back on October 1 serves only to cover any Chinook encounter that occurs within the RP CV sector after the rollover date. Any PSC remaining in the RP CV's annual apportionment of 1,200 Chinook salmon would be rolled over upon the Rockfish Program's regulatory closure date (November 15).



## **Environmental Assessment**

The proposed action includes a no action alternative and three alternatives that would constitute a minor change to the Council's existing preferred alternative. None of the alternatives considered in this report would allow annual Chinook salmon PSC to exceed the levels that were examined in the EA that was presented in June 2013. By extension, the proposed action will have no effect on the human environment, as defined in NAO 216-6, beyond those examined in the existing EA (NPFMC 2013, Section 3).

As described in the EA that informed the Council's selection of a preferred alternative, the proposed action affects vessels – specifically catcher vessels, here – fishing in the federal non-pollock groundfish trawl fisheries in the Central and Western GOA, and may also affect vessels fishing in “parallel” Pacific cod fisheries in the adjacent waters of the State of Alaska. The referenced EA describes the groundfish species, Chinook salmon, marine mammal, seabird, habitat and ecosystem components of the GOA environment. For each component, the EA also describes the possible effect of a Chinook salmon PSC limit set at various levels. The analyzed cap levels range from 5,000 to 12,500 Chinook salmon PSC per year across all GOA non-pollock trawl fisheries, compared to the existing management regime of no Chinook salmon PSC cap. The range of annual PSC limits that the fishery could experience under the Council's PA includes the range of scenarios possible when applying the uncertainty pool buffer – that is, 7,500 or 8,500 Chinook PSC per year, but not more than an average of 7,500 over a set of consecutive years.

## **Regulatory Impact Review**

Any of the alternatives could directly affect the amount of Chinook salmon PSC that is available to the GOA non-pollock trawl CV fleet at a given point during the year. The analysis focuses on whether, and to what extent, the considered alternatives increase the likelihood of non-pollock trawl fisheries closing as a result of Chinook PSC limits being reached. The direct impact of any potential closure is roughly measured in terms of when the fishery might close, and how much groundfish is typically harvested by the sector after that point in the season. As before, analysis of potential closures is based on historical PSC data, which varies from year to year without a discernible trend.

Downstream effects, which are no less important, include potential changes in the amount of product delivered to shore-based plants at certain times in the year, changes to employment opportunities at fishery-supporting businesses in GOA port communities, and state and municipal tax revenues. These impacts are treated qualitatively, and have been presented in greater detail in the original RIR (NPFMC 2013, Section 4.7).

### Alternative 1

Over the course of the Rockfish (Pilot) Program, the RP CV sector has taken more than 1,040 Chinook salmon only once, in 2008. Aside from that high PSC year, the RP CV sector would be carrying 1,360 allowable Chinook PSC. Median Chinook salmon PSC for the sector was 795 per year, meaning that 405 Chinook PSC would go unused in any sector; the analysis notes that Chinook PSC levels varied widely from year to year, but were typically well below the base apportionment of 1,200.

Using the RP CV sector's highest recorded level of Chinook PSC (1,649 in 2008) to gauge the maximum potential impact, the fishery would have been closed at the end of May. In a characteristic year, the RP CV sector harvests roughly 5,700 mt of groundfish from June to mid-November, generating around \$10 million in gross first wholesale revenues, or around two-thirds of the average annual groundfish wholesale revenue generated in the sector. Years and months of especially high Chinook salmon PSC encounter did not correlate to greater harvest or revenue. As a result, the analysis concludes that fishing in

a PSC-intensive manner is not necessarily beneficial to gross productivity, though it could reduce costs associated with avoiding salmon.

If the Council chooses the no action alternative, the non-RP CV sector would be limited to 2,700 Chinook salmon PSC for the entirety of its GOA non-pollock trawl activity. The non-RP CV sector has, on average, taken 2,234 Chinook salmon per year since 2007, with a median value of 1,944 per year. The sector's Chinook encounter is concentrated from March to May, in the arrowtooth flounder and rex sole fishery, and in September and October, during the Pacific cod B season and the beginning of the fall shallow water flatfish fishery; historical PSC use from June through August has been very low. If future outcomes resemble the non-RP CV sector's experience from 2007 to 2012, fishery closures may occur in years of above average Chinook PSC encounter. Two of six analyzed years would have experienced a closure, with the greatest observed forgone harvest impact being an October closure that precluded 59% of Pacific cod B season production. The potential impact of the Council's PA in a high-Chinook PSC year would be on the order of 5,500 mt of forgone groundfish harvest, with a wholesale value loss of around \$5.6 million.

Under the uncertainty pool mechanism, the non-RP CV sector could qualify for an additional 360 Chinook salmon PSC, which would not have kept the sector's fall fisheries open for the entirety of its highest PSC years. However, if the sector were approaching its base apportionment of 2,700 Chinook around the beginning of September, the additional PSC would likely have forestalled closure by four to six weeks at the beginning of the valuable Pacific cod season. The sector's typical weekly PSC during that time of the year is around 50 Chinook, and average weekly wholesale revenues generated from the sector's catch are relatively high – around \$1 million – when that season opens. If the sector made it through the Pacific cod B season on its base apportionment of PSC (2,700) but reached the limit in early or mid-October, the supplemental uncertainty buffer earned in the previous year would likely extend the fishing season by only two or three weeks, as average weekly PSC increases to around 150 Chinook salmon once shallow water flatfish activity predominates. The timing of GOA fall fisheries is difficult to predict; in recent years, the starting date for the fall Pacific cod season has been affected by voluntary cooperative decisions to delay the start of the pollock C season in order to reduce Chinook PSC in that hard-capped fishery.

With a hard cap of 2,700 Chinook salmon PSC and no potential rollover, the non-RP CV sector's ability to make deliveries in the fall could hinge upon its ability to limit PSC in April and May. The sector would not likely face a fall closure if spring PSC conforms to the monthly average levels – combining to equal 850. Looking to the future, spring Chinook salmon PSC in the non-RP CV sector could increase relative to historically observed levels, due to forthcoming changes in trawl halibut PSC management. Upon the implementation of the proposed rule for GOA Amendment 95 (revised halibut PSC limits), available deep-water and shallow-water complex halibut PSC from the second season allocation may be combined and used in either complex from May 15 to June 30. This change is likely to increase the amount of halibut mortality available to flatfish trawlers in May and June, and result in some amount of Chinook salmon PSC counted against the non-RP CV hard cap that was not being taken during the analyzed historical period. Thirty-three of the 93 vessels that were active at some point since 2007 in the GOA non-pollock trawl fishery displayed no participation in the non-pollock fall fisheries, though 19 of those 33 vessels did fish for pollock after September. These vessels may have a low incentive to alter their fishing behavior or refrain from expanding their spring flatfish harvest in order to reserve available PSC for the end of the year. Non-RP vessels also have a diminished ability to coordinate action to reduce PSC rates during the course of a fishing season, as those CVs are not operating under any type of formalized harvest cooperative structure.

## Alternative 2

By reincorporating the rollover provision, Alternative 2 introduces an element of strategic behavior into the business planning of the RP fleet and cooperatives. By and large, vessels participating in the RP CV fishery also participate in the fall non-pollock trawl fisheries. As such, these vessels have an interest in ensuring that sufficient Chinook PSC is available to target Pacific cod and flatfish in the post-September months.

Aside from the year of particularly high Chinook PSC in the RP CV sector (2008), the average rollover to the fall non-RP CV sector would have been between 314 and 418 Chinook PSC, depending on the selected option (roll over “all but” 104, 156, or 208 unused Chinook PSC). The maximum rollover in any year would have been 728 Chinook PSC, observed under Option 1. The minimum rollover for a year in which the RP CV sector stayed below its 1,200 Chinook cap would have been 27 Chinook PSC, observed under Option 3. The range of potential rollover amounts – as they would have occurred from 2007 to 2012 – assumes that “unused” PSC as of October 1 is counted in relation to the RP CV sector’s base apportionment of 1,200 Chinook.

Noting that the non-RP CV sector averages 891 Chinook PSC after October 1, it appears unlikely that the amount rolled over from the RP CV sector would, by itself, fully meet fall PSC demand in all years. Depending on pre-October Chinook encounter in the non-RP CV sector, and how much PSC remains from the sector’s own apportionment, the October 1 rollover could extend the Pacific cod B season and fall flatfish fisheries. If, after receiving the rollover, the non-RP CV sector initially targets Pacific cod, the fishery would likely stay open for at least a month. If the non-RP CV sector uses the rollover to target flatfish, or a mix of flatfish and Pacific cod, the fishery would likely be extended by around one to three weeks.

If Chinook salmon PSC in the RP and non-RP CV sectors is low, the RP sector will prosecute the Program fishery in much the same way as it has done historically – avoiding Chinook and halibut PSC to the extent practicable, while focusing on fully harvesting TACs for the primary and secondary managed species allocated to the Program. If Chinook PSC in the RP sector is low or average, and PSC in the non-RP sector is high, the RP CV sector would likely continue prosecuting the Program fishery as it has done in the past, with moderate confidence that the rolled over amount of Chinook PSC – on the order of 250 to 550 Chinook salmon – should be sufficient to see the fall non-RP fishery through the valuable Pacific cod B season. Finally, if Chinook PSC is high in both the RP and the spring/summer non-RP fishery, the RP CV sector will face a business decision at the inter-cooperative level of weighing RP harvest against some marginal amount of Pacific cod and flatfish harvest.

A subset of the CV fleet does not participate in the fall non-pollock fisheries; these are overwhelmingly non-RP vessels. It might be the case that these vessels will fish in a manner that maximizes spring and summer flatfish harvest at the cost of additional Chinook PSC that is debited against the non-RP CV apportionment. If this behavior does emerge, the RP CV sector might feel a burden to “provide” a rollover to support fall fishing. That feeling could re-order some of the priorities in Rockfish co-op management. A rollover creates at least some possibility of relief for vessels that depend on fall fishing if a race for PSC does emerge.

Analysis of the action alternatives also considers whether reincorporating a rollover provision will create accounting problems in administering the uncertainty pool element of the program. If the RP CV sector carries over 160 Chinook into Year 2, and then uses that extra allowance in a high-PSC year, then those 160 fish must have been truly “saved” in Year 1. If there is a possibility that the non-RP CV fishery will use *all* of the Chinook PSC available to it, then the integrity of the RP CV sector’s uncertainty buffer is

best maintained by selecting a rollover option that holds back at least 160 Chinook PSC. This would be accomplished under Option 3 to Alternative 2 (roll over “all but 208” unused Chinook PSC).

The Council could clarify that the rollover should be calculated in relation to an RP CV annual allowance of 1,360 during years in which the sector is carrying an uncertainty buffer from the preceding year. Doing so would increase the potential size of the rollover by 160, but would not change the fact that less than 1,040 of the Chinook PSC allowances that began the year with the RP CV sector must be taken in order for that sector to receive an uncertainty buffer in the following year.

### Alternative 3

The Council chose to consider holding back precisely 160 Chinook salmon in the RP CV sector because that is the amount of Chinook in the sector’s uncertainty buffer. Keeping those 160 Chinook allowances within the sector prevents a scenario where the PSC that is marked for possible use in case of high-PSC during the following year is, instead, caught by the non-RP CV sector in the fall. As with Alternative 2, the Council could clarify that the rollover amount should be calculated in relation to a starting RP CV allowance of 1,360 Chinook PSC, when applicable; however, the avoidance threshold for earning an uncertainty buffer in the following year would remain at 1,040 of the RP CV’s allowable Chinook.

Alternative 3 and Option 2 to Alternative 2 differ only in that Alternative 3 requires four additional Chinook salmon PSC to remain with the RP CV sector at the time of the October 1 rollover. As such, the potential impacts on fleet behavior and Chinook avoidance incentives are much the same as those described in the previous section. In short, most RP CVs participate in the non-Program fall fisheries, so they have an incentive to preserve a viable rollover to support that activity. On the other hand, a significant number of non-RP CVs do not participate in the fall at all, and therefore have little cause not to fish up to their sector’s base apportionment of 2,700 Chinook by the end of the spring flatfish season. Those vessels have equally little incentive to limit Chinook PSC to the non-RP CV sector’s uncertainty pool threshold (2,340), since the benefits of any Year 2 uncertainty buffer are most valued in the fall. In broad terms, the responsibility for keeping the post-September fisheries open could fall on the RP CVs, which forces the cooperatives to make a harvest-for-harvest trade-off decision.

### Alternative 4

There would be no “hold back” requirement under Alternative 4, because with no Year 2 uncertainty buffer to protect against potential double-counting, there is no reason to strand unused Chinook PSC in the RP CV sector. Historical Chinook PSC levels in the RP CV sector (an average of 843, median of 795) suggest that a rollover is likely to occur in most years.

Managing Chinook salmon with hard caps carries an inherent perverse incentive to utilize PSC up to the limit. The uncertainty pool mechanism was, in part, included in the PA to lower the level of Chinook PSC up to which a sector would be indifferent. The analysis suggests that the RP CV sector is likely to actively avoid Chinook PSC and provide a rollover, since on average 87% of the CVs that are active in the Rockfish Program also participate in the non-RP fall fisheries; those that do not fish in the fall still have an interest in maintaining positive business relationships with their cooperative partners.

The cooperatives’ greatest challenge under Alternative 4 will be when to execute the rollover. The timing of any coordinated check-out by the RP CV cooperatives would be determined by three factors: (1) the amount of allocated RP harvest quota remaining at a given time; (2) the amount of Chinook PSC remaining in the non-RP CV sector’s apportionment, which is largely determined by the amount of Chinook salmon taken in the April flatfish fishery; and (3) the anticipated start date for the Pacific cod B season, or the related start date for the pollock C season.

Given the fact that *all* RP cooperatives must check out in order to roll over Chinook PSC, it is possible that one cooperative could hold up the rollover in order to finish harvesting its Program quota. If this issue were to arise, it would likely force an inter-cooperative decision in September, when both pollock and Pacific cod fisheries could potentially be open. If the need for a rollover looks imminent, cooperatives are more likely to shift their Program harvest to earlier in the year, as opposed to leaving it unharvested. Shifting this harvest to earlier in the summer could impact processor operations, where predictability and distribution of product delivery over time are not only among the objectives of the Rockfish Program, but also important to employment patterns, product value and profitability. The PSC impact of moving up RP harvest to accommodate an earlier rollover are not clear; Chinook PSC rates in the Program tend to be lower in July and August than in September, but racing to harvest rockfish quota quickly could carry a marginal trade-off in efforts made to avoid Chinook salmon.

In a characteristic year, the non-RP CV sector uses 930 Chinook PSC by the end of April, and 1,141 by the end of August. Neither one of those benchmark levels would raise concern in the RP CV sector about the need to terminate the Program fishery early in order to support the opening of the Pacific cod B season. However, spring and late-summer PSC totals have ranged up to around 2,500 Chinook in certain years. If the RP CV sector experiences negative effects from shifting or curtailing its harvest in order to fund PSC demand in the fall fisheries, it is likely because the non-RP CV sector recorded high PSC rates in the spring. If those high PSC rates were the result of either increased effort or revenue-maximizing PSC-intensive practices, then one might conclude that the non-RP participants who do not fish in the fall expropriated rents from the rest of the CV fleet.

#### Alternative 5 (preliminary preferred alternative)

The PPA makes the initial PSC rollover date-certain on October 1, at time that can be crucial to the prosecution of the valuable Pacific cod B season during a year in which the non-RP CV sector records high spring Chinook PSC levels. While the RP cooperatives would not have the ability to dictate a rollover on the September 1 start of the Pacific cod season, a date-certain rollover alleviates pressure on RP cooperatives to complete fishing early or to leave rockfish quota unharvested if fall fisheries require PSC allowances in order to open. Establishing a consistent rollover date also reduces business planning uncertainty as the need for additional Chinook PSC allowances in the non-RP sector becomes apparent.

Stakeholders who participate in both the RP and non-RP CV sectors indicated to the Council that the ability to utilize additional Chinook PSC allowances in the fall is more beneficial to their operations than is the opportunity to increase their maximum potential RP Chinook PSC allowance from 1,200 to 1,360. Chinook PSC encounter in the RP sector has rarely approached either of those levels. In contrast, Chinook PSC in the non-RP CV sector has reached potentially constraining levels in the past, is highly variable, and could increase due to forthcoming changes to halibut PSC regulations that might facilitate increased spring flatfish effort. This analysis supports the notion brought forward during public testimony that alternatives removing the RP CV sector from the uncertainty pool and increasing the potential size of the Chinook PSC rollover provide a likely benefit to the fleet at a low expected cost.

By removing the RP CV sector from the uncertainty pool mechanism, the PPA reduces the need to hold back Chinook PSC from the rollover. With no uncertainty buffer to ensure for the following year, the amount of PSC held back can be selected primarily on the basis of how much Chinook salmon encounter the RP CV sector might expect between October 1 and November 15. The hold back options in the PPA – 50 or 100 Chinook PSC – are smaller than the 160 Chinook minimum savings target under the alternatives that keep the RP CV sector in the uncertainty pool.

Based on the first six years of the RP CV fishery, either 50 or 100 Chinook salmon PSC would have been sufficient to support the sector's activity from October 1 through the end of the season. However, PSC

trends could change in the future, resulting in either higher or lower post-rollover PSC in the RP CV sector. As co-ops prioritize active PSC rate management, more voluntary standdowns in May could shift effort to later in the year; seasonal PSC rates could vary due to environmental or other unobservable factors; or TAC levels for allocated RP species could increase or decrease relative to present levels. Even considering the low historical PSC rates during this calendar period, a post-rollover PSC limit of 50 or 100 Chinook salmon provides a narrow range for precise inseason management of the RP fishery. Knowing that NMFS might have to close the fishery to prevent a PSC overage could cause RP CV participants to take a risk-averse strategy and fish as much as possible prior to October 1. That response would, in turn, further decrease the expected level of Chinook PSC taken after the rollover. While post-rollover PSC levels in the RP CV sector are not expected to be large, either of the two hold-back options present NMFS inseason management with a challenging task during exceptional years. Given this fact, and recognizing that confidence in seasonal Chinook PSC forecasts is limited, the Agency has indicated a preference for the larger hold-back option of 100 Chinook salmon.

Holding back 100 Chinook PSC for the RP CV sector upon the initial rollover might benefit the CV fleet as a whole. First, based on the ample size of most historically simulated rollovers, rolling over an additional 50 Chinook does not improve the expected outcome for the non-RP CV sector by a large margin. On October 1, the amount remaining in the sector's annual base apportionment (2,700 Chinook) has been observed at over 2,000, and less than 200. The median October 1 PSC remainder was 1,570, or 1,930 if the sector had begun the year with a 360 Chinook uncertainty buffer. The rollover is most critical in years when the non-RP sector's October 1 PSC remainder is low, so those instances should be the focus of the choice between hold-back options under the PPA. In these cases, even the low end of the historically observed range of rollovers (150 Chinook) would be a substantial benefit. In the rare case when the non-RP sector has used its entire PSC allowance by October 1, the low end of the historical rollovers would still facilitate a significant portion of the Pacific cod B season. Though improbable, a partial loss of the cod season represents the worst of the foreseeable scenarios in a high PSC year. That outcome would not be significantly improved by 50 additional Chinook PSC, and it is not clearly worse than the combination, in *every* year, of a rush to finish the RP season early and the extra challenge of managing the RP fishery to a 50 Chinook PSC seasonal limit under Option 1. Second, selecting Option 2 would comport with the Agency's preference for a marginally more manageable RP CV sector between October 1 and November 15. While it is small in terms of active vessels, managing that fishery with 50 Chinook PSC could have the real effect of closing the sector after only one small Chinook encounter; even if some of the 50 Chinook allowance remains, NMFS might have to close the fishery based on projected PSC rates and the number of vessels active. Option 2 might also mitigate a further time shift in RP effort, where late-season vessels might rush to complete their RP harvest before October 1.

The PPA allows any of the held-back Chinook PSC that is not used in the post-rollover RP CV sector to be used in the other fall fisheries after November 15. Chinook PSC in the non-RP CV sector is typically low after November 15. The CV fleet's Chinook PSC during that time has averaged around 40 fish, with one high-PSC year of 100, and two years where no salmon were taken after mid-November. Judging from the historical period, the sector might expect to have around 500 to 800 PSC remaining in its apportionment in mid-November. This portion of the non-pollock CV fishery, which has accounted for between 0.4% and 2.3% of annual first wholesale value from the fishery, would likely be sustained by the sector's remaining PSC apportionment and the expected November rollover in all but the most unusual years.

## 1 Introduction

In June 2013 the North Pacific Fishery Management Council (Council) took action recommending measures to control Chinook salmon prohibited species catch (PSC) in all trawl fisheries of the Central and Western Gulf of Alaska (GOA), except the directed pollock fishery which already has a PSC cap. The Council's preferred alternative (PA) would set an annual hard cap of 7,500 Chinook salmon, to be apportioned between three sectors of the trawl fleet. A sector would be closed if it attains its apportioned amount of the total hard cap.<sup>1</sup> Based on recent historical performance, an apportioned cap of 7,500 Chinook salmon would have impacted sectors through fishery closure in some, but not all, analyzed years. The PA included a provision, termed in the Council's motion as the "uncertainty pool," whereby a sector that performs to a stricter level of Chinook salmon avoidance would have access to some additional Chinook PSC in the following year. This feature is intended to provide an incentive for Chinook salmon avoidance in every year, even when the hard cap is not expected to pose a constraint. It also provides sectors that have successfully limited Chinook PSC with a modest amount of relief in the case of an unpredictably high year of Chinook salmon encounter, while maintaining the integrity of the maximum average annual PSC that the Council has deemed allowable.

The Council considered but did not select an option under the hard cap alternative allowing Chinook salmon PSC allowances that were not debited from the Central GOA Rockfish Program (Rockfish Program) to be utilized in the non-pollock trawl fisheries that occur later in the calendar year. As its rationale for not selecting this "rollover" provision, the Council indicated that including the PSC avoidance incentives of the uncertainty pool was of a higher priority, and that the existing analysis did not sufficiently consider whether both the uncertainty pool and the rollover provision could be implemented in the same program without compromising the efficacy of either program feature.

In its June 2013 motion, the Council expressed its intent that any final action resulting from this analysis be incorporated into the final rule for Chinook salmon PSC management in the GOA non-pollock trawl fisheries. Choosing the 'no action' (status quo) alternative from those described in this analysis would result in a final Council recommendation identical to the PA selected in June, relevant parts of which are detailed below. The Council's PA was based on background and analysis presented in a public review document (NPFMC 2013); the background information and relevant conclusions contained in that document will be incorporated by reference throughout this analysis.

An RIR/EA/IRFA provides assessments of the economic benefits and costs of the action alternatives, as well as their distribution (the RIR), the environmental impacts of an action and its reasonable alternatives (the EA), and the impacts of the action on directly regulated small entities (the IRFA). This RIR/EA/IRFA addresses the statutory requirements of the Magnuson Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the National Environmental Policy Act (NEPA), Presidential Executive Order 12866, and the Regulatory Flexibility Act. An RIR/EA/IRFA is a standard document produced by the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) Alaska Region to provide the analytical background for decision-making.

This document contains elements of a Regulatory Impact Review/Environmental Assessment/Initial Regulatory Flexibility Analysis (RIR/EA/IRFA). The document is structured to provide the Council and the public with sufficient information to determine what action to take (including a no action alternative) in order to incorporate a rollover provision into the existing PA. Required elements of an RIR/EA/IRFA that are not included in this document have been previously addressed in the analysis that supported the existing PA (NPFMC 2013).

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<sup>1</sup> The details of the Council's preferred alternative are further described in Section 2.1.

Section 2 of this document describes the alternatives to be considered for Council action, and identifies the preliminary preferred alternative. Section 3 summarizes the EA that was presented to the Council in June 2013. This section outlines what is known and unknown about the link between Chinook salmon trawl PSC in the GOA and the health of Chinook salmon stocks in Alaska. The EA also analyzes whether or not the considered alternatives are likely to constitute a significant impact on other components of the environment, including other fish species, marine mammals, seabirds, habitat, and the GOA ecosystem at large. Section 4 is the RIR, which provides background on the sectors of the GOA trawl fishery that are relevant to this action, and analysis of the probable impacts of each considered alternative. Impact analysis is focused on how the alternatives would affect fleet behavior, and whether or not incorporating the considered alternatives into the Council's preferred alternative will interfere with the intent of program elements that were already selected by the Council. Regulatory impacts on other stakeholder groups are largely incorporated by reference from the RIR presented to the Council in June 2013 (NPFMC 2013). Section 5 is an IRFA, focused on the preliminary preferred alternative.

## 1.1 Purpose and Need

Following the selection of a preferred alternative for implementing a Chinook salmon PSC hard cap in the GOA non-pollock trawl fisheries, Council requested an analysis of alternatives "to address the Council's inability to combine both an uncertainty buffer ["uncertainty pool"] and a rollover of Chinook [PSC] from the Rockfish Program catcher vessel fleet in its Preferred Alternative for the GOA Trawl Chinook bycatch cap."<sup>2</sup> The Council noted that there may be a net benefit in allowing unused Chinook salmon PSC to rollover from the catcher vessel (CV) sector apportionment for the Rockfish Program to support non-Rockfish Program CV fishing activity in the fall. The Council also acknowledged that the number of Chinook salmon PSC apportioned to the Rockfish Program CV sector in the PA (1,200 fish) is greater than the sector's historical average PSC use, and that this amount had been proposed with some sort of within-year rollover in mind. A PSC allowance that is substantially larger than historical use levels may alter the incentive for the Rockfish Program CV sector to minimize Chinook salmon encounter. Moreover, if PSC usage in the Rockfish Program CV sector is significantly lower than 1,200 Chinook, the unused amount would be, in effect, a PSC retirement that may be viewed as salmon savings over and above the Council's intent in setting an apportioned annual hard cap at the 7,500 Chinook level.

The need for further analysis stems from the Council's desire to ensure that the additional flexibility provided by a within-year PSC rollover provision will not reduce the Chinook avoidance incentives designed into the uncertainty pool mechanism. Further, any program that implements both an uncertainty pool and a within-year rollover should not allow the portion of unused PSC that qualified the Rockfish Program CV sector for the following year's uncertainty pool to be taken later in the same year by the non-Rockfish Program CV sector. Finally, the inclusion of a rollover provision should not create any scenario where average annual Chinook PSC over a period of consecutive years is greater than 7,500.

## 1.2 Bycatch and Prohibited Species Catch Terminology

Bycatch, as defined by the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act; 16 U.S.C. § 1802(2)), "means fish which are harvested in a fishery, but which are not sold or kept for personal use, and includes economic discards and regulatory discards". The term "regulatory discards" refers to harvested fish "which fishermen are required by regulation to discard whenever caught, or are required by regulation to retain but not sell."

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<sup>2</sup> Council motion. June 11, 2013



Within the GOA Groundfish FMP, several economically, ecologically, and/or culturally important fish species are identified, and their capture is required to be minimized and retention is prohibited.<sup>3</sup> These “Prohibited Species” include all five species of Pacific salmon, Pacific herring, several economically important king crab and Tanner crab species, and Pacific halibut. The Secretary, upon the recommendation of the Council, determined that sufficiently compelling need existed within the management contexts of the GOA Groundfish FMP (as well as the FMP for the Groundfish Fishery of the Bering Sea and Aleutian Islands) to specifically differentiate prohibited species catch (PSC) from incidental removals of other fish species (i.e., bycatch). These two distinct categories of unintended removals are separately monitored and controlled under the Groundfish FMP.

## 2 Description of Alternatives

The alternatives that are analyzed in this document were approved by the Council in June 2013. They are listed below, and described in detail in the sections that follow. These alternatives propose management measures that would apply exclusively to the catcher vessel sector in the directed non-pollock trawl fisheries in the Western and Central Gulf of Alaska.

Alternative 1: No action.

Alternative 2: The addition of the rollover provision as described in the EA/RIR to the Rockfish Program CV Chinook PSC cap and uncertainty pool.

Alternative 3: The addition of a provision allowing the rollover of all but 160 Chinook PSC and a Rockfish Program CV uncertainty pool.  
[Staff note: Council clarified that such a rollover would occur on October 1]

Alternative 4: Rollover all Chinook PSC remaining in the Rockfish Program CV Chinook PSC cap when all Rockfish cooperatives have checked-out of the fishery but no later than November 15, and no uncertainty pool.  
[Staff note: Council clarified that “no uncertainty pool” would only apply to the Rockfish Program CV sector]

Alternative 5: Roll over all Chinook PSC but 50 or 100 fish remaining in the Rockfish Program CV sector Chinook cap on October 1. Any salmon remaining when the Rockfish Program fishery closes will be released to the other CV non-pollock fisheries on November 15. No uncertainty buffer would apply to the Rockfish Program CV sector.  
**(Council’s preliminary preferred alternative)**

For the purpose of this follow-on action, the analyst considers the status quo to be the Council’s preferred alternative for a GOA non-pollock trawl Chinook salmon PSC limit, described in the motion approved by the Council in June 2013. The contents of that motion are described below, with focus on points relevant to this action. The rationale for this approach is that selecting no action from this set of alternatives would result in a final recommendation on Chinook salmon PSC limits consisting of the elements in the preferred alternative.

### 2.1 Alternative 1: No action

Selecting the “no action” alternative would make the Council’s preferred alternative that emerged from the June 2013 meeting the final recommendation for a proposed rule on Chinook salmon PSC limits in the Western and Central GOA non-pollock trawl fisheries. The PA sets a combined annual hard cap at 7,500

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<sup>3</sup> Except when retention is authorized by other applicable law for biological sampling or for programs such as the Prohibited Species Donation Program.

Chinook salmon for the three identified harvest sectors as they target non-pollock groundfish species in the regulated areas. Fishing will be closed for a sector if it reaches its apportioned amount of the hard cap.

The three sectors defined in the Council's PA are the GOA catcher/processors (CP), catcher vessels that are declared fishing under the Rockfish Program (RP CV), and catcher vessels that are not fishing under the Rockfish Program (non-RP CV). Based on historic average Chinook salmon PSC, the PA apportions the combined annual hard cap between the CP and CV sectors, and further subdivides the CV sector apportionment between RP trips and all other CV fishing activity.

The Chinook salmon PSC limit for all CPs is set at 3,600 fish per year. No more than 66% of this amount may be taken before June 1 (2,376 Chinook salmon). None of the action alternatives analyzed in this document would modify the preferred alternative for a PSC limit in the CP sector.

Of the 3,900 Chinook salmon PSC apportioned to the CV sector, 1,200 are set aside for trips by vessels fishing in the Rockfish CV sector that are under the authority of a Rockfish cooperative fishing quota (CQ) permit. This apportionment to the RP CV sector is not further allocated among the specific cooperatives. Reaching the limit would close all CV fishing under the Rockfish Program for the year. Unused Chinook PSC would not become available to support non-RP CV fishing in any case. The difference between the Chinook taken in the RP CV sector and the limit of 1,200 fish would be, in essence, retired at the point when either (1) all RP CV cooperatives have checked-out of the Program for the year, or (2) after November 15, whichever comes first. RP cooperatives would check out of the fishery if they reach their limits on halibut PSC or on allowable groundfish catch. All other CV activity in the non-pollock trawl fisheries, from January 20 through December 31, would be limited by a Chinook PSC hard cap of 2,700 fish.

The Council's preferred alternative includes a provision to incentivize taking fewer Chinook PSC than the amount set by the limit, while also providing sectors that perform well with a moderate amount of flexibility around their PSC apportionment in the case of a subsequent year with high PSC encounter. Termed the "uncertainty pool" in the PA, this mechanism allows any sector that records less than its proportional share of a 6,500 Chinook salmon total hard cap in one year to access up to its proportional share of 1,000 *additional* Chinook in the following year, if that sector surpasses its base apportioned PSC limit. This provision could be thought of as an insurance policy that must be earned in every year. A sector that utilizes its apportioned share of the uncertainty pool, earned in the previous year, would in the following year return to fishing under a simple hard cap equal to its apportioned share of the 7,500 Chinook PSC limit.

Table 2-1 shows the apportionment of the total Chinook PSC limit to each of the three sectors defined in the preferred alternative. The uncertainty pool threshold is the Chinook avoidance performance level that each sector must not exceed in order to have the benefit of an earned PSC buffer in the following year. For each sector, the size of that earned relief is listed as the uncertainty pool buffer. Under the preferred alternative, a sector's performance in relation to the uncertainty pool threshold does not affect, nor is it affected by, the performance of other sectors.

**Table 2-1 Chinook salmon PSC Limit apportionment, uncertainty pool performance thresholds and buffer sizes**

		Rockfish Program Catcher Vessels	Non-Rockfish Program Catcher Vessels	Catcher/Processors
<i>Apportionment Share</i>		16%	36%	48%
Base PSC Limit	<b>7,500</b>	1,200	2,700	3,600
Uncertainty Pool Threshold	<b>6,500</b>	1,040	2,340	3,120
Uncertainty Pool Buffer	<b>1,000</b>	160	360	480

Table 2-2 illustrates how a sector’s annual PSC limit might vary from one year to the next, given the performance incentives and the limitations designed into the mechanism. Note that if a sector performs within its uncertainty pool threshold in a year (Year 1), and continues to do so in subsequent years (Year 2), the sector’s effective maximum allowable amount of PSC will never exceed its base PSC limit plus its uncertainty pool buffer. A sector that earns an uncertainty buffer for Year 2 is held to the same performance standard (threshold) that it faced in Year 1 in order to maintain the benefit of the uncertainty buffer in the following year (Year 3). These limits guarantee that the incentive to avoid Chinook salmon does not decrease over time, even if performance has been good. Moreover, there is no scenario in which a sector’s PSC exceeds its apportioned amount of the base PSC limit when averaged over a set of consecutive years.<sup>4</sup> This is ensured by the fact that, in order to earn the uncertainty pool buffer in Year 2, the sector would have had to come in under its base PSC limit by *at least* the buffer amount in Year 1.

**Table 2-2 Interdependency of annual sector PSC limits under the uncertainty pool mechanism**

		If Year 1 PSC...	Then in Year 2...	If Year 2 PSC...	Then in Year 3...
<b>Rockfish Program Catcher Vessels</b>	<u>Path A:</u>	$1,040 \leq \text{Yr.1} \leq 1,200$	Limit = 1,200	$1,040 \leq \text{Yr.2} \leq 1,200$ or $\text{Yr.2} < 1,040$	Limit = 1,200 Limit = 1,200 + 160
	<u>Path B:</u>	$\text{Yr.1} < 1,040$	Limit = 1,200 + 160	$1,040 \leq \text{Yr.2} \leq 1,360$ or $\text{Yr.2} < 1,040$	Limit = 1,200 Limit = 1,200 + 160
<b>Non-Rockfish Program Catcher Vessels</b>	<u>Path A:</u>	$2,340 \leq \text{Yr.1} \leq 2,700$	Limit = 2,700	$2,340 \leq \text{Yr.2} \leq 2,700$ or $\text{Yr.2} < 2,340$	Limit = 2,700 Limit = 2,700 + 360
	<u>Path B:</u>	$\text{Yr.1} < 2,340$	Limit = 2,700 + 360	$2,340 \leq \text{Yr.2} \leq 3,060$ or $\text{Yr.2} < 2,340$	Limit = 2,700 Limit = 2,700 + 360
<b>Catcher/Processors</b>	<u>Path A:</u>	$3,120 \leq \text{Yr.1} \leq 3,600$	Limit = 3,600	$3,120 \leq \text{Yr.2} \leq 3,600$ or $\text{Yr.2} < 3,120$	Limit = 3,600 Limit = 3,600 + 480
	<u>Path B:</u>	$\text{Yr.1} < 3,120$	Limit = 3,600 + 480	$3,120 \leq \text{Yr.2} \leq 4,080$ or $\text{Yr.2} < 3,120$	Limit = 3,600 Limit = 3,600 + 480

Finally, the Council’s PA includes a full retention requirement for all salmon species brought onboard during non-pollock trawl fishing. This element of the PA would neither be directly, nor indirectly, affected by any of the alternatives considered in this document.

<sup>4</sup> If, for example, the RP CV sector recorded 1,039 Chinook PSC in Year 1, 1,360 in Year 2, and 1,200 in every year after that, then the average annual PSC for Years 2 through ‘X’ would be greater than 1,200, but the average including Year 1 would be less than 1,200.

## 2.2 Alternative 2: Add to Council's preferred alternative the previously analyzed rollover provision for CVs

The public review document upon which the Council based its selection of a preferred alternative (NPFMC 2013) analyzed an option to roll over some amount of any unused Chinook salmon PSC in the Rockfish Program fishery to the other non-pollock trawl fisheries. The Council's alternative proposed that such a rollover would occur on October 1, and that the amount would be based on Rockfish Program PSC usage up to that point. Selecting Alternative 2 would add the CV element of that option to the PA, and would not alter the uncertainty pool mechanism described above.

The previous analysis considered rollovers in the amount of "all but" 200, 300, or 400 of the remaining Rockfish Program Chinook salmon PSC, as of the specified date. This rollover option would have included both the CP and CV sectors, and would have apportioned the year's rollover amount in the same manner used to apportion the total annual PSC limit between sectors. The Council's preferred alternative would apportion 52% of allowable Chinook PSC to CVs. Since this alternative would only create a rollover mechanism for the CV fleet, the rollover amounts under consideration are similarly adjusted.

If Alternative 2 were selected, the Council would need to choose one of three potential amounts of the unused Rockfish Program CV Chinook salmon PSC to roll over for use in the fall non-Rockfish Program non-pollock CV trawl fisheries:

- Option 1: All but **104** of the remaining Rockfish Program CV Chinook salmon PSC;
- Option 2: All but **156** of the remaining Rockfish Program CV Chinook salmon PSC;
- Option 3: All but **208** of the remaining Rockfish Program CV Chinook salmon PSC.

Any Chinook salmon PSC taken in the Rockfish Program CV sector between October 1 and November 15 would be debited from the amount of PSC that is not rolled into the non-Rockfish Program fall fisheries – i.e., the pool of between 104 and 208 Chinook salmon.

The Council has not yet clarified whether the rollover amount would be determined according to unused PSC in relation to either the RP CV sector's base apportionment (1,200 Chinook) or, if applicable, the sector's base apportionment plus a 160 Chinook uncertainty buffer carried forward from the previous year (1,360 Chinook). At its October 2013 meeting, however, the Council did note the important difference between these two potential structures. If Alternative 2 is selected, this distinction would need to be made clear during the rulemaking phase. Earning the 160 Chinook uncertainty buffer for the *following* year is contingent upon the RP CV sector taking less than 1,040 Chinook salmon in the current year (Table 2-1). Calculating the rollover amount from either 1,200 or 1,360 does not change this fact, but counting from the higher starting point does raise the number of Chinook PSC originating from the RP CV sector's annual allowance that must remain uncaught throughout the entire year from 160 to 320. Calculating the rollover from the higher starting point would likely increase the amount of Chinook PSC that is rolled over to support non-RP fishing on October 1, but the RP CV sector's uncertainty buffer could still be put "at risk" if the entirety of those rolled over Chinook PSC allowances are utilized in the fall.

The actual amount of Chinook PSC to be rolled over in any given year would depend on performance by the Rockfish Program CV fleet, in aggregate. While it is not possible to forecast Chinook PSC levels, Table 2-3 presents annual PSC outcomes since the implementation of the Rockfish Pilot Program in 2007. The RP CV sector recorded 18 Chinook salmon after October 1 in 2007; in all other years, the sector took all Chinook PSC before the proposed rollover date. Table 2-4 shows how many Chinook salmon would have been made available to the non-Rockfish Program CV fall fisheries under each of the Alternative 2 options, illustrating the annual variability in PSC levels. These figures provide a sense of how many Chinook salmon were taken in the RP CV sector each year, in relation to the 1,200 Chinook apportioned

to the sector in the preferred alternative. The rollover amounts listed in Table 2-4 would each increase by 160 if the Council specified that “unused” PSC is to be counted in relation to the sector’s base apportionment *plus* any 160 Chinook PSC uncertainty buffer that it may have earned in the preceding year. While the fleet took measures to avoid Chinook salmon, it is important to note that a PSC hard cap was not in place, and salmon mitigation was only one among several operating goals.

**Table 2-3 Annual Chinook salmon PSC usage by the Rockfish Program CV fleet**

Year	Chinook PSC
2007	483
2008	1,649
2009	773
2010	965
2011	368
2012	817
Average	843

**Table 2-4 Historical October 1 Chinook salmon PSC rollover amounts under Alternative 2, had the Alternative been in place from 2007 through 2012**

Year	Chinook PSC rollover		
	Option 1	Option 2	Option 3
2007	631	579	527
2008	n/a	n/a	n/a
2009	323	271	219
2010	131	79	27
2011	728	676	624
2012	279	227	175
Average*	418	366	314

\* Includes only years in which a rollover would have occurred

Note: Rollover amounts would increase by 160 if “unused PSC” is to be counted in relation to a starting point of 1,360 Chinook PSC, when applicable.

### **2.3 Alternative 3: Add to Council’s preferred alternative a CV rollover provision for all but 160 Chinook salmon PSC**

Alternative 3 is functionally similar to Alternative 2 in that it would, on October 1, allow a portion of unused Chinook PSC in the Rockfish Program CV sector to be rolled over for use in the fall non-Rockfish Program CV fisheries. As above, selecting Alternative 3 would not alter the design of the uncertainty pool mechanism. Alternative 3 would allow the rollover of all but **160** of the remaining Chinook PSC apportioned to the Rockfish Program CV sector. As with Alternative 2, any Chinook PSC occurring in the Rockfish Program CV sector between October 1 and November 15 would be debited against the pool of 160 Chinook salmon that remains with the sector. Table 2-5 shows how many Chinook salmon would have been made available to the non-Rockfish Program CV fall fisheries between 2007 and 2012; these figures are not significantly different from those under Alternative 2, Option 2. Again, the table figures assume that unused PSC is calculated in relation to the RP CV sector’s base apportionment of 1,200 Chinook PSC.

**Table 2-5 Historical October 1 Chinook salmon PSC rollover amount under Alternative 3, had the Alternative been in place from 2007 through 2012**

Year	Chinook PSC rollover
2007	575
2008	n/a
2009	267
2010	75
2011	672
2012	223
Average*	362

\* Includes only years in which a rollover would have occurred

Note: Rollover amounts would increase by 160 if “unused PSC” is to be counted in relation to a starting point of 1,360 Chinook PSC, when applicable.

#### **2.4 Alternative 4: Add to Council’s preferred alternative an unlimited CV rollover provision; remove Rockfish Program CV sector from the uncertainty pool**

Alternative 4 would allow all Chinook salmon PSC that was not utilized in the Rockfish Program CV sector to be rolled over for use by other non-pollock CVs. This rollover would take place once all RP CV cooperatives have been officially “checked out” of the Program by their respective cooperative manager, or on November 15 – whichever occurs first.

Alternative 4 would also remove the Rockfish Program CV sector from the uncertainty pool mechanism. This is necessary because using *all* of the Chinook PSC rolled over from the RP CV sector to the fall non-Rockfish Program fishery would include the 160 Chinook salmon that the RP CV sector avoided catching in order to earn its uncertainty buffer.<sup>5</sup> Allowing the RP CV sector to access additional Chinook PSC in “Year 2” would essentially reward the Rockfish Program portion of the CV sector for avoiding Chinook that the CV fleet, or a portion of the CV fleet, caught later in the year.

#### **2.5 Alternative 5: Add to Council’s preferred alternative an October 1<sup>st</sup> CV rollover provision for all but 50 or 100 Chinook salmon PSC; roll over remaining Chinook PSC on November 15<sup>th</sup>; remove Rockfish Program CV sector from the uncertainty pool (Preliminary Preferred Alternative)**

Alternative 5, the Council’s preliminary preferred alternative (PPA), combines elements of Alternatives 2 and 4. Like Alternatives 2 and 3, the PPA would create a date-certain October 1 rollover of unused Chinook salmon PSC – less some amount held back – from the RP CV sector to the other non-pollock CV fisheries. The alternative contains two options for the hold-back amount: **50** Chinook salmon (Option 1), or **100** Chinook salmon (Option 2). Like Alternative 4, the PPA removes the RP CV sector from the uncertainty pool mechanism, obviating the need for Chinook PSC allowances to be held back to preserve salmon savings that might be utilized in the form of the following year’s uncertainty buffer. As such, the Chinook PSC that is held back on October 1 serves only to cover any Chinook encounter that occurs within the RP CV sector after the rollover date. Any of the hold-back PSC remaining with the RP CV sector at the end of the RP season (November 15) would be rolled over.

<sup>5</sup> Refer back to Table 2-1: 160 = 1,200 – 1,040 Chinook PSC, or the difference between the RP CV sector’s share (16%) of the base PSC limit (7,500) and the sector’s uncertainty pool threshold (6,500).

**Table 2-6 Historical October 1 Chinook salmon PSC rollover amount under Alternative 5, had the Alternative been in place from 2007 through 2012**

<b>Chinook PSC rollover</b>		
<b>Year</b>	<b>Option 1</b>	<b>Option 2</b>
2007	685	635
2008	n/a	n/a
2009	377	327
2010	185	135
2011	782	732
2012	333	283
<b>Average*</b>	<b>472</b>	<b>422</b>

\* Includes only years in which a rollover would have occurred

As noted in Section 2.2, the RP CV sector has recorded Chinook salmon PSC after October 1 in only one of the six analyzed years. The sector encountered 18 Chinook salmon in October 2007, which would have resulted in a November 15 rollover of 32 or 82 additional Chinook PSC, depending on the option selected. Aside from that year, all 50 or 100 Chinook PSC that were initially held back would have been released to support other non-pollock CV fisheries on November 15.

### 3 Environmental Assessment

The proposed action includes a no action alternative and three alternatives that would constitute a minor change to a previously analyzed action, the Council’s preferred alternative (June 2013). The public review document used in selecting the PA included an environmental assessment (EA) that addressed the probable environmental impacts of the previously analyzed alternatives (NPFMC 2013, Section 3). That analysis is briefly summarized below, and incorporated here by reference. A more detailed description of the considered resource components is available in the Alaska Groundfish Fisheries Harvest Specifications Environmental Impact Statement (EIS) (NMFS 2007), and the Final Programmatic Supplemental EIS on the Alaska Groundfish Fisheries (NMFS 2004).

None of the alternatives considered here would allow annual Chinook salmon PSC to exceed the levels that were examined in the EA prepared for the analysis referenced above. By extension, the proposed action will have no effect on the human environment, as defined in NAO 216-6, beyond those examined in the existing EA.

As described in the EA that informed the Council’s selection of a preferred alternative, the proposed action affects vessels – specifically catcher vessels, here – fishing in the federal non-pollock groundfish trawl fisheries in the Central and Western GOA, and may also affect vessels fishing in “parallel” Pacific cod fisheries in the adjacent waters of the State of Alaska. The referenced EA describes the groundfish species, Chinook salmon, marine mammal, seabird, habitat and ecosystem components of the GOA environment. For each component, the EA also describes the possible effect of a Chinook salmon PSC limit set at various levels. The analyzed cap levels range from 5,000 to 12,500 Chinook salmon PSC per year across all GOA non-pollock trawl fisheries, compared to the existing management regime of no Chinook salmon PSC cap. The range of annual PSC limits that the fishery could experience under the PA includes the range of scenarios possible when applying the uncertainty pool buffer – that is, 7,500 or 8,500 Chinook PSC per year, but not more than an average of 7,500 over a set of consecutive years.

### 3.1 Summary of effects on groundfish species

The existing EA (NPFMC 2013) considered a range of Chinook salmon PSC hard caps. A lower hard cap may result in the non-pollock trawl fisheries closing before the TACs are reached, while a higher hard cap would allow for groundfish fishing at current levels, and impacts would likely be similar to the fishery in its present state. If the groundfish TACs are not fully harvested, fishing will have less impact on the stocks, and there will be no significant adverse impact on the groundfish stocks from the fisheries as compared to the baseline established by the Alaska Groundfish Fisheries Harvest Specifications Supplemental EIS (NMFS 2007). If the implementation of a PSC limit curtails the fisheries, it is likely the fall seasons that will be most impacted, that is, fishing in the early part of the year is most likely to remain unchanged, while fishing patterns may be altered later in the year when the fisheries are approaching the PSC limit. Changing fishery patterns or seasonal changes in the timing of the fishing pressure may result in the fisheries focusing on different ages of groundfish than would otherwise have been taken. These changes, however, would be monitored and updated in future stock assessments. The risk to the stocks is considered minor, since conservation goals for maintaining spawning biomass would remain central to the assessments. The PA would affect neither the annual assessment process, nor the inseason monitoring of catch quotas. Thus any change in fishing patterns or the timing of fishing pressure would not be expected to affect the sustainability of the stocks. However, the change in fishing pattern could result in lower overall ABC and TAC levels, depending on how the age composition of the catch changed.

The PA is not likely to result in significant adverse impacts to groundfish stocks. Similarly, with respect to the ecosystem component and non-FMP species, the implementation of a PSC limit under the PA is not likely to increase fishing pressure. Even if there is a redistribution of effort to avoid Chinook salmon, the fishery will likely remain within the established footprint of the non-pollock trawl fishing grounds. If the fisheries close early because the PSC limit has been reached, impacts on these species may be reduced. The impacts of the PA are expected to be insignificant relative to the fishery managed with no PSC limit.

### 3.2 Summary of effects on Chinook salmon

The referenced EA describes Chinook salmon biology and ecological role, annual summary data on Chinook salmon PSC in non-pollock trawl fisheries, limitations on managers' knowledge of Chinook abundance and stock origin in the GOA, current Chinook assessment and management measures, as well as an overview of available information on Chinook stocks by area, including ESA-listed stocks and hatchery releases.

The impact of the GOA groundfish trawl fisheries on Chinook salmon was most recently analyzed in the Alaska Groundfish Fisheries Harvest Specifications Supplemental EIS (NMFS 2007). The non-pollock trawl fisheries have an adverse impact on Chinook salmon through direct mortality due to PSC. The EIS also considered impacts of the fisheries on the genetic structure of the population, reproductive success, and habitat, and concluded that it is unlikely that groundfish fishing has indirect impacts on these aspects of Chinook salmon sustainability. In addition, non-pollock trawl fishing activities are considered to have minimal and temporary effects on prey availability for salmon (NMFS 2005).

The Chinook salmon stock composition of the GOA non-pollock trawl fishery PSC is not available; however the GOA groundfish fisheries have been documented to catch Chinook salmon from both Cook Inlet, where run sizes have been below average, and Southeast Alaska. It is not possible to draw any correlation between patterns of PSC and the status of salmon stocks, especially given the uncertainty associated with estimates of PSC in the groundfish fisheries and the lack of data on river of origin of Chinook salmon PSC. This results in an inability to discern and accurately describe small scale impacts on particular individual stocks; nonetheless, it is understood that setting PSC limits will likely reduce the potential to impact salmon stocks in the aggregate, and therefore is likely to be beneficial to Chinook



salmon stocks as a whole. There is also no evidence to indicate whether the groundfish fisheries' take of Chinook salmon is, or is not, causing escapement failures in Alaska rivers. Since in 2011, efforts have been underway to improve genetic sampling of salmon PSC in the GOA pollock fishery, which should, in time, allow for a better understanding of the stock composition of PSC in that GOA trawl target fishery.

To the unknown extent to which the PA benefits Chinook salmon stocks, a PSC limit may benefit commercial, sport and subsistence users of Chinook salmon. The referenced EA identifies a number of river systems in the action area – on the Alaska Peninsula, around Kodiak Island, and in Southcentral Alaska – where low salmon returns have led to management actions that closed or curtailed these non-trawl resource uses in 2012.

A PSC limit, and potential salmon savings in years of high Chinook salmon PSC, does not translate directly into adult salmon that would otherwise have survived to return to its spawning stream. Salmon caught as PSC in the GOA groundfish trawl fisheries are generally immature salmon, with an average weight varying between 5 and 9 pounds. Some proportion of the Chinook salmon caught as PSC would have been consumed as prey to other marine resources, or been affected by some other source of natural or fishing mortality. Unlike analyses of Chinook salmon PSC in the Bering Sea pollock trawl fishery, we do not possess sufficient GOA trawl PSC data to develop an adult equivalent (AEQ) model. Currently available data does not link the size of the Chinook salmon taken as PSC to a specific age-class. It is assumed that the non-pollock trawl fisheries could be catching Chinook salmon that originate from anywhere in Alaska or elsewhere, and it is not possible to estimate the proportion any stock has contributed to the Chinook salmon PSC in the analyzed fishery. Therefore our ability to assess the impacts of reducing salmon PSC on salmon populations is constrained.

Some information is available from genetic analysis of samples taken in the GOA groundfish fisheries, which originate primarily from the GOA pollock fishery. To date, the number of samples has not been sufficient to produce a stock composition analysis, but rather documents the presence of a particular salmon stock in the Chinook salmon PSC. In 2011 (the most recent year for which analysis is available), GOA samples were predominantly from Chinook salmon stocks from British Columbia, the Pacific Northwest, the Northwest GOA, and coastal Southeastern Alaska. Coded wire tag (CWT) recoveries provide reliable documentation of the presence of specific salmon stocks in the Chinook salmon PSC. Due to sampling issues, CWT recoveries can neither be used to establish the relative abundance of stocks in the PSC, nor to estimate the number harvested from any one stock as PSC. While there are likely to be Chinook salmon taken in the GOA non-pollock trawl fisheries that originate in river systems with no tagging program, since 1995 CWTs have been recovered from British Columbia, Alaska, Oregon, Washington, and Idaho. Beginning in 2014, NMFS will institute sampling of Chinook salmon from randomly selected non-pollock trawl vessels in the GOA, which will provide some information on Chinook PSC from those operations in the future.<sup>6</sup>

Under a PSC limit, especially if the attainment of the threshold appears to be imminent, the non-pollock trawl fleet may be active in making efforts to avoid high PSC rates, in order to preserve the opportunity to fully harvest the groundfish TACs. Efforts to avoid Chinook PSC could take a variety of forms. Particularly at the outset, these efforts may have limited effect, as participants have little understanding of the means of avoiding Chinook PSC. Yet, the adoption of a Chinook PSC limit likely will prompt efforts to gain better information concerning Chinook avoidance, improving the ability of participants to avoid Chinook in the long run. As information concerning Chinook avoidance is improved, participants may use that information to redirect effort to times and areas with lower Chinook catch rates. Over time, effort may become more concentrated in areas that experience lower Chinook salmon PSC rates and decrease (or be eliminated altogether) in areas of higher Chinook salmon catch rates. The extent of any

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<sup>6</sup> Draft 2014 Annual Deployment Plan for Observers in the Groundfish and Halibut Fisheries off Alaska.

redistribution of effort is difficult to predict and will depend not only on the distribution of Chinook salmon catch rates on the fishing grounds and the participants' ability to accurately estimate Chinook salmon catch rates, but also participants' flexibility to alter their temporal and spatial fishing behavior. It is possible that shifting the spatial or temporal distribution of the non-pollock trawl fisheries may impact some particular Chinook salmon stocks more than others, but as we do not currently know how effort may shift in the non-pollock trawl fisheries, nor the stock composition of Chinook salmon PSC, this impact is not possible to assess.

The EA develops a general conclusion that if Chinook salmon PSC is reduced in some years as a result of this action, there would likely be beneficial impacts on Chinook salmon stocks, and the harvesters and consumers of Chinook salmon, compared to current management.

### **3.3 Summary of effects on marine mammals and seabirds**

The EA summarizes potential impacts of fishing on marine mammals, and references the GOA Halibut EA/RIR/IRFA (NPFMC 2012) as the most recent analysis of potential impacts from the GOA non-pollock trawl fisheries. That report concluded that the fisheries, as currently prosecuted, do not result in significantly adverse impacts to marine mammals in the GOA. The EA lists 22 pinniped, cetacean and sea otter species that are likely to occur in the GOA, and provides additional information on the status of ESA listed species (Steller sea lion, northern sea otter, Cook Inlet beluga whale, and Southern resident killer whale).

Marine mammals can be taken in groundfish fisheries by entanglement in gear (e.g., trawl, longline, and pot) and, rarely, by ship strikes for some cetaceans. Steller sea lion (western U.S.), Fin whale, and Northern elephant seal were taken in the GOA non-pollock trawl fisheries during the most recent five years of observer data that have been analyzed (Allen and Angliss 2012). In addition to these species, the List of Fisheries for 2011 reports that fin whale and northern elephant seal have been taken in previous years in the GOA non-pollock trawl fishery, but not recently (75 FR 68468, November 8, 2010). Potential take in the GOA non-pollock trawl fisheries is well below the potential biological removal (PBR) level for all marine mammals for which PBR has been determined. Considering the number of marine mammals taken incidentally in the fishery in relation to the PBR, it is unlikely that incidental takes would impact the subsistence harvest of marine mammals.

The EA lists 38 species of seabirds that breed in Alaska, and an additional five species that occur in Alaskan waters during the summer months, combining for a total population of over 60 million birds. Additional information is provided on tracking and incidental take of ESA-listed short-tailed albatross. The EA references nine sources for more information on seabirds in Alaska's EEZ, including Chapter 9 of the Alaska Groundfish Harvest Specifications EIS (NMFS 2007) and Chapter 3 of the Programmatic Supplemental EIS for Alaska Groundfish Fisheries (NMFS 2004). The PSEIS identifies GOA groundfish fishery activities that may directly or indirectly affect seabird populations, including incidental take in fishing gear and vessel strikes, reductions in prey (forage fish) abundance and availability, disturbance to benthic habitat, discharge of processing waste and offal, contamination by oil spills, presence of nest predators in islands, and disposal of plastics, which may be ingested by seabirds. The referenced EA concludes that seabirds are taken by the GOA trawl fishery in minor amounts compared to population levels, and that overall prey availability is not affected at a level resulting in seabird population effects.

Although impacts to marine mammals and seabirds from commercial fisheries cannot be considered beneficial (incidental take, reduced prey availability, and increased disturbance are all adverse impacts), it is possible that the Council's PA could reduce the harmful effects of commercial fisheries on marine mammals and seabirds insofar as they reduce incidental take, competition for prey, or disturbance in cases where trawl fisheries are curtailed by Chinook PSC limits before TACs are reached.

### 3.4 Summary of effects on habitat and the ecosystem

The EA references the most recent Essential Fish Habitat (EFH) EIS (NMFS 2005), which describes the effects of GOA non-pollock trawl fisheries on benthic habitat and EFH. The EFH EIS describes the importance of benthic habitat, and the impacts of trawl gear (doors, sweeps and bobbins) on benthic habitat. The EA also mentions that the non-pollock trawl fisheries catch salmon prey species incidentally, though in small numbers relative to the overall population for those species. The EA, and the EFH EIS by reference, conclude that fishing activities have minimal and temporary effects on prey availability for salmon, benthic habitat and essential fish habitat as they are currently prosecuted. These impacts may be reduced under the PA in instances where a Chinook PSC limit curtails the length of the fishery. Even if Chinook PSC hot spots are identified and spatial fishing behavior shifts, fishing activity is expected to remain within the current footprint of the fishery. Other regulatory constraints on the fishery (e.g., seasonal TAC allocations and halibut PSC limits) should also limit any temporal redistribution of fishing effort to the current time period. Because the PA is not likely to result in significantly adverse effects to habitat, its impacts are likely insignificant.

Human activities, including commercial fishing, can influence the structure and function of marine ecosystems. Fishing may change predator-prey relationships and community structure, introduce foreign species, affect trophic diversity, alter genetic diversity, alter habitat, and damage benthic habitats. The GOA non-pollock trawl fisheries potentially impact the GOA ecosystem by relieving predation pressure on shared prey species (i.e., species which are prey for both groundfish and other species), reducing prey availability for predators of target groundfish, altering habitat, imposing PSC and bycatch mortality, or by ghost fishing caused by lost fishing gear. Ecosystem considerations for the GOA groundfish fisheries are summarized annually in the GOA Stock Assessment and Fishery Evaluation report (Zador 2012).

The most recent Harvest Specifications EIS (NMFS 2007) concluded that the GOA non-pollock trawl fisheries, as they are currently prosecuted, do not produce population-level impacts to marine species or change ecosystem-level attributes beyond the range of natural variation. The Council's PA will either maintain the current overall level of groundfish harvest, or reduce it via Chinook PSC closures. As with habitat impacts, while the location and timing of fishing activities may undergo some localized changes, overall the fleets are constrained in the location and timing of the fisheries by other regulatory measures (e.g., seasonal allocations of TAC and halibut PSC). As a result, the PA is not likely to have a significant impact on the ecosystem.

### 3.5 Summary of cumulative effects

This document incorporates the analysis of the effects of past, present, and reasonably foreseeable future actions (RFFA) in the original EA by reference. Future effects include harvest of federally managed fish species and current habitat protection from federal fishery management measures, harvests from state managed fisheries and their associated protection measures, efforts to protect endangered species by other federal agencies, and other non-fishing activities and natural events. The most recent comprehensive analysis of RFFAs for the groundfish fisheries is in the Harvest Specifications EIS (NMFS 2007). RFFAs that may affect target and prohibited species are listed in Table 3-37 of the referenced EA (NPFMC 2013, p.79). These actions include, but are not limited to, area closures for crab protection, revised GOA halibut PSC limits, and early considerations of a quota-based system to provide the GOA trawl fisheries with the necessary tools to better manage PSC. Ongoing research efforts are likely to improve our understanding of the interactions between the harvest of groundfish and salmon. NMFS is conducting or participating in several research projects to improve understanding of the ecosystems, fisheries interactions, and gear modifications to reduce salmon PSC.

Ecosystem management, rationalization, and traditional management tools are likely to improve the protection and management of target and prohibited species, including targets of the non-pollock trawl fleet and Chinook salmon, and are not likely to result in significant effects when combined with the direct and indirect effects of the PA.

Ecosystem management, rationalization, and traditional management tools are likely to increase protection to non-specified and forage species, marine mammals, seabirds, habitat, and the ecosystem by considering these species more in management decisions, and by improving the management of the non-pollock trawl fisheries through the restructured Observer Program, catch accounting, seabird avoidance measures, and vessel monitoring systems (VMS). Any change in protection measures for marine mammals likely would have insignificant effects because any changes would be unlikely to result in the PBR being exceeded and would not be likely to jeopardize the continued existence or adversely modify or destroy designated critical habitat. Additionally, since future TACs will be set with existing or enhanced protection measures, we expect that the effects of the fishery on the harvest of prey species and disturbance will not increase in future years. Any action by other entities that may impact marine mammals and seabirds will likely be offset by additional protective measures for the federal fisheries to ensure ESA-listed mammals and seabirds are not likely to experience jeopardy or adverse modification of critical habitat. Direct mortality by subsistence harvest is likely to continue, but these harvests are tracked and considered in the assessment of marine mammals and seabirds. Continued fishing under the harvest specifications is likely the most important cumulative effect on EFH, but the EFH EIS (NMFS 2005) has determined that this effect is minimal. The Council is also considering improving the management of non-specified species incidental takes in the fisheries to provide more protection to this component of the ecosystem. Any shift of fishing activities from federal waters into state waters would likely result in a reduction in potential impacts to EFH because state regulations prohibit the use of trawl gear in much of state waters.

Considering the direct and indirect impacts of the PA, when added to the impacts of past and present actions previously analyzed in other documents (referenced) and the impacts of the reasonably foreseeable future actions listed above, the cumulative impacts of the proposed action are determined to be not significant.

## 4 Regulatory Impact Review

An RIR is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735; October 4, 1993). The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following statement from the order:

*“In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nonetheless essential to consider. Further, in choosing among alternative regulatory approaches agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.”*

E.O. 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be “significant.” A “significant regulatory action” is one that is likely to:

- Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, local or tribal governments or communities;
- Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

#### **4.1 Statutory authority**

Under the Magnuson-Stevens Act (16 USC 1801, et seq.), the United States has exclusive fishery management authority over all marine fishery resources found within the EEZ. The management of these marine resources is vested in the Secretary of Commerce (Secretary) and in the regional fishery management councils. In the Alaska Region, the Council has the responsibility for preparing FMPs and FMP amendments for the marine fisheries that require conservation and management, and for submitting its recommendations to the Secretary. Upon approval by the Secretary, NMFS is charged with carrying out the federal mandates of the Department of Commerce with regard to marine and anadromous fish.

Gulf of Alaska groundfish fisheries in the EEZ off Alaska are managed under the FMP for Groundfish of the Gulf of Alaska. The Chinook salmon prohibited species catch management measures under consideration would amend this FMP and federal regulations at 50 CFR 679. Actions taken to amend FMPs or implement other regulations governing these fisheries must meet the requirements of federal law and regulations.

#### **4.2 Gulf of Alaska trawl fisheries**

The groundfish trawl fisheries in the Gulf of Alaska's Central and Western regulatory areas are comprised of directed fisheries for pollock, Pacific cod, rockfish, and flatfish species. GOA trawl fisheries open on January 20 and close on December 31, unless NMFS intervenes with a closure to prevent the exceeding of annual TAC or established PSC limits for Pacific halibut (or Chinook salmon in the GOA pollock trawl fishery). Regulations prescribe seasons for pollock, Pacific cod and rockfish within the fishing year (50 C.F.R. 679.23). In the absence of management closures, directed pollock fishing is permitted in the A and B seasons from January 20 to May 31, and in the C and D seasons from August 25 to November 1. Likewise, directed Pacific cod fishing is permitted in the A season from January 20 to June 10 and the B season from September 1 to November 1. In the Central GOA, directed rockfish fishing is permitted from May 1 to December 31. In the Western GOA, directed rockfish fishing is permitted beginning on July 1. Directed flatfish fishing is permitted in either regulatory area from January 20 to December 31.

While regulatory fishing seasons define beginning and end points for GOA trawl activity, the pattern of fishing behavior in a given year is complex and largely driven by participants' ability to be active in multiple fisheries. Beyond season dates established in regulation, the factors that influence intra-annual behavior include relative value of various target species, seasonal fish stock abundance, and interacting directed fishing closures due to species TAC limits and seasonal or annual PSC limits.

GOA trawl fisheries are currently subject to PSC limits on Pacific halibut (GOA Groundfish FMP Amendment 18, modified by Amendment 95) and Chinook salmon in the pollock fishery (Amendment

93).<sup>7</sup> Chinook salmon PSC in the pollock trawl fishery is capped annually and apportioned by regulatory area. Halibut trawl PSC limits are apportioned seasonally by directed species complex (deep-water and shallow-water).<sup>8</sup> Section 4.4.8.2 of the RIR prepared for the Council’s consideration of its preferred alternative describes the current management of halibut PSC in the GOA non-pollock trawl fishery (NPFMC 2013, p.116). The directed fishery for rockfish is constrained by the halibut PSC limit apportioned to the deep-water complex. Vessels fishing in the Rockfish Program are typically exempt from seasonal halibut PSC closures, as they fish from their own halibut PSC apportionment that is deducted from the third season allowance (July 1 through September 1). However, RP vessels sometimes experience special sideboard closures for fisheries other than rockfish while the Rockfish Program fishery is still open; RP CVs experienced such sideboard closures in July of 2007 and 2011.

**4.2.1 Fishing effort in the GOA groundfish trawl catcher vessel fleet**

**4.2.1.1 Participation**

Since 2007, the number of active CVs in the GOA non-pollock trawl fishery has ranged between 52 and 65 vessels (Table 4-1). CVs follow different patterns of participation throughout the calendar year. Some vessels may fish primarily for Pacific cod (and pollock) in the early and late seasons, while others fish closer to year-round, targeting flatfish in late-spring and fall. The majority of CVs target rockfish in the early summer months (May through July), with levels of rockfish participation varying later in the summer and fall as the seasonally restricted cod and pollock fisheries reopen.<sup>9</sup> Just as levels of participation in the different target fisheries varies by vessel, so does the proportion of annual groundfish revenue derived from each target fishery and in each period of the year. In aggregate, CVs active in the GOA trawl fishery earn the majority of their total annual revenue from GOA groundfish (including pollock), as opposed to revenues generated in the BSAI groundfish fisheries and other sources of income.<sup>10</sup>

**Table 4-1 Number of catcher vessels making landings in the GOA non-pollock trawl fishery, number making landings under the Rockfish (Pilot) Program**

	<b>Total CVs</b>	<b>RP CVs</b>
<b>2007</b>	63	25
<b>2008</b>	65	25
<b>2009</b>	59	24
<b>2010</b>	52	24
<b>2011</b>	53	23
<b>2012</b>	62	28

Participation throughout the year is roughly illustrated in the original RIR (NPFMC 2013, Table 4-1, p.87). Depending on the year, around 30% to 50% of active CVs fished only in the first calendar quarter (January through March), mainly targeting cod.<sup>11</sup> A similar proportion of the CV fleet fished throughout the year; they target rockfish in the summer, rockfish and cod in the early fall, and primarily targeting flatfish towards the end of the year. Barring a change in individual business planning, these year-round vessels would be the most likely to be impacted by the action under consideration.

<sup>7</sup> The Chinook salmon PSC limit in the pollock fishery went into effect during the C-season of the 2012 fishing year.

<sup>8</sup> Of the directed fisheries considered in this analysis, the deep-water complex includes rockfish, arrowtooth flounder and rex sole; the shallow-water complex includes Pacific cod, flathead sole and shallow water flatfish.

<sup>9</sup> Target harvest by month is illustrated in Tables 4-29 and 4-30 of the original RIR (NPFMC 2013, p.116).

<sup>10</sup> See NPFMC 2013, Table 4-2, p.88.

<sup>11</sup> Participation in the directed pollock fishery is not directly considered in this analysis.

Many participants in GOA trawl fisheries are members of cooperative programs, including the Central GOA Rockfish Program and the Bering Sea pollock cooperative program (American Fisheries Act, or AFA). Sixty-two CVs were active during the 2012 fishing year. Thirty-five of those vessels were members of a Central GOA Rockfish Program cooperative, though only 28 actually made Rockfish Program landings (Table 4-1). Eighteen active CVs, all of them Rockfish Program participants, were also part of the AFA pollock fleet; only five of these vessels were licensed to an Alaska mailing address. Overall, 12 of the 36 CVs that fished under a cooperative management fishery in 2012 were licensed at an Alaska address. Twenty-six GOA CVs were not part of any cooperative management program, and 13 of those vessels were Alaska-owned.

#### 4.2.1.2 Groundfish harvest

In the years since implementing the Rockfish Pilot Program, trips targeting rockfish species have accounted for around 8,700 mt of harvest per year.<sup>12</sup> Among the GOA non-pollock target fisheries, harvest on rockfish trips typically produced the second or third highest target harvest by weight (Table 4-2). The other predominant targets were Pacific cod, and the arrowtooth flounder and rex sole fishery. Arrowtooth flounder and rex sole are considered jointly, as they are typically targeted together and trip target designation is assigned after the fact.

**Table 4-2 GOA catcher vessel groundfish harvest (mt) by target and by area, 2007 to 2012**

Area	Target Species	2007	2008	2009	2010	2011	2012	Average
CG	Arrowtooth Fl. & Rex Sole	11,261	14,617	13,839	12,751	17,056	9,532	<b>13,176</b>
	Pacific Cod	7,857	12,463	5,638	14,688	9,469	12,506	<b>10,437</b>
	Rockfish	8,661	7,919	8,080	9,358	7,933	10,528	<b>8,747</b>
	Shallow Water Flatfish	9,995	10,622	11,995	6,684	2,919	4,033	<b>7,708</b>
	Flathead Sole & DWF *	88	583	373	1,043	402	313	<b>467</b>
	Sablefish & Other Species *	300	324	355	170	253	238	<b>273</b>
<b>CG Total</b>		<b>38,163</b>	<b>46,528</b>	<b>40,280</b>	<b>44,694</b>	<b>38,031</b>	<b>37,150</b>	<b>40,808</b>
<b>WG Total **</b>		<b>4,316</b>	<b>4,685</b>	<b>1,804</b>	<b>1,833</b>	<b>2,099</b>	<b>5,812</b>	<b>3,425</b>
<b>GOA Total</b>		<b>42,478</b>	<b>51,213</b>	<b>42,085</b>	<b>46,528</b>	<b>40,129</b>	<b>42,962</b>	<b>44,232</b>

\* Target species considered jointly to preserve confidentiality; DWF = deep water flatfish.

\*\* The vast majority of on-pollock harvest in the Western GOA occurs on trips targeting Pacific cod. Some trips targeted rockfish species (2007 and 2008) and arrowtooth flounder (2012). Trip target harvest is not broken out, in order to present the area total while preserving confidentiality.

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA

The RIR that informed the Council’s deliberations on the existing preferred alternative (NPFMC 2013) included data on revenue generated from both CV and CP harvest. Gross first wholesale revenues were used as a means for comparing the general economic impact of GOA non-pollock groundfish harvest, though payments to CVs is only one element of the several that determine shoreside wholesale values. Table 4-3 presents annual data at the trip target level describing the first wholesale revenues generated from non-pollock deliveries to shoreside processors. Table 4-4 shows the actual ex-vessel payments received by CVs; one should note that ex-vessel payments to CVs represent a cost to shoreside processors, so adding first wholesale and ex-vessel revenues together would over-estimate the total economic value of the catch.

<sup>12</sup> For accounting purposes in non-pollock fisheries, catch is assigned to a “trip target” species based on the species or species group that makes up the preponderance of that trip’s harvest. The data in Table 4-2, Table 4-3 and Table 4-4 are presented by trip target. Each value (mt or dollar amount) represents the harvest or value of all fish that were landed on trips that were assigned, ex post facto, a given target designation. For example, if Table 4-2 showed that 10,000 mt was harvested in the shallow water flatfish target fishery during 2007, one should assume that those landings are mainly of shallow water flatfish, but likely also include other species that were caught on the same trips.

Table 4-3 indicates that Pacific cod has accounted for the greatest proportion of non-pollock groundfish wholesale revenue. The Pacific cod and rockfish target fisheries are also the most valuable non-pollock fisheries on a per metric ton basis. Section 4.4.6.3 in the original RIR (NPFMC 2013, p.104) describes the strong correlation between groundfish harvest and revenue, concluding that years of relatively low target species harvest are not compensated by a higher wholesale value per metric ton. This suggests that any potential forgone harvest identified in the impact analysis should be expected to result in a loss of revenue from the fishery.

**Table 4-3 Gross first wholesale non-pollock trawl groundfish product value (\$1,000) to shoreside processors, by target and by harvest area, 2007 to 2012**

Area	Target Species	2007	2008	2009	2010	2011	2012	Average
CG	Arrowtooth Fl. & Rex Sole	9,675	12,062	9,891	8,515	14,335	9,436	<b>10,652</b>
	Pacific Cod	13,673	22,619	7,503	19,388	14,425	17,554	<b>15,860</b>
	Rockfish	13,093	10,873	9,663	12,901	16,136	20,322	<b>13,831</b>
	Shallow Water Flatfish	9,981	10,357	9,354	4,935	2,546	4,150	<b>6,887</b>
	Flathead Sole & DWF *	93	565	307	814	406	375	<b>427</b>
	Sablefish & Other Species *	1,899	2,015	2,082	1,294	2,153	1,687	<b>1,855</b>
<b>CG Total</b>		<b>48,413</b>	<b>58,491</b>	<b>38,800</b>	<b>47,847</b>	<b>50,001</b>	<b>53,525</b>	<b>49,513</b>
<b>WG Total **</b>		<b>8,550</b>	<b>9,417</b>	<b>2,484</b>	<b>2,413</b>	<b>3,209</b>	<b>8,290</b>	<b>5,727</b>
<b>GOA Total</b>		<b>56,963</b>	<b>67,908</b>	<b>41,284</b>	<b>50,260</b>	<b>53,210</b>	<b>61,815</b>	<b>55,240</b>

\* Target species considered jointly to preserve confidentiality; DWF = deep water flatfish.

\*\* The vast majority of on-pollock harvest in the Western GOA occurs on trips targeting Pacific cod. Some trips targeted rockfish species (2007 and 2008) and arrowtooth flounder (2012). Trip target harvest is not broken out, in order to present the area total while preserving confidentiality.

Source: ADFG Commercial Operators Annual Report, data compiled by AKFIN in Comprehensive\_ENCOAR\_PROD

**Table 4-4 GOA catcher vessel non-pollock groundfish ex-vessel revenue (\$1,000) by target and by area, 2007 to 2012**

Area	Target Species	2007	2008	2009	2010	2011	2012	Average
CG	Arrowtooth Fl. & Rex Sole	2,632	3,195	2,691	2,841	5,283	2,956	<b>3,266</b>
	Pacific Cod	6,834	11,840	3,259	7,986	7,750	8,219	<b>7,648</b>
	Rockfish	3,790	3,499	2,353	3,419	4,077	6,987	<b>4,021</b>
	Shallow Water Flatfish	5,420	5,998	4,530	2,441	1,461	2,014	<b>3,644</b>
	Flathead Sole & DWF *	37	239	131	387	187	180	<b>193</b>
	Sablefish & Other Species *	908	1,013	1,180	856	1,515	1,310	<b>1,131</b>
<b>CG Total</b>		<b>19,621</b>	<b>25,784</b>	<b>14,144</b>	<b>17,931</b>	<b>20,273</b>	<b>21,666</b>	<b>19,903</b>
<b>WG Total **</b>		<b>4,331</b>	<b>5,481</b>	<b>939</b>	<b>702</b>	<b>1,169</b>	<b>3,719</b>	<b>2,723</b>
<b>GOA Total</b>		<b>23,951</b>	<b>31,264</b>	<b>15,083</b>	<b>18,633</b>	<b>21,442</b>	<b>25,385</b>	<b>22,626</b>

\* Target species considered jointly to preserve confidentiality; DWF = deep water flatfish.

\*\* The vast majority of on-pollock harvest in the Western GOA occurs on trips targeting Pacific cod. Some trips targeted rockfish species (2007 and 2008) and arrowtooth flounder (2012). Trip target harvest is not broken out, in order to present the area total while preserving confidentiality.

Source: ADFG Commercial Operators Annual Report, data compiled by AKFIN in Comprehensive\_ENCOAR\_PROD

The vast majority of non-pollock CV trawl harvest is delivered to processors in Kodiak. From 2007 to 2011, the sector delivered 93% of its groundfish catch (212,000 mt) to Kodiak; at first wholesale, this product generated \$248 million in gross revenue, accounting for 90% of the GOA non-pollock wholesale revenues generated from CV harvest (see NPFMC 2013, Table 4-10, p.93). Other GOA communities that processed CV groundfish include Akutan, Dutch Harbor/Unalaska, King Cove, Sand Point, and Seward.



**4.2.1.3 Chinook salmon Prohibited Species Catch**

The original RIR documents that there has been little correlation between GOA non-pollock groundfish trawl harvest and levels of Chinook salmon PSC (NPFMC 2013, Section 4.4.9.2, p.119). From 2007 to 2012, the CV sector accounted for the slight majority of average annual Chinook salmon PSC, though the CP sector recorded higher PSC in three of the six reported years (Table 4-5). On a trip target level, arrowtooth flounder and rex sole trips accounted for 37% of Chinook PSC in the CV sector, Rockfish trips accounted for 27%, shallow water flatfish trips accounted for 20%, and Pacific cod trips 17% over the same time period. The previous document notes that reported PSC levels are the best available estimates, but provides the caveat that GOA CVs have historically had low levels of observer coverage.

**Table 4-5 Chinook salmon PSC in GOA non-pollock groundfish trawl fisheries, by operation type and Rockfish Program activity**

	2007	2008	2009	2010	2011	2012	Average	%
CPs (all)	2,975	2,651	2,282	4,631	2,986	1,890	<b>2,903</b>	<b>49%</b>
CVs (all)	2,352	2,506	2,793	5,117	3,917	1,774	<b>3,076</b>	<b>51%</b>
Non-Rockfish Program CVs	1,869	857	2,019	4,152	3,549	957	2,234	37%
Rockfish Program CVs	483	1,649	773	965	368	817	843	14%
<b>Total</b>	<b>5,327</b>	<b>5,157</b>	<b>5,075</b>	<b>9,747</b>	<b>6,902</b>	<b>3,665</b>	<b>5,979</b>	

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_PSC.

At a seasonal level, CV Chinook salmon encounter in the GOA non-pollock trawl fishery is greatest from the late spring through the early summer, and peaks again in the fall (Table 4-6). From 2007 to 2012, Arrowtooth flounder and rex sole trips make up 99% of the Chinook PSC taken in April. CVs fishing under the Rockfish Program and targeting rockfish species account for 80% of the Chinook PSC taken in May and June over the same set of years. Of the Chinook on non-RP trips during these months, 70% are caught in on trips targeting arrowtooth flounder, with most of the remainder taken on shallow water flatfish trips; non-RP trips were credited with a negligible amount of Chinook PSC in the month of June. Non-RP trips account for 96% of the Chinook PSC taken during September and October; the September Chinook PSC occurred primarily on trips targeting Pacific cod (B season), while October PSC occurred mostly in flatfish fishery (56% shallow water flatfish, 27% arrowtooth flounder) and on trips targeting Pacific cod (17%). Roughly half of the Chinook salmon encountered on Rockfish Program trips during September occurred on trips that were classified in Catch Accounting after the fact as having targeted Pacific cod, with the remained taken on trips targeting rockfish.

**Table 4-6 Average monthly Chinook salmon PSC in the CV sector, 2007 through 2012**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Non-RP CV	64	82	112	672	178	0	6	26	202	784	78	29
RP CV					485	265	40	6	44	<1	3	
<b>Total</b>	<b>64</b>	<b>82</b>	<b>112</b>	<b>672</b>	<b>663</b>	<b>265</b>	<b>46</b>	<b>32</b>	<b>246</b>	<b>784</b>	<b>81</b>	<b>29</b>

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_PSC.

The original RIR reports extensively on Chinook salmon PSC rates in the GOA non-pollock trawl fishery, by operation type, by year, by month, and by Rockfish Program affiliation (NPFMC 2013, Section 4.4.1.1,

p.133). PSC rates reflect the number of Chinook salmon caught per metric ton of non-pollock groundfish trawl harvest.<sup>13</sup> While not necessarily indicative of total Chinook salmon PSC, a rate provides a measure of catch frequency or intensity for a harvest sector or time period. As noted in the previous analysis, the high degree of annual variability should serve to caution against expecting future rates to conform to recent trends.

Table 4-7 displays annual Chinook salmon PSC rates by harvest sector and area. The gulf-wide CV rate of 0.07 indicates that CVs encountered roughly one Chinook salmon for every 14 mt of non-pollock groundfish harvest. The PSC rate for CVs was significantly lower in the Western GOA, compared to the Central GOA during the reported years. Table 4-8 reports average PSC rates by month, for the 2007 to 2012 period. PSC rates in the CV sector were above the annual CV average during May and June, when the majority of the sector’s rockfish activity takes place. These rates may be upwardly influenced by higher Chinook PSC years at the beginning of the Rockfish Pilot Program in 2007 and 2008, when Rockfish cooperatives were prioritizing halibut PSC avoidance. Chinook PSC rates are considerably lower in July, when the CV sector takes around 17% of its annual rockfish trip harvest. The CV sector’s PSC rate tends to spike again in October, at which point both harvest and PSC are predominantly occurring in the shallow water flatfish, Pacific cod, and arrowtooth flounder/rex sole fisheries.

**Table 4-7 Chinook salmon PSC rates by GOA non-pollock groundfish trawl sector, 2007 to 2012<sup>14</sup>**

	2007	2008	2009	2010	2011	2012	Average
Total GOA	0.08	0.07	0.08	0.14	0.10	0.05	<b>0.09</b>
GOA CP	0.14	0.12	0.10	0.20	0.11	0.07	<b>0.12</b>
GOA CV	0.06	0.05	0.07	0.11	0.09	0.04	<b>0.07</b>
CGOA CP	0.24	0.19	0.17	0.22	0.12	0.08	<b>0.17</b>
CGOA CV	0.06	0.05	0.07	0.11	0.09	0.05	<b>0.07</b>
WGOA CP	0.03	0.02	0.01	0.16	0.07	0.07	<b>0.06</b>
WGOA CV	0.00	0.02	0.01	0.00	0.05	0.00	<b>0.01</b>

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_PSC and NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA.

**Table 4-8 Chinook salmon PSC rates by month, 2007 to 2012**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 mo. Average
Catcher Vessels	0.02	0.01	0.04	0.10	0.14	0.08	0.02	0.01	0.05	0.17	0.06	0.13	0.07
CGOA CVs	0.02	0.02	0.04	0.10	0.14	0.08	*	0.01	0.05	*	0.06	0.13	0.07
WGOA CVs	0.01	0.01	0.02				*			0.02			0.00
Total GOA	0.02	0.03	0.08	0.21	0.14	0.12	0.03	0.02	0.07	0.14	0.09	0.22	<b>0.10</b>

Notes: \* indicates confidential data; "Total" includes both CV and CP records.

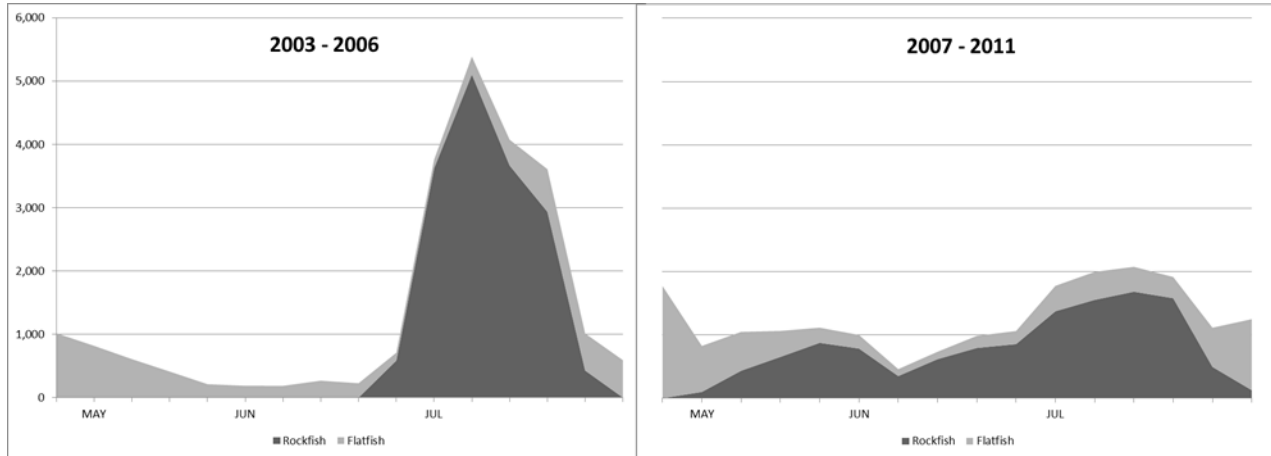
<sup>13</sup> For this analysis, PSC rates are calculated in a manner that weights the relevant week-ending date (WED) records by the amount of fishing activity that took place. For example, when calculating the PSC rate for a given harvest sector, the sum of Chinook salmon PSC for all WED records in that sector is divided by the sum of all groundfish harvest (mt) in the same WED records. This method is preferable to averaging the Chinook PSC/mt ratios for the set of records. Doing so would effectively weight each WED record equally, potentially allowing records that account for a small amount of the sector’s total fishing activity to bias the sector’s overall PSC rate.

<sup>14</sup> Comparing the Chinook salmon PSC rates of GOA CPs and CVs presents an analytical challenge in two key respects. First, the CP and CV harvest sectors experience different levels of observer coverage. Second, the two sectors prosecute the GOA groundfish fisheries for different primary targets, at different times and in different locations. This is discussed in greater detail in the original RIR (NPFMC 2013, pp.137-138).

#### 4.2.2 Central Gulf of Alaska Rockfish Program

The Rockfish Pilot Program (RPP) was established through Amendment 68 to the Gulf of Alaska FMP. In its purpose and need statement, the Council identified fishery participants' limited ability to minimize bycatch under the existing limited entry management structure. The RPP, replaced by the Rockfish Program in 2011, established a cooperative management structure in which members can coordinate and distribute fishing activity over a greater portion of the year. Additional background information is included in the original RIR (NPFMC 2013, Section 4.4.10, p.130).

Central GOA rockfish trawlers made several behavioral changes that might be causally linked to a trend in Chinook salmon PSC. Implementation of the RPP in 2007 increased the length of the rockfish trawl season, increased the gross weight delivered to processors during May and June, and helped drive a shift from non-pelagic to semi-pelagic trawl gear (Figure 4-1). Beginning the CV rockfish season earlier helped to accomplish several management goals: stabilizing residential processor work force opportunities in Kodiak (May and June had previously been a period of low worker utilization); allowing AFA participants to fish earlier in the Bering Sea, when BS salmon encounter was lower; and improving product value by having fresh, well-handled rockfish product available for a greater portion of the year.



**Figure 4-1 Seasonal distribution of harvest (mt) on trips targeting rockfish and flatfish, before and after implementation of the Rockfish Pilot Program in 2007**

Under existing regulations, vessels participating in the Rockfish Program are primarily constrained by halibut PSC. CVs and CPs operating under RP cooperatives share a halibut PSC allocation of 191.4 mt, which is taken from the third halibut trawl halibut PSC season (July 1 through September 1). This allocation to RP participants is available for use between May 1 and November 15. By regulation, 55% of the unused amount of halibut PSC is added to the fifth halibut PSC season limit, which begins on October 1. The remaining 45% of the unused RP halibut PSC allocation is not available for use by any sector, and is effectively retired. The size of the fifth season halibut PSC limit is not specified at the beginning of the fishing year; the halibut PSC available in the fifth season is not apportioned between the deep-water complex (which includes rockfish) and the shallow-water complex. The target species included in each complex are listed in Footnote 8.

##### 4.2.2.1 Participation

Ninety-three unique CVs participated in the GOA groundfish fisheries between 2007 and 2012. Eighty-four participated in the non-pollock fisheries during that period, while nine fished only for pollock. Twenty-one vessels made landings in the Rockfish Program in each analyzed year; one additional vessel participated in the RP for the only year that it trawled in the GOA (2012). Ten vessels spent some years in

the RP, some in the non-RP fishery, and other years inactive. Sixty-one vessels made a GOA groundfish landing at some point since 2007, but never fished in the Rockfish Program.

Table 4-1 lists the number of CVs that made landings under the Rockfish Program in each year, from 2007 to 2012. Thirty-three unique CVs have made RP landings since the Pilot Program was implemented in 2007. Nine CVs that participated in the RP in at least one year also spent one or more years active in the GOA during which they did not make co-op landings. Twenty-eight CVs made RP landings in 2012, and no fewer than 23 have been active in any one year. The number of vessels that appear in catch accounting reports does not give the full number of enrolled vessels. For example, 35 vessels were listed on CV Rockfish Program cooperative rosters in 2012, and 43 are listed as members of seven CV cooperatives in 2013.<sup>15</sup> The quota that was allocated to inactive vessels is typically fished on other vessels within the cooperative. There are currently two RP cooperatives for CPs, with a total of 10 enrolled vessels; CP sector participation is not further analyzed in this document.

In 2013, 17 of the 43 cooperative-member CVs held endorsements for the AFA pollock fishery in the Bering Sea. Twenty-three GOA CVs endorsed to trawl in the Central or Western GOA held AFA endorsements, but were not enrolled in RP cooperatives. In addition to AFA membership, Table 4-9 shows the other trawl and non-trawl endorsements held on vessels in the GOA CV fleet. Not surprisingly, all 46 vessels<sup>16</sup> eligible for the Rockfish Program are endorsed to trawl in the Central GOA. The table shows that not all RP eligible vessels can trawl in the Bering Sea. The 20 Bering Sea trawl endorsements held by RP eligible vessels include the 17 AFA members, and three that are endorsed for Bering Sea non-pollock activity. GOA trawl-endorsed vessels that cannot participate in the Rockfish Program generally have access to a greater variety of other fisheries; most notable among these are the Western GOA Pacific cod pot fishery, and the BSAI trawl fisheries.

**Table 4-9 Other endorsements held by GOA catcher vessels, by Rockfish Program eligibility, 2013**

	<b>Rockfish Program</b>	<b>Non-Rockfish Program</b>
<b>CGOA Trawl</b>	46	71
<b>WGOA Trawl</b>	17	81
<b>CG CV PCOD HAL</b>	0	2
<b>CG CV PCOD POT</b>	3	4
<b>CG CV PCOD JIG</b>	0	0
<b>WG CP PCOD POT</b>	0	1
<b>WG CV PCOD HAL</b>	0	0
<b>WG CV PCOD POT</b>	0	31
<b>WG CV PCOD JIG</b>	0	1
<b>AI Trawl</b>	0	30
<b>BS Trawl</b>	20	54
<b>AI CV PCOD HAL</b>	0	1
<b>AI CV PCOD POT</b>	0	0
<b>BS CV PCOD HAL</b>	0	0
<b>BS CV PCOD POT</b>	0	1

"HAL" = hook-and-line  
Source: RAM LLP file

<sup>15</sup> Co-op rosters and annual reports are available at <http://alaskafisheries.noaa.gov/ram/daily/rockfishllp.pdf>, and <http://alaskafisheries.noaa.gov/sustainablefisheries/rockfish/>.

<sup>16</sup> Noting that only 43 vessels are listed on 2013 Rockfish Program cooperative rosters, it is apparent that several vessels declined to join a cooperative. This could be a decision not to fall under Rockfish Program sideboards.

**4.2.2.2 Groundfish Harvest**

From 2007 to 2012, the CV fleet accounted for roughly two-thirds of total GOA non-pollock trawl harvest, and 73% of Central GOA non-pollock harvest. The Rockfish Program, overall, recorded an average annual harvest of around 13,800 mt of groundfish per year, which is about 20% of total GOA non-pollock harvest. Rockfish Program CVs accounted for 67% of total catch within the Program, averaging 9,201 mt per year (Table 4-10). The balance of Program harvest is taken by CPs, of which there have been far fewer participating vessels. The RP CV’s share of total RP harvest was closer to 80% from 2007 to 2009, and has ranged between 57% and 61% in the three most recent years for which data are available.

Rockfish Program CVs account for about 21% of the CV sector’s average annual groundfish harvest (44,665 mt). This proportion has been consistent since 2007, with a spike up to 28% in 2012. Looking only at Central GOA CV activity, Rockfish Program CVs account for 22% of annual CV groundfish harvest; that proportion also jumped from the 20% to 21% level to 32% in 2012.

**Table 4-10 Groundfish harvest (mt) recorded on Rockfish (Pilot) Program CV trips, 2007 to 2012**

2007	2008	2009	2010	2011	2012	Average
8,268	8,774	8,132	9,602	8,472	11,959	9,201

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA.

The Rockfish Program – both CVs and CPs – accounts for almost 60% of total GOA non-pollock harvest in May, and over 80% in June. The CV sector is responsible for all RP harvest in May, and over 80% in June. Within the CV sector, Rockfish Program activity accounts for the majority of groundfish harvest between May and July, then falls off precipitously in mid-August as effort switches to pollock, Pacific cod, and flatfish (Table 4-11).

**Table 4-11 Proportion of CV non-pollock groundfish harvest occurring under the Rockfish Program, by month, 2007 to 2012**

	MAY	JUN	JUL	AUG	SEP	OCT	NOV
RP CVs	66%	82%	49%	21%	17%	10%	21%
Non-RP CVs	34%	18%	51%	79%	83%	90%	79%

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA.

From 2007 to 2012, 98% of the catch taken on Rockfish Program trips was delivered to Kodiak. This catch also accounted for 98% of the gross first wholesale value derived from RP harvest. Annual data cannot be presented due to confidentiality restrictions, as small amounts were delivered to three other communities during some years. The other communities receiving RP deliveries to shore-based processors during this period were Sand Point, Akutan and Seward.

**4.2.2.3 Chinook salmon Prohibited Species Catch**

Since the implementation of the Rockfish Pilot Program in 2007, the Program’s CV sector has taken an average of 843 Chinook salmon PSC per year (Table 4-5). This amounts to 14% of all GOA non-pollock trawl Chinook PSC, and 27% of Chinook PSC encountered in the CV fisheries. The annual PSC data displayed in Table 4-5 reflect a gradual reduction in Chinook encounter in the RP CV sector after several years of experience under the Program. Several factors may have contributed to lower PSC levels in the sector: realization of the apparent trade-off between halibut and Chinook salmon encounter; heightened awareness and prioritization of Chinook PSC avoidance; and more experience in managing fishing effort within a cooperative model. However, speculating on the cause of past trends is beyond the scope of this

analysis, and six years is a relatively short sample of history for establishing any sort of trend in a fishing outcome – Chinook PSC – that has proven both variable and unpredictable.

Table 4-6 provides an important basis for understanding the approximate monthly and seasonal demand for Chinook salmon PSC in the RP CV sector. Again, the analyst cautions that this historical data does not constitute a precise prediction of future levels. Aside from the obvious peak of Chinook PSC demand during May and June, also note that the RP CV sector has historically recorded very low levels of Chinook PSC after September; this late-year period captures the potential “rollover” dates that are analyzed in this document for shifting unused RP PSC allowances into the non-Rockfish Program CV fisheries.

Table 4-12 summarizes annual Chinook salmon PSC rates, breaking out trips taken under Rockfish Program cooperatives. This table includes data from all trip targets, and it should be noted that the non-Rockfish Program PSC rates are calculated from a larger sample of records and more metric tons of groundfish harvest. Annual RP PSC rates have substantially declined in the most recent analyzed years. Table 4-13 and Table 4-14 break out PSC rates for Rockfish Program and non-Rockfish Program activity on a monthly basis. Monthly PSC rates for the non-Rockfish Program trips tend to be higher in April, May, and in the fall when flatfish fishing predominates (Table 4-14).

**Table 4-12 Chinook salmon PSC rate by Rockfish (Pilot) Program activity, 2007 to 2012**

	Rockfish Program	2007	2008	2009	2010	2011	2012	Average
CV	N	0.05	0.02	0.06	0.11	0.10	0.03	0.06
	Y	0.06	0.19	0.10	0.10	0.04	0.07	0.09
Total GOA (CV+CP)	N	0.06	0.05	0.07	0.16	0.11	0.05	0.09
	Y	0.19	0.18	0.10	0.08	0.05	0.06	0.11

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_PSC and NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA.  
Note: Rockfish Program (Y, N) reflects whether or not the trip, as recorded in NMFS Catch Accounting System, was flagged as taking place under a RP cooperative; it is not a reflection of all the annual fishing by vessels that are enrolled in a cooperative.

**Table 4-13 Chinook salmon PSC rates on Rockfish (Pilot) Program trips, by month, 2007 to 2012**

	MAY	JUN	JUL	AUG	SEP	OCT	NOV	7 mo. Average
RP Catcher Vessel Trips	0.16	0.10	0.03	0.01	0.06	0.00	0.01	0.05
All GOA RP Trips	0.16	0.14	0.07	0.03	0.10	0.00	0.01	0.07

**Table 4-14 Chinook salmon PSC rates on non-Rockfish Program trips, by month, 2007 to 2012**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	12 mo. Average
Non-RP Catcher Vessels	0.02	0.01	0.04	0.10	0.11	0.00	0.00	0.01	0.05	0.19	0.07	0.13	0.06
CGOA CVs	0.02	0.02	0.04	0.10	0.11	0.00	*	0.01	0.05	*	0.07	0.13	0.06
WGOA CVs	0.01	0.01	0.02				*			0.02			0.00
Total GOA Non-RP	0.02	0.03	0.08	0.21	0.12	0.01	0.02	0.02	0.07	0.15	0.10	0.22	0.09

Notes: \* indicates confidential data; “Total” includes both CV and CP records.

#### 4.2.3 Seasonality of Rockfish Program and Non-Rockfish Program activity

The action alternatives considered in this document could affect the amount of Chinook salmon PSC available to sectors of the GOA CV fleet at different times of the year. As such, analyzing the alternatives requires an understanding of what activity (participation, harvest, and PSC) historically occurs before and

after key dates in the calendar year, particularly towards the end of the year when the potential Chinook PSC rollover dates are proposed. Similar to the previous RIR (NPFMC 2013), the analyst acknowledges that historical behavior and outcomes are not perfect predictors of the future, and participants are likely to alter their behavior in response to the way that Council action shapes their private incentives. Also, as noted above, the number of participants in the Rockfish Program and non-Rockfish Program CV sectors is likely to change from year to year. Moreover, recent historical data reflects increased participation patterns in GOA trawl fisheries, at least partly motivated by other future actions that the Council is considering.

Thirty-three CVs never landed non-pollock groundfish species on or after October 1; only one of those vessels ever participated in the Rockfish Program, and that vessel did so in only one year. Of those 33, 19 fished in the fall, but only for pollock, and 14 made no landings of any type in the late-year months. By contrast, most CVs that participate in the Rockfish Program were active in the fall fisheries. Table 4-15 shows the total number of vessels that made RP landings in each year, the number of those same vessels that continued fishing past September, and the number of vessels that made landings in each GOA non-pollock target fishery after September. Note the annual variability in the key fall Pacific cod fishery. Years with low active vessel counts are the result of TAC closures that occurred in September or early October. For example, in 2010 the Inshore sector of the Central GOA Pacific cod fishery closed on September 13, and the Inshore sector of the Western GOA closed on October 13; thus, it is not surprising to find that RP CVs had low participation in the Western GOA regulatory area. Excluding pollock, shallow water flatfish accounted for the most harvest weight for the RP CVs on or after October 1, averaging 1,900 mt over the 2007 to 2012 period. The arrowtooth flounder and rex sole fishery brought in the second most (1,330 mt per year), followed by Pacific cod (850 mt), and rockfish species (650 mt).

**Table 4-15 Rockfish Program-affiliated CV participation in GOA non-pollock fisheries, on or after October 1**

Year	Total # Active RP Catcher Vessels	# RP CVs Active Oct. 1 or After	# Vessels Active On/After Oct. 1 -- Target Fishery					
			Rockfish	Pacific Cod	Arrowtooth/Rex	Shallow Water Flatfish	Flathead Sole	Sablefish & Other
2007	25	20	9	6	5	15		
2008	25	24	4	20	5	17	2	2
2009	24	21	6	3	7	19	3	1
2010	24	18	7		10	11		2
2011	23	22	4	18	8	4	1	1
2012	28	25	4	13	9	18		

Source: NMFS Alaska Region Catch Accounting System, data compiled by AKFIN in Comprehensive\_BLEND\_CA.

No vessels were identified that harvested groundfish *only* after October 1. On a number of occasions, a vessel might land the majority of its catch after that date in a certain target fishery – usually shallow water flatfish, but occasionally arrowtooth flounder or even rockfish. Vessels that displayed this harvest pattern only did so in a minority of the years that they were active, and were more likely to have participated in the Rockfish Program in those years.

The RP CV sector makes around 85% of its non-pollock landings prior to October 1. From 2007 to 2012, the last RP landing of the year has occurred in mid-November. RP trips brought in an average of 800 mt of groundfish harvest per year between October 1 and mid-November. This amount ranged between roughly 300 mt and 1,800 mt in different years; the highest value was an outlier, and the six-year median post-September catch was closer to 650 mt. Groundfish harvest for the sector was greater in November than in October for only one year. RP CV Chinook PSC encounter has been very low during this part of the year (Table 4-6).

Chinook salmon PSC taken on RP trips occurred almost entirely in the months prior to October 1. In the non-RP CV sector, average annual PSC before October 1 was 1,343 Chinook salmon. After September,

the non-RP CV sector averaged 891 Chinook. It should be noted that there was substantial annual variation around these period averages.

From 2007 to 2011, no more than 15% of all GOA gross first wholesale revenue to shoreside processors was generated from harvest, including pollock, taken after October 1. Looking only at non-pollock activity during that time period, the Rockfish Program CV sector generated between 10% and 15% of its shoreside wholesale revenues during the late-year months. The non-RP non-pollock sector displayed more variation in its post-September revenues from year to year, likely due to dependency upon pollock among those vessels. In two years, post-September non-pollock revenues accounted for less than 10% of total non-RP CV revenues. Relative dependence on the revenue generated from late-year trawl activity does not appear to differ by whether the CV's LLP was registered at an Alaskan or a non-Alaskan address.

The vast majority of CV harvest that occurred after July was delivered to shoreside processors in Kodiak, including all harvest in the RP CV sector. The non-RP CV sector delivered very small amounts of catch taken on October trips targeting Pacific cod to Sand Point and Seward; each community received October non-pollock deliveries in only one of the analyzed years. The catch delivered to Sand Point was taken in the Western GOA, and the catch delivered to Seward was taken in the Central GOA. Further details cannot be provided due to confidentiality restrictions.

#### **4.3 Effects of the alternatives**

The following sections analyze the potential effects of the no action and action alternatives, with the no action alternative being the implementation of the Council's preferred alternative as expressed in its June 2013 motion. Each alternative, if selected, could directly affect the amount of Chinook salmon PSC that is available to the GOA non-pollock trawl CV fleet at a given point during the year. The analysis focuses on whether, and to what extent, the considered alternatives increase the likelihood of non-pollock trawl fisheries closing as a result of reaching Chinook PSC limits. The direct impact of any potential closure is roughly measured in terms of when the fishery might close, and how much groundfish is typically harvested by the sector after that point in the season. As before, analysis of potential closures is based on historical PSC data, which varies from year to year without a discernible trend. This analysis reports impacts as they would have occurred if the considered alternatives had been in place, but does not forecast future levels of Chinook salmon PSC.

The downstream effects of a fishery closure, which are no less important, include potential changes in the amount of product delivered to shore-based plants at certain times in the year, changes to employment opportunities at fishery-supporting businesses in GOA port communities, and state and municipal tax revenues. These impacts are treated qualitatively and were detailed in the original RIR (NPFMC 2013, Section 4.7).

The considered alternatives would not, under any circumstances, increase the total number of Chinook salmon that are allowed to be taken by the non-pollock CV sector in a given year, relative to the levels already analyzed in the original RIR. As a result, impacts on non-trawl stakeholders in the Chinook salmon resource are not discussed in detail. However, the original RIR notes the importance of Chinook salmon to subsistence, sport, and commercial users, as well as the high cultural value placed on the species (NPFMC 2013, Section 4.7.2). Alternatives that enhance incentives for Chinook PSC avoidance, or that reduce the number of Chinook taken in a given year, may confer a benefit to these non-trawl groups.



#### **4.3.1 Alternative 1: Status quo (Council's Preferred Alternative from June 2013)**

##### Rockfish Program CV sector

Under the Council's preferred alternative, detailed in Section 2.1, the RP CV sector would be allowed up to 1,200 Chinook salmon PSC per year, for use between May 1 and November 15. Considering the uncertainty pool mechanism, the RP CV sector could be allowed up to 1,360 Chinook salmon in a year if it has taken fewer than 1,040 Chinook in the preceding year (this progression is illustrated in Table 2-2).

Over the course of the Rockfish (Pilot) Program, the RP CV sector took more than 1,040 Chinook salmon only once, in 2008. The sector recorded 1,649 in that year of particularly high Chinook PSC, which upwardly influences the 2007 to 2012 annual average of 843 Chinook (Table 4-5). The median value was 795 Chinook per year. During a year when the RP CV sector encounters 795 Chinook, 405 allowable PSC would remain uncaught. Using the sector's highest recorded level of Chinook PSC to gauge the maximum potential impact, the 2008 fishery would have been closed to RP CVs at the end of May. During the remainder of the 2008 fishing year, from June to November 15, the sector produced approximately 5,800 mt of groundfish harvest with an ex-vessel value of \$3.75 million, and a gross first wholesale value to shoreside processors of \$9.9 million.<sup>17</sup> Those revenues, constituting 69% of the \$14.3 million in wholesale value generated that year from the sector's catch, would have been forgone. The average annual gross first wholesale revenue generated from RP CV shoreside deliveries was between \$14 and \$15 million per year, so it is not the case that taking more Chinook salmon produces greater harvest value. In fact, in May of 2008, when the sector encountered 1,187 Chinook salmon, the revenue generated was below the average monthly revenue for May. In short, the RP CV sector has little incentive to fish in a PSC-intensive manner, even if a PSC hard cap is not in effect. Choosing not to avoid Chinook salmon could reduce costs that are associated with relocating or increasing gear selectivity, but gross harvest revenues would not be expected to increase.

RP CV cooperatives have reported taking proactive steps to reduce Chinook salmon PSC levels by changing the timing of their fishing activity. While some CVs have always harvested their rockfish quota in June and July, the majority of CV Program participants have historically focused effort in May and June. Inter-cooperative management reported that the RP CV sector took a voluntary two week standdown during late May 2013, in response to concerns about Chinook PSC rates.<sup>18</sup> Under the no action alternative, such Chinook avoidance efforts could push rockfish harvest to late summer or early fall. These efforts may affect individual vessels differently. For example, vessels that have tendering contracts or shipyard time scheduled for early June may end up harvesting rockfish later in the year if a PSC standdown occurs during May. Similarly, RP CVs that hold AFA endorsements would likely choose to relocate to the Bering Sea around June 10, holding off on GOA rockfish harvest until later in the year.

##### Non-Rockfish Program CV sector

If the Council chooses the no action alternative, the non-RP CV sector would be limited to 2,700 Chinook salmon PSC for the entirety of its GOA non-pollock trawl activity. The non-RP CV sector has, on average, taken 2,234 Chinook salmon per year since 2007 (Table 4-5), with a median value of 1,944 per year. The sector's Chinook encounter is concentrated from March to May, when the predominant target fisheries are arrowtooth flounder and rex sole, and in September and October, during the Pacific cod B season and the beginning of the fall shallow water flatfish fishery. Historical PSC use from June through August has been very low (Table 4-6).

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<sup>17</sup> Using the "characteristic year" method, described in Section 4.7.1.2 of the original RIR (NPFMC 2013, p.170), forgone RP CV harvest from June through mid-November would equal roughly 5,700 mt of groundfish, valued at around \$10 million first wholesale.

<sup>18</sup> Personal communication. Alaska Groundfish Data Bank, October 2013.

If future outcomes resemble the non-RP CV sector's experience from 2007 to 2012, fishery closures may occur in years of above average Chinook PSC encounter. The sector exceeded the 2,700 Chinook salmon PSC cap that would be imposed under the Council's PA in both 2010 and 2011. Closures would have occurred during those years at the beginning or the middle of October. Had the non-RP CV fishery closed in those years, the sector would have forgone between 4,500 mt and 7,700 mt of groundfish harvest. The ex-vessel values associated with these endpoints were \$1.1 million and \$4 million, and the gross first wholesale revenues to shoreside processors were \$3.2 million and \$9 million. The greatest observed impact would have resulted from the 2011 closure at the beginning of October, which affected 59% of Pacific cod B season production (4,300 mt, \$6 million first wholesale). The 2010 closure would have resulted in far less forgone revenue because the Pacific cod B season finished in late-September of that year, though a September finish is not always the case. The timing of the cod fishery depends somewhat on the timing and location of GOA pollock trawl fishing. The method utilized in the original RIR (NPFMC 2013) allows the analysis to move away from some of the year-to-year variation in the timing of harvest and PSC by assessing retrospectively simulated closure dates against the level and timing of fishing outcomes in a "typical" year for the sector. Applying that method here, the potential impact of the Council's PA in a high-Chinook PSC year would be on the order of 5,600 mt of forgone groundfish harvest, causing the loss of around \$2.6 million in ex-vessel value and \$5.7 million in gross first wholesale revenue to shoreside processors.<sup>19</sup>

Under the uncertainty pool mechanism, the non-RP CV sector could qualify for an additional 360 Chinook salmon PSC if it recorded fewer than 2,340 Chinook in the preceding year. Expanding the allowable amount of Chinook PSC by 360 would not have kept the sector's fall fisheries open for the entirety of its highest PSC years. However, if the sector was approaching its base apportionment of 2,700 Chinook around the beginning of September, the additional PSC would likely have forestalled closure by four to six weeks at the beginning of the valuable Pacific cod B season. The sector's typical weekly PSC during that time of the year is around 50 Chinook, and average weekly wholesale revenues are relatively high – around \$1 million – when that season opens. In practice, it is difficult to predict the point during a calendar year at which the non-RP CV sector might tap into its uncertainty buffer, though it is not unlikely that sector members would cooperate to save the last of the remaining non-pollock PSC apportionment for the Pacific cod B season opener. If the sector made it through the Pacific cod B season on its base apportionment of PSC (2,700) but reached the limit in early or mid-October, the supplemental uncertainty buffer earned in the previous year would likely extend the fishing season by only two or three weeks, as average weekly PSC increases to around 150 Chinook salmon once shallow water flatfish activity predominates. Again, the timing of GOA fall fisheries is difficult to predict; in recent years, the starting date for the fall Pacific cod season has been affected by voluntary cooperative decisions to delay the start of the pollock C season in order to reduce Chinook PSC in that hard-capped fishery.

Table 4-16 shows the non-RP CV sector's historical Chinook PSC usage and groundfish harvest during the months of October, November and December; these are the months that would have been closed to fishing in 2010 and 2011, and also the months that could be funded with some amount of additional PSC rolled over from the RP CV sector under the action alternatives. As with other GOA time series data, the sector's post-September PSC usage and groundfish harvest vary widely, with no discernible trend or correlation. Taking past measures of central tendency as an indicator, the non-RP CV sector might expect to need around 900 Chinook salmon PSC in order to fully prosecute the fall non-pollock fisheries (Pacific cod and flatfish) at historical levels, meaning that it should limit PSC usage in the spring and summer to around 1,800 Chinook. However, in the highest instances of late-year PSC (2009 and 2010), the sector would have needed to limit early-year usage to around 1,000 Chinook salmon. Pre-October PSC usage in

<sup>19</sup> Recall that ex-vessel and first wholesale values are not additive, as ex-vessel prices paid to CV harvesters are a cost to shoreside processors. The two figures are presented in order to provide more resolution on both the specific impact on harvesters and the general economic impact on communities at the processing level.

the sector was greater than 1,000 Chinook salmon in three of the six analyzed years (2007, 2010 and 2011), ranging between 1,612 and 2,582.

**Table 4-16 Chinook salmon PSC and groundfish harvest (mt) in the GOA non-Rockfish Program CV sector taken from October to December**

	2007	2008	2009	2010	2011	2012	Average
Chinook PSC	257	208	1,776	1,620	967	519	<b>891</b>
Groundfish Harvest	3,379	7,221	4,606	4,627	3,549	6,076	<b>4,910</b>

With a hard cap of 2,700 Chinook salmon PSC and no potential rollover, the non-RP CV sector's ability to make deliveries in the fall could hinge upon its ability to limit PSC in April and May. The sector would not likely face a fall closure if spring PSC conforms to the monthly average levels presented in Table 4-6, which combining to equal 850. As with other historical records, annual spring PSC is highly variable around this average, ranging from zero Chinook salmon in 2012 to 2,156 in 2010. As before, years of high spring PSC do not correspond to years of the higher groundfish (flatfish) harvest.

Looking to the future, forthcoming changes in trawl halibut PSC management could increase spring Chinook salmon PSC in the non-RP CV sector relative to historically observed levels. Spring trawl harvest has typically been constrained by the second season limit on trawl halibut PSC, during which the CV and CP sectors share 395 mt of halibut mortality over the April 1 to July 1 period. In the past, 296 mt of this seasonal limit has been apportioned to the deep-water complex, which includes rockfish, arrowtooth flounder and rex sole. Halibut PSC closed the deep-water complex to trawl fishing in June of every analyzed year (2007 to 2012). The complex was closed for the latter half of May 2007, and for all of May from 2008 to 2012. In addition, the complex was closed for the final weeks of April in every year except for 2007. These closures effectively reduced Chinook salmon PSC levels by stopping the arrowtooth flounder and rex sole target fishery for a significant portion of each spring. Upon the implementation of the proposed rule for GOA Amendment 95 (revised halibut PSC limits), the halibut PSC available for the second season deep-water and shallow-water complex may be combined and used in either complex from May 15 to June 30. This change is likely to increase the amount of halibut mortality available to flatfish trawlers in May and June, and, by extension, could result in additional Chinook salmon PSC being caught and debited against the non-RP CV hard cap. Any such increase has the potential to exacerbate the effects of a potentially constraining sector hard cap that would be experienced in the fall. As a result, the likelihood of fall closures may increase, as could the maximum potential closure impacts noted above.

Whether or not these impacts are realized depends partly upon unpredictable natural variation in Chinook salmon PSC, but also upon the private incentives and business decisions of the vessels involved in the non-RP CV fisheries. As mentioned in Section 4.2.3, 33 of the 72 vessels that were active in the GOA non-pollock trawl fishery at some point since 2007 displayed no participation in the fall non-pollock fisheries, though 19 of those 33 vessels did fish for pollock after September. These vessels may have a low incentive to alter their fishing behavior or refrain from expanding their spring flatfish harvest in order to reserve available PSC for the end of the year.<sup>20</sup>

Should the non-RP CV sector of the GOA non-pollock fishery be closed on PSC, vessels could shift effort to other fisheries. Fifty-seven of the 71 vessels that have participated in the non-RP fishery since 2007 have fished for pollock in the fall seasons. Thirty-nine CVs fished pollock in 2012, though five of

<sup>20</sup> The analyst does not have access to vessel co-ownership information that could reveal whether or not any of the vessels that do not depend of fall harvest might have a shared business interest in the success of the late-year GOA trawl fisheries.

those vessels were not involved in any GOA non-pollock fisheries. Also, Section 4.2.2.1 noted that 23 non-RP CVs are endorsed to fish Bering Sea pollock as part of AFA cooperatives.<sup>21</sup>

#### **4.3.2 Alternative 2: Roll over all but 104 to 208 of the Chinook PSC remaining in the Rockfish Program CV apportionment on October 1; maintain uncertainty pool mechanism**

As described in Section 2.2, Alternative 2 would mesh the uncertainty pool mechanism defined in the Council's June 2013 preferred alternative with the rollover provision that was considered at that meeting but not advanced. The rollover provision would, on October 1, shift some portion of the remaining Rockfish Program CV sector's Chinook salmon PSC apportionment to the non-RP CV sector. Alternative 2 is based on the rollover provision as it was presented in the original EA/RIR, which considers a GOA fleet-wide rollover of all unused Chinook PSC from the RP CV sector, *less* either 200, 300 or 400 Chinook (NPFMC 2013). At the present stage, the Council is only considering a rollover to the CV sector of the non-RP fisheries, so those "hold back" amounts are adjusted in accordance with the non-pollock CV sector's total apportionment of the allowable PSC – 52%, based on historical PSC usage from 2007 to 2011. This adjustment results in three potential October 1 rollovers to consider: (Option 1) all but 104 of the unused RP CV Chinook PSC; (Option 2) all but 156 of the unused RP CV Chinook PSC; and (Option 3) all but 208 of the unused RP CV Chinook PSC. Any remaining PSC that is *not* rolled into the non-RP CV sector on October 1 remains available for use during fishing that occurs under the authority of a RP cooperative between October 1 and November 15.

The general impact of an annual Chinook salmon PSC limit for the RP CV sector is described in Section 4.3.1. Reincorporating the rollover provision introduces an element of strategic behavior into the RP cooperatives' business planning. By and large, vessels participating in the RP CV fishery also participate in the fall non-pollock trawl fisheries (Table 4-15). As such, those RP vessels have an interest in ensuring that sufficient Chinook PSC is available to target Pacific cod and flatfish in the post-September months.

Table 2-3 reports the amount of Chinook salmon PSC taken by the RP CV sector in each historical year, and the annual average over the analyzed period (843 Chinook). Had any of the Alternative 2 options been in place from 2007 to 2012, there would have been an October 1 rollover of PSC to the fall non-RP CV fishery in all but one year. For each option, Table 2-4 gives the amount of the rollover that would have occurred, and the period average rollover amount. Aside from one year of particularly high Chinook PSC in the RP CV sector (2008), the average rollover to the fall non-RP CV sector would have been between 314 and 418 Chinook PSC, depending on the selected option. The maximum rollover in any year would have been 728 Chinook PSC, observed under Option 1. The minimum rollover (excluding the year in which the RP CV sector would have used its entire 1,200 Chinook PSC limit) would have been 27 Chinook PSC, observed under Option 3. Noting that the non-RP CV sector averages 891 Chinook PSC after October 1, with wide annual variability around that figure, it is unlikely that the rollover, by itself, could be relied upon to fully meet fall PSC demand in all years.

Depending on pre-October Chinook encounter in the non-RP CV sector, and how much PSC remains from the sector's base apportionment – 2,700 or 3,060 depending on whether or not the sector is carrying a 360 Chinook uncertainty buffer from the previous year – the October 1 rollover could extend the Pacific cod B season and fall flatfish fisheries. Historical weekly PSC levels provide a rough measure of how long a rollover might extend the fishery. If, after receiving the rollover, the non-RP CV sector initially targets Pacific cod, weekly PSC might be on the order of 50 Chinook salmon and the fishery would stay open for at least a month. This might be the case if the non-RP CV sector was closed on PSC during September and is waiting for the rollover to open the Pacific cod fishery. If the non-RP CV sector uses the

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<sup>21</sup> The B season for AFA catcher vessels runs from June 10 to November 1, though fleet activity primarily starts in September due to pollock size distribution, and sometimes slows during October because of high Chinook salmon PSC rates.

rollover to target flatfish, or a mix of flatfish and Pacific cod, weekly PSC might be closer to 150 Chinook and the fishery would be extended by around one to three weeks.

Given the unpredictability of annual Chinook salmon encounter, further exploring the permutations of rollover amounts provides little insight. It is sufficient to say that if Chinook salmon PSC in the RP and non-RP CV sectors is low, the RP sector will prosecute the Program fishery in much the same way as it has done historically – that is, avoiding Chinook and halibut PSC to the extent practicable, while focusing on fully harvesting TACs for the primary and secondary managed species that are allocated to the Program. If Chinook PSC in the RP sector is low or average, and PSC in the non-RP sector is high, the RP CV sector would likely continue prosecuting the Program fishery as it has done in the past, with moderate confidence that the rolled over amount of Chinook PSC – on the order of 250 to 550 Chinook salmon, based on the 25<sup>th</sup> and 75<sup>th</sup> percentiles of the historically simulated rollovers – should be sufficient to see the fall non-RP fishery through the valuable Pacific cod B season. Finally, if Chinook PSC is high in both the RP and the spring/summer non-RP fishery, the RP CV sector will face a business decision at the inter-cooperative level, where the marginal benefit of RP harvest will be weighed against some marginal amount of Pacific cod and flatfish harvest. Trading-off one valuable harvest opportunity for another would seem to be a “zero-sum” decision. However, given the nature of a hard-capped fishery, this situation would likely result in greater net benefits during a high PSC year than are available under the “no action” alternative, where the fleet has no second-best solution in seeking an agreeable balance between harvest opportunities in the two fisheries.

As noted in Section 4.2.3, a subset of the CV fleet does not participate in the fall non-pollock fisheries; these are overwhelmingly non-RP vessels (one vessel with this participation history spent a single year in the Rockfish Pilot Program). It might be the case that these vessels will fish in a manner that maximizes spring and summer flatfish harvest at the cost of additional Chinook PSC debited against the non-RP CV apportionment. It also bears repeating that the implementation of Amendment 95 could increase non-RP CV sector flatfish harvest – and Chinook PSC – during May and June, as described in Section 4.3.1. If this behavior does emerge, the RP CV sector might feel a burden to “provide” a rollover to support fall fishing. That feeling could re-order some of the priorities in Rockfish co-op management. For example, temporary standdowns to avoid Chinook could slow deliveries to shore-based processors during May and June, even though increasing product flow stability during those months was among the Program’s original management goals. The likelihood of this behavior in the non-RP CV sector may depend on the business relationships and ownership linkages between the vessels that do and do not depend on fall fisheries. Such information is not publicly available, so this report does not speculate on whether this will occur. This potential challenge is more a symptom of the hard cap management structure that has already been determined, than of the considered rollover provision. If anything, allowing a rollover creates at least some possibility of relief for vessels that depend on fall fishing if a race for PSC does emerge.

#### Interaction with the “uncertainty pool” mechanism

In considering a rollover provision, the Council expressed that the integrity of the annual Chinook PSC hard cap, as envisioned under the uncertainty pool mechanism, should be maintained. Under Alternative 2, the RP CV sector can earn an uncertainty buffer of 160 Chinook salmon to be carried forward into the following year. A key stipulation of the uncertainty pool mechanism is that a sector’s average Chinook PSC over a number of consecutive years must not exceed its base PSC apportionment, which is 1,200 Chinook for the RP CV sector. If the RP CV sector carries over 160 Chinook into Year 2, and then uses that extra allowance in a high-PSC year, then those 160 fish *must* have been truly “saved” in Year 1.

If the Council selects Options 1 or 2 to Alternative 2, only 104 or 156 of the RP CV sector’s unused Chinook PSC would be held back, and the rest would roll over for potential use during the fall. These options allow for a larger rollover amount than Option 3, but they could create scenarios where the some

of the RP CV sector's avoided PSC – for which the sector earned a Year 2 uncertainty buffer – is then caught during the non-RP CV fall fisheries during Year 1. Consider an example where the RP CV sector takes 1,000 Chinook salmon – a high PSC year relative to historical levels, but low enough to qualify for its proportional share of the uncertainty pool in Year 2 (160 Chinook); the RP CV sector then utilizes its full base apportionment plus the earned uncertainty buffer in Year 2 (1,360 Chinook). The RP CV sector would have avoided 200 Chinook PSC in Year 1, relative to its 1,200 Chinook annual hard cap. The non-RP CV sector would have received a rollover of either 96 Chinook (Option 1) or 44 Chinook (Option 2). However, if more than 40 of those rolled-over Chinook are taken, the non-RP CV sector would be dipping into the 160 PSC that the RP CV sector avoided in Year 1 and then utilized in Year 2. Allowing this to happen would violate the Council's intent that the sector's average PSC usage over consecutive years be less than or equal to 1,200 Chinook. The only available resolution is that the RP CV sector would have to "lose" its Year 2 uncertainty buffer as soon as the fall fisheries took more than 40 of the rolled-over Chinook. Repeating this logic in a second example: if the RP CV sector took 800 Chinook PSC in Year 1 – again qualifying for the 160 Chinook uncertainty buffer in Year 2 – the non-RP CV sector would need to utilize no more than 240 of those rolled-over Chinook PSC allowances in the fall non-pollock fisheries, even though the rollover amount that it received was 296 Chinook (Option 1) or 244 Chinook (Option 2). At the October 2013 meeting, the Council reviewed several inter-sector PSC transfer methods that might restore the RP CV sector's Year 2 uncertainty buffer in the case where the fall non-RP fisheries used all of the rolled-over PSC. Ultimately, it became clear that those proposed methods would provide only a small increase in available PSC, while potentially advantaging individuals who participate in fall fisheries at a cost to others, and imposing a high programming burden on NMFS management.

Summarizing to this point, if there is a possibility that the non-RP CV fishery will use *all* of the Chinook PSC available to it – its 2,700 Chinook base apportionment, any uncertainty buffer that it may be carrying from the year before, and any October 1 rollover that it receives from the RP CV sector – then the integrity of the RP CV sector's uncertainty buffer is best maintained by selecting a rollover option that holds back at least 160 Chinook PSC. This would be accomplished under Option 3 to Alternative 2 (roll over "all but 208" unused Chinook PSC).

Selecting Option 3 does have a downside in that a PSC rollover might not occur in years when it would have if another option had been selected. If the RP CV sector has taken at least 1,041 Chinook salmon by October 1, then it is assured that the sector will not qualify for a 160 Chinook uncertainty buffer in the following year. As a result, double-counting PSC in that year's fall non-RP fishery and the next year's RP uncertainty buffer is not an issue. Consider an example where the RP CV sector takes 1,050 Chinook salmon and no Year 2 uncertainty buffer is earned. Only 150 Chinook have been avoided, and none could be rolled over under Option 3 (or Option 2, for that matter). Under Option 1, however, the fall non-RP CV fishery could receive 46 Chinook to support additional fishing after October 1, and there would be no risk of that PSC being "re-used" in the following year's RP CV fishery. This circumstance where Option 1 is superior to Option 3 can only occur if the RP CV fishery takes between 1,041 Chinook (no uncertainty buffer earned) and 1,095 Chinook (nothing left to roll over under Option 1). This is a rather narrow window of possibility, and the rollover's marginal benefit to the non-RP CV sector diminishes substantially as the RP CV sector's PSC use gets close to 1,095.

Finally, the Council may wish to consider whether the amount of PSC that is not rolled over (104, 156 or 208 Chinook salmon) is sufficient to support October and November activity in the RP CV sector. The sector's historical PSC usage after the rollover date was very low during the analyzed years. The period average was three Chinook per year, which represents 19 Chinook PSC in one year and zero in the other five. However, randomly high PSC events could occur in the future. Late-summer and fall PSC could increase relative to historical levels if RP harvest shifts to later in the year as a result of early-season

standdowns, or if rockfish harvesters are slowed by processors that are unable to take groundfish deliveries during a particularly busy salmon harvesting season.

#### **4.3.3 Alternative 3: Roll over all but 160 of the Chinook PSC remaining in the Rockfish Program CV apportionment on October 1; maintain uncertainty pool mechanism**

The Council chose to consider holding back precisely 160 Chinook salmon in the RP CV sector because that is the amount of Chinook in the sector's uncertainty buffer. Keeping those 160 Chinook allowances within the sector prevents a scenario where the PSC that is marked for possible use in case of high-PSC during the following year is, instead, caught by the non-RP CV sector in the fall.

Alternative 3 and Option 2 to Alternative 2 differ only in that Alternative 3 requires four additional Chinook salmon PSC to remain with the RP CV sector at the time of the October 1 rollover. As such, the potential impacts on fleet behavior and Chinook avoidance incentives are much the same as those described in the previous section. In short, most RP CVs participate in the non-RP fall fisheries, so they have an incentive to preserve a viable rollover to support that activity. On the other hand, a significant number of non-RP CVs do not participate in the fall at all, and therefore have little cause not to fish up to their sector's base apportionment of 2,700 Chinook by the end of the spring flatfish season. Those vessels have equally little incentive to limit Chinook PSC to the non-RP CV sector's uncertainty pool threshold (2,340), since the benefits of any Year 2 uncertainty buffer are most valued in the fall. In broad terms, the responsibility for keeping the post-September fisheries open could fall on the RP CV sector, forcing the cooperatives to make a harvest-for-harvest trade-off decision. This situation could pose challenges in years of high PSC, and the vessels that are most likely to be impacted are those that depend upon fall Pacific cod and flatfish revenues. That said, these relative advantages and disadvantages are mainly the effect of hard cap PSC limits in general, and incorporating a rollover mechanism is likely to at least provide the fleet with a tool to mitigate the negative impacts of high PSC years.

Table 2-5 shows how much Chinook PSC would have rolled over to the non-RP CV sector on October 1 under Alternative 3 in each year since implementation of the Rockfish (Pilot) Program. A rollover would have occurred in all but the single highest PSC year for the RP CV sector. The historical rollover amounts ranged between 75 and 672 Chinook PSC. Excluding the year when no rollover would have occurred, the average amount made available to the non-RP CV fall fisheries was 362 Chinook salmon. The median rollover amount would be around 250 Chinook salmon, depending on whether or not the year of abnormally high RP CV PSC is taken into account. As noted in the previous sections, the extent to which a rollover would prolong the fall non-RP CV sector's activity depends on how many Chinook salmon that sector has encountered up to October 1 in a given year. Earlier sections of the analysis noted that weekly PSC averages around 50 Chinook salmon when the non-RP CV sector is focused mainly on Pacific cod, and increases to around 150 Chinook salmon when flatfish effort increases. It also bears repeating that future spring and summer Chinook salmon encounter in the non-RP CV sector might increase, as changes to the halibut PSC regulations would create new opportunities to extend April flatfish activity into May and June. This change in historical effort patterns could increase the fall fisheries' reliance on a rollover from the RP CV sector.

Rolling over all but 160 of the RP CV sector's allowable PSC to another sector on October 1 brings the RP CV sector right up to its annual threshold for earning the uncertainty buffer in the following year. Consider the example where the RP CV sector takes 1,000 Chinook salmon before October 1. If all but 160 of the remaining 200 Chinook PSC allowances are rolled into the non-RP CV sector, the next Chinook recorded on a Rockfish Program trip would bring the sector's remaining PSC to 159. The RP CV sector would lose the marginal insurance of the uncertainty buffer in the following year, even though only 1,001 Chinook salmon PSC were recorded while fishing within the Rockfish Program.

**4.3.4 Alternative 4: Roll over any unused Chinook PSC remaining in the Rockfish Program CV apportionment on November 15 or when all CV cooperatives have checked out of the Program; do not include Rockfish Program CV sector in the uncertainty pool mechanism**

Under Alternative 4, the Rockfish Program catcher vessel sector could roll over the entirety of its unused Chinook salmon PSC to the non-RP CV sector. There would be no “hold back” requirement, because selecting Alternative 4 removes the RP CV sector from the uncertainty pool program defined in the Council’s existing preferred alternative. Without a Year 2 uncertainty buffer to protect from potential double-counting, there is no reason to strand unused Chinook PSC in the RP CV sector, unless it is the Council’s intention to build in possible a PSC retirement. Noting that the Council’s PA set the total GOA CV Chinook PSC apportionment at a level meant to accommodate the operational type sector’s average annual PSC usage – if not its usage in the highest PSC years – without arbitrarily disadvantaging one CV sector relative to the other, this analysis presumes that the entire combined CV apportionment of 3,900 Chinook salmon per year is intended to support historical harvest opportunities to the extent possible.

The primary motivation for removing the RP CV sector from the uncertainty pool mechanism is to facilitate the full rollover of all unused PSC. Historical PSC levels in the sector (average of 843, median of 795) suggest that a rollover is likely to occur in most years. Furthermore, the PA apportions the RP CV sector more “excess” PSC, relative to its annual average, than it does for the other GOA non-pollock trawl sectors. In a future year that conforms to historical measures of central tendency, one might view the RP CV sector’s Chinook PSC allowance as over-funded – potentially at the expense of the fall fisheries. Fishery participants, particularly those who are active in the fall, are likely to benefit more from maximizing the size of the Chinook PSC rollover than from ensuring the RP CV sector’s opportunity to receive a 160 Chinook uncertainty buffer in a subsequent year. As noted above, recent history suggests that the RP CV sector will only benefit from its uncertainty buffer in the rare years that its PSC level is greater than 1,200. By contrast, it is more likely that the prosecution of fall Pacific cod and flatfish fisheries will depend on full use of annual Chinook PSC allowances; this likelihood might increase even more as new regulations for halibut PSC could increase flatfish trawling in the late spring and early summer.

As discussed in the original RIR (NPFMC 2013, Section 4.7.3, p.199), managing Chinook salmon encounter with hard caps carries an inherent perverse incentive to utilize PSC up to the limit. The uncertainty pool mechanism was, in part, included in the PA to lower the level of Chinook PSC up to which a sector would be indifferent. One must at least acknowledge the possibility that, without the uncertainty buffer incentive, the RP CV sector would be just as well off taking all of the 1,200 Chinook salmon it is permitted as it would be when limiting Chinook PSC to the greatest extent practicable. However, this analysis suggests that the RP CV sector is likely to actively avoid Chinook PSC and provide a rollover. Table 4-15 indicates that, on average, 87% of the CVs that are active in the Rockfish Program also participate in the non-RP fall fisheries; those that do not fish in the fall still have an interest in maintaining positive business relationships with their cooperative partners.

Moving forward under the assumption that RP CVs generally have a vested interest in making PSC available to the fall Pacific cod and flatfish fisheries, the cooperatives’ greatest challenge under Alternative 4 would be determining when to execute the rollover. The alternative states that the rollover will occur either when all RP cooperatives have checked out of the fishery or on November 15, whichever comes first.

Historical cooperative management decisions are not informative about *when* co-ops would prefer a coordinated end to Rockfish Program fishing, because they have had no reason to do so in the past. Under existing regulations, there is no incentive to conclude the RP season early unless halibut PSC is constraining the post-September (5<sup>th</sup> halibut PSC season) non-RP fishery. If it were, RP cooperatives



could check out – one at a time, if others were still active in the Program fishery – and roll 55% of their unused halibut PSC into the unapportioned halibut mortality limit for the October 1 through December 31 period. Since the (Pilot) Program was implemented in 2007, the RP has not approached its own limit for halibut mortality<sup>22</sup>, and post-September halibut PSC has never been so constraining that all of the cooperatives had to check out of the Rockfish Program.

The timing of any coordinated check-out by the RP CV cooperatives would be determined by three factors: (1) the amount of allocated RP harvest quota remaining at a given time; (2) the amount of Chinook PSC remaining in the non-RP CV sector's apportionment, which is largely determined by the amount of Chinook salmon taken in the spring flatfish fishery; and (3) the anticipated start date for the Pacific cod B season, or the related start date for the pollock C season.

The first factor is fairly straight-forward, as harvest of rockfish and its secondary species is highly valued. Given the fact that *all* RP cooperatives must check out in order to roll over Chinook PSC, it is possible that one cooperative could hold up the rollover in order to finish harvesting its RP quota. If this issue were to arise, it would likely force an inter-cooperative decision in September, when both pollock and Pacific cod fisheries could potentially be open. If the need for a rollover looks imminent, cooperatives are more likely to shift their Program harvest to earlier in the year, as opposed to leaving it unharvested. The RP CV sector historically lands around 800 mt of groundfish in September, 475 mt in October, and 300 mt in November (from a total average annual sector harvest of 9,200 mt). Shifting this harvest to earlier in the summer could impact processor operations, where predictability and distribution of product delivery over time are not only among the objectives of the Rockfish Program, but also important to employment patterns, product value and profitability. Pressure to harvest earlier in the year could particularly impact vessels whose annual business plans depend on tapping other revenue streams in June, such as tendering contracts or harvesting AFA pollock in the Bering Sea. The PSC impact of moving up RP harvest to accommodate an earlier rollover are not clear; Chinook PSC rates in the Program tend to be lower in July and August than in September (Table 4-13), but racing to harvest rockfish quota quickly could carry a marginal trade-off in efforts made to avoid Chinook salmon.

The second factor can be gauged using historical data, with the caution that seasonal PSC usage patterns have varied greatly from year to year. In a characteristic year, the non-RP CV sector uses 930 Chinook PSC by the end of April, and 1,141 by the end of August. Neither one of those benchmark levels would raise concern in the RP CV sector about the need to terminate the Program fishery early in order to support the opening of the Pacific cod B season. However, the non-RP CV sector's cumulative PSC use at the end of April has ranged from 148 Chinook salmon (2007) to 2,516 (2011). This is notwithstanding the possible future increase in Chinook PSC encounter during May and June, as described in Section 4.3.1, which have typically been periods of very low PSC use. The non-RP sector's cumulative PSC use at the end of August has ranged from 216 Chinook salmon (2009) to 2,575 (2011). If the RP CV sector experiences negative effects from shifting or curtailing its harvest in order to fund PSC demand in the fall fisheries, it is likely because the non-RP CV sector recorded high PSC rates in the spring. If those high PSC rates were the result of either increased effort or revenue-maximizing PSC-intensive practices, then one might conclude that the non-RP participants who do not fish in the fall expropriated rents from the rest of the CV fleet.

If, by the end of August, the non-RP CV sector has used most or all of its base PSC apportionment and any uncertainty buffer that it is carrying from the previous year, pressure on the RP CV sector to check out of the Program fishery and roll unused PSC into the non-RP sector would increase. The Pacific cod fall fishery does not always begin on the September 1 opening date defined in regulation. Sometimes actions are coordinated with the pollock C season, which may itself coordinate a voluntary standdown

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<sup>22</sup> The highest level of halibut PSC in the RP fishery was 87 mt of the 191.4 mt allocated, in 2012.

during late August and early September to avoid high PSC rates or to negotiate with processors on an ex-vessel price. A delayed start might not necessarily affect the total season's harvest value as long as the TAC is eventually harvested, but it could disrupt planned product flows from processors to markets. The fishery could lose some amount of harvest efficiency if the fleet is ready to begin the pollock season, but retention of Pacific cod is still restricted due to Chinook PSC, and awaiting a rollover from the RP sector.

**4.3.5 Alternative 5: Roll over all but 50 or 100 of the Chinook PSC remaining in the Rockfish Program CV apportionment on October 1; roll over remaining Chinook PSC on November 15; do not include the Rockfish Program CV sector in the uncertainty pool mechanism (Preliminary Preferred Alternative)**

The Council identified Alternative 5 as the preliminary preferred alternative (PPA) at its October 2013 meeting. Alternative 5 combines elements of the preceding action alternatives in a manner that is responsive to public testimony that the Council received.

The PPA makes the initial PSC rollover date-certain on October 1. The October 1 rollover comes at a time that can be crucial to the prosecution of the valuable Pacific cod B season during a year in which the non-RP CV sector records high spring Chinook PSC levels. While the RP cooperatives would not have the ability, should a need exist, to dictate a rollover on the September 1 start of the Pacific cod season, a date-certain rollover alleviates pressure on RP cooperatives to complete fishing early or to leave rockfish quota unharvested if fall fisheries require PSC allowances in order to open. Establishing a consistent rollover date also reduces business planning uncertainty as the need for additional Chinook PSC allowances in the non-RP sector becomes apparent.

Stakeholders who participate in both the RP and non-RP CV sectors indicated to the Council that the ability to utilize additional Chinook PSC allowances in the fall is more beneficial to their operations than is the opportunity to increase their maximum potential RP Chinook PSC allowance from 1,200 to 1,360. Table 2-3 shows that Chinook PSC encounter in the RP sector has rarely approached either of those levels, and has not done so recently. In contrast, Chinook PSC in the non-RP CV sector has reached potentially constraining levels in the past, is highly variable, and could increase due to forthcoming changes to halibut PSC regulations that might facilitate increased spring flatfish effort. Moreover, the proportion of vessels that fish in the spring or summer but *not* in the fall is greater in the non-RP CV sector than in the RP sector. That divergence in seasonal participation patterns could pose a challenge for the non-RP sector in coordinating fleet-level action to slow PSC rates when spring Chinook encounter is high. As such, this analysis supports the notion brought forward during public testimony that alternatives removing the RP CV sector from the uncertainty pool and increasing the potential size of the Chinook PSC rollover provide a likely benefit to the fleet at a low expected cost.

By removing the RP CV sector from the uncertainty pool mechanism, the PPA reduces the need to hold back Chinook PSC from the rollover. With no uncertainty buffer to ensure for the following year, the amount of PSC held back can be selected primarily on the basis of how much Chinook salmon encounter the RP CV sector might expect between October 1 and November 15. The hold back options in the PPA – 50 or 100 Chinook PSC – are smaller than the 160 Chinook minimum savings target under the alternatives that keep the RP CV sector in the uncertainty pool. Table 2-6 shows the larger possible October 1 rollovers under Alternative 5, relative to Alternatives 2 and 3. During the analyzed period, the PPA would have allowed October 1 rollovers ranging from around 150 to 750 Chinook salmon, with median rollover amounts of 377 and 327 depending on the selected hold-back option.

Based on the first six years of the RP CV fishery, either 50 or 100 Chinook salmon PSC would have been sufficient to support the sector's activity from October 1 through the end of the season. During that calendar period, the sector recorded 18 Chinook salmon in one year, and zero in the five other years.

Also, the number of active CVs in the RP after October 1 has been low, averaging two vessels per week. However, these participation and PSC trends could change in the future, resulting in either higher or lower post-rollover PSC in the RP CV sector. As co-ops prioritize active PSC rate management, more voluntary standdowns in May could shift effort to later in the year; seasonal PSC rates could vary due to environmental or other unobservable factors; or TAC levels for allocated RP species could increase or decrease relative to present levels. NMFS constantly monitors effort levels and PSC rates in the RP fishery, and would close the sector if the PSC limit is exceeded, or is projected to be exceeded before the Agency's next chance to close the fishery.<sup>23</sup> Even considering the low historical PSC rates during this calendar period, a post-rollover PSC limit of 50 or 100 Chinook salmon provides a narrow range for precise inseason management of the RP fishery, especially given the unpredictable magnitude and time-distribution of Chinook salmon encounter. Two factors enhance the Agency's ability to keep the fishery open as long as possible. RP CVs have a high level of observer coverage, so Chinook PSC rates are rarely extrapolated from one vessel to another and are stable over time. Also, RP cooperative managers closely monitor observer PSC data, and could take voluntary steps to address PSC rates. Nevertheless, knowing that NMFS might have to close the fishery to prevent a PSC overage could cause RP CV participants to take a risk-averse strategy and fish as much as possible prior to October 1. That response would, in turn, further decrease the expected level of Chinook PSC taken after the rollover. While post-rollover PSC levels in the RP CV sector are not expected to be large, either of the two hold-back options present NMFS inseason management with a challenging task during exceptional years. Given this fact, and recognizing that confidence in seasonal Chinook PSC forecasts is limited, the Agency has indicated a preference for the larger hold-back option of 100 Chinook salmon (Option 2).

Relative to Option 2, Option 1 would provide the non-RP CV sector with 50 additional Chinook PSC on October 1. However, without understating the potential importance of an additional 50 Chinook salmon PSC to the non-RP CV sector in exceptional years, this analysis suggests that holding back 100 Chinook PSC for the RP CV sector upon the initial rollover might benefit the CV fleet as a whole.

First, based on the ample size of most historically simulated rollovers (Table 2-6), rolling over an additional 50 Chinook does not improve the expected outcome for the non-RP CV sector by a large margin. Historically, the non-RP CV sector encountered 891 Chinook salmon from October 1 through the end of the year (Table 4-16), though the amount varied over a range from 208 to 1,776. Only around 5% of the sector's post-rollover PSC has occurred after November 15. On October 1, the amount remaining in the sector's annual base apportionment (2,700 Chinook) has been observed at over 2,000, and less than 200.<sup>24</sup> The rollover is most critical in years when the non-RP sector's October 1 PSC remainder is low, so those instances should be the focus of the choice between hold-back options under the PPA. In 2010 and 2011 the non-RP CV sector would have begun the fall fisheries with around 150 or 500 Chinook PSC, depending on whether or not it carried an uncertainty buffer. In these cases, even the low end of the historically observed range of rollovers (150 Chinook) would be a substantial benefit. In the rare case when the non-RP sector has used its entire PSC allowance by October 1, the low end of the historical rollovers would still facilitate a significant portion of the Pacific cod B season, during which weekly PSC has been around 50 Chinook per week. Though improbable, a partial loss of the cod season represents the worst of the foreseeable scenarios in a high PSC year. That outcome would not be significantly improved by 50 additional Chinook PSC, and it is not clearly worse than the combination, in every year, of a rush to finish the RP season early and the extra challenge of managing the RP fishery to a 50 Chinook PSC seasonal limit under Option 1. Moreover, participants in the summer and the fall fishery would be well aware of the need for additional Chinook PSC in the fall fisheries, and it is likely that individuals would

<sup>23</sup> On the day following the receipt of the information that the limit has been, or is expected to be, exceeded.

<sup>24</sup> The median October 1 PSC remainder was 1,570, or 1,930 if the sector had begun the year with a 360 Chinook uncertainty buffer.

take active steps to avoid Chinook as reaching the PSC limit became imminent, to the extent that is possible.

Second, selecting Option 2 would comport with the Agency's preference for a marginally more manageable RP CV sector between October 1 and November 15. While it is small in terms of active vessels, managing that fishery with 50 Chinook PSC could have the real effect of closing the sector after only one small Chinook encounter; even if some of the 50 Chinook allowance remains, NMFS might have to close the fishery based on projected PSC rates and the number of vessels active. Option 2 might also mitigate a further time shift in RP effort, where late-season vessels might rush to complete their RP harvest before October 1 since a 50 Chinook hold-back (Option 1) would be managed even more conservatively by NMFS.

The PPA allows any of the held-back Chinook PSC that is not used in the post-rollover RP CV sector to be used in the other fall fisheries after November 15. Chinook PSC in the non-RP CV sector is typically low after November 15. Trawl activity is focused on flatfish species, as the Pacific cod season closes by regulation on November 1. The CV fleet's Chinook PSC during that time has averaged around 40 fish, with one high-PSC year of 100, and two years where zero salmon were taken after mid-November. Up until November 15, the non-RP CV sector has used an average of 2,194 Chinook PSC, with a median of 1,868 (the average is influenced by high PSC years in 2010 and 2011). Judging from the historical period, the sector might expect to have around 500 to 800 PSC remaining in its apportionment at the middle of November; this estimated range, based on measures of central tendency, considers a possible increase in late-spring PSC due to increased flatfish effort, but does not consider the impact of carrying an uncertainty buffer in some years. This portion of the non-pollock CV fishery, which has accounted for between 0.4% and 2.3% of annual first wholesale value from the fishery, would likely be sustained by the sector's remaining PSC apportionment and the expected November rollover in all but the most unusual years.

## **5 Initial Regulatory Flexibility Analysis**

### **5.1 Introduction**

This Initial Regulatory Flexibility Analysis (IRFA) addresses the statutory requirements of the Regulatory Flexibility Act (RFA) of 1980, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601-612). This IRFA evaluates the potential adverse economic impacts on small entities directly regulated by the proposed action.

The RFA, first enacted in 1980, was designed to place the burden on the government to review all regulations to ensure that, while accomplishing their intended purposes, they do not unduly inhibit the ability of small entities to compete. The RFA recognizes that the size of a business, unit of government, or nonprofit organization frequently has a bearing on its ability to comply with a federal regulation. Major goals of the RFA are: (1) to increase agency awareness and understanding of the impact of their regulations on small business, (2) to require that agencies communicate and explain their findings to the public, and (3) to encourage agencies to use flexibility and to provide regulatory relief to small entities.

The RFA emphasizes predicting significant adverse economic impacts on small entities as a group distinct from other entities, and on the consideration of alternatives that may minimize adverse economic impacts, while still achieving the stated objective of the action. When an agency publishes a proposed rule, it must either 'certify' that the action will not have a significant adverse economic impact on a substantial number of small entities, and support that certification with the 'factual basis' upon which the decision is based;

or it must prepare and make available for public review an IRFA. When an agency publishes a final rule, it must prepare a Final Regulatory Flexibility Analysis.

In determining the scope, or ‘universe,’ of the entities to be considered in an IRFA, NMFS generally includes only those entities that are directly regulated by the proposed action. If the effects of the rule fall primarily on a distinct segment, or portion thereof, of the industry (e.g., user group, gear type, geographic area), that segment would be considered the universe for the purpose of this analysis.

## 5.2 IRFA requirements

Until the North Pacific Fishery Management Council (Council) makes a final decision on a preferred alternative, a definitive assessment of the proposed management alternatives cannot be conducted. In order to allow the agency to make a certification decision, or to satisfy the requirements of an IRFA of the preferred alternative, this section addresses the requirements for an IRFA. Under 5 U.S.C., section 603(b) of the RFA, each IRFA is required to contain:

- A description of the reasons why action by the agency is being considered;
- A succinct statement of the objectives of, and the legal basis for, the proposed rule;
- A description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply (including a profile of the industry divided into industry segments, if appropriate);
- A description of the projected reporting, record keeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record;
- An identification, to the extent practicable, of all relevant federal rules that may duplicate, overlap, or conflict with the proposed rule;
- A description of any significant alternatives to the proposed rule that accomplish the stated objectives of the proposed action, consistent with applicable statutes, and that would minimize any significant economic impact of the proposed rule on small entities. Consistent with the stated objectives of applicable statutes, the analysis shall discuss significant alternatives, such as:
  1. The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities;
  2. The clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities;
  3. The use of performance rather than design standards;
  4. An exemption from coverage of the rule, or any part thereof, for such small entities.

In preparing an IRFA, an agency may provide either a quantifiable or numerical description of the effects of a proposed action (and alternatives to the proposed action), or more general descriptive statements, if quantification is not practicable or reliable.

## 5.3 Definition of a small entity

The RFA recognizes and defines three kinds of small entities: (1) small businesses, (2) small non-profit organizations, and (3) small government jurisdictions.

Small businesses. Section 601(3) of the RFA defines a ‘small business’ as having the same meaning as ‘small business concern’, which is defined under Section 3 of the Small Business Act (SBA). ‘Small business’ or ‘small business concern’ includes any firm that is independently owned and operated and not

dominant in its field of operation. The SBA has further defined a “small business concern” as one “organized for profit, with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor... A small business concern may be in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative, except that where the firm is a joint venture there can be no more than 49 percent participation by foreign business entities in the joint venture.”

The SBA has established size criteria for all major industry sectors in the United States, including fish harvesting and fish processing businesses. A business involved in fish harvesting is a small business if it is independently owned and operated, not dominant in its field of operation (including its affiliates), and if all its affiliated operations worldwide have combined annual gross receipts not in excess of a certain threshold. The threshold for a fishing operation is determined based upon the source of the preponderance of its average annual gross receipts. If the operation is predominantly involved in harvesting finfish, the threshold is \$19 million per year; if the operation is predominantly involved in shellfish harvesting, the threshold is \$5 million per year. A seafood processor is a small business if it is independently owned and operated, not dominant in its field of operation, and employs 500 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide.<sup>25</sup> A business involved in both the harvesting and processing of seafood products is a small business if it meets the gross receipts criterion for fish harvesting operations. Finally, a wholesale business servicing the fishing industry is a small business if it employs 100 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide.

The SBA has established “principles of affiliation” to determine whether a business concern is “independently owned and operated.” In general, business concerns are affiliates of each other when one concern controls or has the power to control the other, or when a third party controls or has the power to control both. The SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists. Individuals or firms that have identical or substantially identical business or economic interests, such as family members, persons with common investments, or firms that are economically dependent through contractual or other relationships, are treated as one party with such interests aggregated when measuring the size of the concern in question. This document considers membership in a fishing cooperative to be such an affiliation. The SBA counts the receipts or employees of the concern whose size is at issue and those of all its domestic and foreign affiliates, regardless of whether the affiliates are organized for profit, in determining the concern’s size. However, business concerns owned and controlled by Indian Tribes, Alaska Regional or Village Corporations organized pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601), Native Hawaiian Organizations, or Community Development Corporations authorized by 42 U.S.C. 9805 are not considered affiliates of such entities, or with other concerns owned by these entities solely because of their common ownership.

Affiliation may be based on stock ownership when (1) a person is an affiliate of a concern if the person owns or controls, or has the power to control 50 percent or more of its voting stock, or a block of stock which affords control because it is large compared to other outstanding blocks of stock, or (2) if two or more persons each owns, controls or has the power to control less than 50 percent of the voting stock of a concern, with minority holdings that are equal or approximately equal in size, but the aggregate of these minority holdings is large as compared with any other stock holding, each such person is presumed to be an affiliate of the concern.

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<sup>25</sup> New criteria for processors are anticipated from SBA in January 2014.

Affiliation may be based on common management or joint venture arrangements. Affiliation arises where one or more officers, directors, or general partners, controls the board of directors and/or the management of another concern. Parties to a joint venture also may be affiliates. A contractor and subcontractor are treated as joint ventures if the ostensible subcontractor will perform primary and vital requirements of a contract or if the prime contractor is unusually reliant upon the ostensible subcontractor. All requirements of the contract are considered in reviewing such relationship, including contract management, technical responsibilities, and the percentage of subcontracted work.

Small organizations. The RFA defines “small organizations” as any not-for-profit enterprise that is independently owned and operated, and is not dominant in its field.

Small governmental jurisdictions. The RFA defines “small governmental jurisdictions” as governments of cities, counties, towns, townships, villages, school districts, or special districts with populations of fewer than 50,000.

#### **5.4 Reason for considering the proposed action, action objectives, and legal basis**

The Council identified the following problem statement regarding the affected areas and sectors for the proposed action to which this document is an addendum. Further background information and detail on the intent of the proposed action is provided in Section 1.1 of the original EA/RIR/IRFA (NPFMC 2013, p.1).

*Magnuson-Stevens Act National Standards require balancing achieving optimum yield with minimizing bycatch, while minimizing adverse impacts on fishing dependent communities. Chinook salmon prohibited species catch (PSC) taken incidentally in GOA trawl fisheries is a concern, and incidental take is limited in the Biological Opinion for ESA-listed Chinook salmon stocks. The Council recently adopted a PSC limit of 25,000 Chinook salmon for the Western and Central GOA pollock trawl fisheries, while also indicating an intent to evaluate Chinook salmon bycatch in the non-pollock GOA trawl fisheries, which currently do not have a Chinook salmon bycatch control measure.*

The purpose and need for the particular considered action analyzed here is described in Section 1.1 of this document.

Under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the Secretary of Commerce (NMFS Alaska Regional Office) and the North Pacific Fishery Management Council have the responsibility to prepare fishery management plans and associated regulations for the marine resources found to require conservation and management. NMFS is charged with carrying out the federal mandates of the Department of Commerce with regard to marine fish, including the publication of federal regulations. The Alaska Regional Office of NMFS and the Alaska Fisheries Science Center research, draft, and support the management actions recommended by the Council. The Gulf of Alaska (GOA) groundfish fisheries are managed under the Fishery Management Plan for Groundfish of the Gulf of Alaska. The proposed action represents amendments to the GOA groundfish fishery management plan, as well as amendments to associated federal regulations. Two principal objectives of the FMP amendment and proposed regulations are to reduce Chinook salmon PSC in the Central and Western GOA non-pollock groundfish trawl fisheries to the minimal practicable level, consistent with National Standard 9 of the Magnuson-Stevens Act, and to enable GOA groundfish harvests to contribute to the achievement of optimum yield on a continuing basis, consistent with National Standard 1 of the Magnuson-Stevens Act.

## **5.5 Number and description of directly regulated small entities**

The entities that are directly regulated by this particular action are those entities that participate in harvesting non-pollock groundfish on catcher vessels in the federal or parallel fisheries of the Central and Western GOA. More specifically, this action regulates CVs that participate in the Central GOA Rockfish Program, and in other non-pollock fisheries that occur during the fall. An IRFA that considers catcher/processor vessels and catcher vessels that only participate in the early-year non-Rockfish Program fisheries has been provided in the original EA/RIR/IRFA (NPFMC 2013, Section 6, p.233).

Thirty-five CVs participated in the Rockfish (Pilot) Program from 2010 to 2012. According to the principles of affiliation, members of cooperatives are assessed against the SBA threshold for a small entity according to the combined gross receipts generated by all the cooperative members' fishing activity. In 2012, there were 19 CVs participating in a Rockfish Program cooperative whose members' combined gross receipts were less than the threshold of \$19 million for the year. The other 16 CVs that are not small entities are the vessels that are also members of AFA pollock cooperatives in the Bering Sea.

Thirty-six CVs made non-pollock landings on or after October 1 during at least one year from 2010 to 2012. All but four fall vessels were members of a cooperative in 2012, though two of the four non-RP vessels had been Rockfish cooperative members in a previous year. The four non-cooperative members are each classified as small entities. Seventeen of the remaining 32 fall CVs are small entities, based on the combined gross-receipts of the members in their cooperative. Those 15 CVs that exceeded the \$19 million threshold are the vessels that are also members of AFA pollock cooperatives in the Bering Sea.

In all, 23 CVs that would have been directly regulated in 2012 qualify as small entities. Seventeen vessels that are RP cooperative members *and* that participate in the fall non-RP fisheries, two RP CVs that did not participate in the fall fisheries, and four non-RP CVs that participated in the fall fisheries. The directly regulated entities that do not qualify as small are the 16 RP CVs whose cooperative affiliations raise their qualifying gross receipts levels above the SBA threshold.

The best available information does not account for revenue from participation in state-managed fisheries. Moreover, business affiliations in a form other than cooperative membership are difficult to account for with publicly available information. For those two reasons, the number of small entities noted here may be a slight over-estimate.

## **5.6 Record keeping and reporting requirements**

Currently, no new record keeping and reporting requirements have been identified for the alternatives under consideration.

## **5.7 Federal rules that may duplicate, overlap, or conflict with proposed action**

No relevant federal rules have been identified that would duplicate or overlap with the considered action. Some current federal regulations would need modification to implement the Chinook PSC limit as described in the Council's existing preferred alternative, and to require retention of Chinook salmon in the Central and Western GOA non-pollock fisheries. These regulatory changes are described in detail in Section 5 of the original EA/RIR/IRFA (NPFMC 2013, p.210).



## 5.8 Description of significant alternatives to the proposed action

For the purpose of this IRFA, the Council's preliminary preferred alternative serves as the proposed action against which other alternatives are assessed. The primary element that differs between the proposed alternatives, and that could negatively impact small entities, is whether or not the Chinook salmon PSC rollover date is set at a predetermined date or is contingent upon all Rockfish Program CV cooperatives having "checked out" of the Program fishery. The PPA sets a date-certain rollover on October 1, as do Alternatives 2 and 3. By contrast, Alternative 4 would require all cooperatives to end their Rockfish season in order for unused Chinook PSC to be released to support other fall fisheries. Alternative 4 could place pressure on some cooperatives to check out of the Program fishery without having harvested their entire rockfish quota, or could cause cooperatives to shift fishing effort to earlier in the summer. If either decision were to adversely impact a cooperative's business planning for maximum net benefit, an adverse impact would have occurred. The combined gross receipts of some RP CV cooperatives fall beneath the threshold for a small entity.

While Alternatives 2 and 3 share the same date-certain rollover with the PPA, they contain elements that could result in fewer Chinook PSC being made available to support fall non-pollock fisheries, in which the small entity RP cooperative members also participate.

The no action alternative (Alternative 1) does not contain a rollover provision, and the reduced likelihood of being able to open fall non-pollock fisheries in high Chinook PSC years may not meet the objectives of the proposed action.

The potential negative impacts described above would affect both small and non-small entities, alike. However, the PPA attempts to balance the provision of a Chinook PSC rollover with a stable regulatory environment for business planning in a manner that could provide all entities, including small entities, with a reduced likelihood of negative impacts, given the range of considered alternatives.

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## **7 Preparers and Persons Consulted**

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