

MEMORANDUM

TO: Council, SSC and AP Members
FROM: Clarence G. Pautzke
Executive Director
DATE: December 1, 1993
SUBJECT: Groundfish Amendments

ESTIMATED TIME

1 HOUR

ACTION REQUIRED

- (a) Comment on regulatory amendment apportioning GOA trawl halibut PSC to shallow and deepwater complexes.
- (b) Status report on Salmon Bycatch Initiative.

BACKGROUND

- (a) Regulatory amendment apportioning GOA trawl halibut PSC to shallow and deepwater complexes.

In September, the Council initiated a regulatory amendment to address the problem of increasing competition among trawl fisheries in the GOA for Pacific halibut PSC, which is limited. By utilizing a large share of available halibut bycatch, vessels participating in some subset of the GOA groundfish trawl fisheries can cause premature closure of other trawl fisheries when the PSC limit is reached.

One management measure to be implemented by this amendment would further apportion the trawl halibut PSC cap by specific fishery. In the past, it has been a Gulf-wide cap that applies to all bottom trawling, regardless of target species. Future modifications to the apportionments would be made during the annual specifications process.

Apportionments of the overall cap may be made to a 'Shallow water complex' and a 'Deep water complex'. Species in the shallow water complex are: pollock, Pacific cod, shallow water flatfish, Atka mackerel, and other species. Deep water complex species include: deep water flatfish, rockfish, flathead sole, sablefish, and arrowtooth flounder. The following apportionments are proposed for 1994:

<u>Quarter</u>	<u>Shallow Complex</u>	<u>Deepwater Complex</u>	<u>Total</u>
1	500 mt	100 mt	600 mt
2	100 mt	300 mt	400 mt
3	200 mt	400 mt	600 mt
4	No apportionment		400 mt

Other measures incorporated in the regulatory amendment include: (1) amending directed fishing standards to eliminate covert targeting on "bycatch only" species and reduce the amount of halibut mortality associated with fisheries targeting on groundfish species for which directed fishing is closed, and (2) adjusting the season opening dates for the Bering Sea flatfish fisheries from May 1 to January 20 to provide more fishing opportunities in the Bering Sea early in the fishing year, thus reducing the incentives fishermen may have to move fishing operations from the Bering Sea to the GOA.

NMFS anticipates implementation of these measures no sooner than May 1. The effects of changing the BSAI flatfish opening date will therefore not be realized for the 1994 fishery. Some of the intended benefits of the overall package will be realized in 1994 due to the GOA PSC apportionments.

(b) Status Report on Salmon Bycatch Initiative.

This memo and attachments provide you with a status report of the recent activities associated with the management of salmon bycatch in the BSAI trawl fisheries. At the September meeting, the Council officially endorsed a "Salmon Bycatch Control Policy," now commonly known as the "Salmon Bycatch Initiative." Included in the initiative were a number of provisions requiring oversight by the Council and participation from both agency personnel and industry representatives. The Salmon Bycatch Initiative is attached at Item D-2(b)(1). Chief among the provisions in the policy is the creation of the Salmon Foundation ("Foundation") and changes in federal regulations.

What follows is a list of tasks and a time schedule agreed upon in the adoption of the initiative.

December 1993 Council meeting:

1. The Salmon Foundation submits a research plan for Council approval, including improvements to real-time reporting to and from the fleet.
2. The Foundation submits a budget and funding plan that demonstrates the Foundation's ability to fund a research program.
3. NOAA GC provides advice on Magnuson Act amendments needed to establish fines/fees for catching PSC. This fee/fine system would be implemented if the foundation program is not effective. In addition, the Council requested legal determination on what conditions and restrictions can be placed on vessel permits to require vessels to join the foundation.
4. NMFS identifies any legal and regulatory constraints that prevent implementation of a Vessel Incentive Program (VIP). The target date for establishing a workable VIP is December 1994.
5. NMFS develops hotspot authority to be applied to BSAI pollock and cod trawl fisheries when salmon bycatch exceeds 1.5 times the 1991 and 1992 average bycatch.

January 20, 1994 Groundfish Season:

1. The Foundation's legal documents to incorporate and achieve goals and purposes are to be completed and approved.
2. Regulatory amendments allowing retention of all salmon bycatch with a stiff penalty for discard are to be completed.

3. Bulletin board posting of chinook bycatch numbers by vessel name.
4. Implement a salmon bycatch research plan and sampling program.

December 1994:

1. Establish legal and regulatory framework for a VIP for salmon. The VIP and Amendment 21b (cap, time/area closure program) will be developed further over 1994-1996 while the foundation is operating.

After the 1995 pollock A season:

1. Council will implement Amendment 21b with a trawl chinook cap in the BSAI if the Foundation or its initiative are ineffective, unless the Council finds that a VIP, fee program, or another salmon bycatch plan would be more effective than a PSC cap on the trawl fleet.
2. Council would implement a VIP for 1995 if deemed necessary.

December 1996:

1. Council will review performance of the Foundation initiative to determine its effectiveness in reducing bycatch and may extend it.

Concerning the points 1 and 2 to be addressed at this meeting, regarding formation of the Salmon Foundation, attached as Item D-2(b)(2) is a series of documents from the Salmon Bycatch Initiative Working Group, the group responsible for putting together the Foundation. Included in this attachment is:

- A) A memo to the Council outlining the formation of the Foundation, assessment agreement and funding plan, research proposals and status of regulations;
- B) An amended version of the Articles of Incorporation and Bylaws of the Foundation;
- C) A list of all vessels agreeing to participate in the Salmon Incentive Program ("Critical Mass" criteria requirement); and
- D) Two Request For Proposals from the Working Group for services providing in-season reporting of data, analysis of historical bycatch data, and stream of origin analysis of bycaught salmon ("Research Program" requirement).

Members of the Salmon Bycatch Initiative Working Group will be available to present to you a report summarizing their efforts to date and the above mentioned documents.

Concerning points 3, 4 and 5, NOAA General Counsel and NMFS Region staff will be available to provide you with a status report on: potential Magnuson Act amendments to establish fees, permit conditions, constraints to a VIP, and the ability to develop hotspot authority. In addition, NMFS staff will provide you with a schedule of implementation for federal regulations requiring publication of bycatch rates and prohibition of discard of salmon taken as bycatch.

SALMON BYCATCH CONTROL POLICY

1. In recognition of the Council's objectives of controlling salmon bycatch and developing better data, the Council endorses the Industry/Terminal Area Initiative forming a Salmon Foundation (attached) for the years 1994, 1995 and 1996, provided the conditions listed as a. through c., below are met. Conditions a. and b. must be met by the December 1993 meeting. In addition, the Council directs that, if possible, as of January 1994, NMFS require that vessels be Foundation contributors in good standing as a condition of being issued federal fishing permits for BSAI pollock and cod trawl fisheries.

Conditions:

- a. A research plan adequate to meet the Council's above stated objectives shall be submitted to the Council for approval. Such a research program will also include improvements to real-time data reporting from and back to the fleet with the intent of reducing salmon bycatch in-season. The NPFMC requests that NMFS and ADF&G work with the Foundation to design such a program. The program should also seek to correlate the historic salmon bycatch data base with the new data base to the extent practicable;
 - b. The Foundation shall be prepared to implement real-time bycatch pattern identification and feedback as of the 1994 pollock "A" season, and to collect a full year's data in 1994. This may require up front funding from the industry, or a commitment from Foundation contractors to undertake data gathering, analysis and reporting on a deferred payments basis. The Foundation will submit for approval by the Council a budget and funding plan that demonstrates the Foundation's ability to fund the research program.
 - c. The required regulatory amendment must be on track for implementation no later than January 20, 1994, and legal documents necessary for the Foundation to be incorporated and to achieve its goals and purposes must be completed and approved by that date. Foundation corporate documents shall provide for an annual report from the Foundation at each September NPFMC meeting as to the Foundation's progress in achieving its goals and meeting the conditions of its approval. Such documents shall also require the Foundation to provide any information which may assist in determining if stocks from streams of conservation concern are taken as marine bycatch at identifiable times and in identifiable areas. If so, the Foundation in consultation with NMFS and ADF&G shall develop and promptly recommend to the fleet measures to reduce bycatch of these stocks. If the Foundation fails to act promptly or the measures prove ineffective, the Council will consider additional management options to reduce bycatch of these stocks.
2. The NPFMC request NMFS by the December 1993 meeting to develop amendments to the MFCMA and other applicable law to empower the regional Council to establish fines for catching prohibited species. In the event that the Foundation voluntary bycatch reduction and data gathering program is not adequately supported by a critical mass of the industry, and a salon VIP program cannot at that time be implemented for any reason, the Council will consider setting a simple fee for catching a prohibited species to provide a disincentive. The fees should be dedicated to PSC bycatch programs. If such fees are collected the industry would no longer be obligated to pay the Salmon Foundation assessments provided the fees are sufficient to fund and adequate salmon bycatch research program.

3. Refinement and analysis of Amendment 21(b) and the VIP amendment will continue during the three year period the Salmon Foundation initiative is adopted. The NPFMC also requests NMFS to identify legal and regulatory constraints preventing or impeding implementation of a VIP program and to develop specific regulatory or statutory amendments necessary to implement a VIP. This analysis is to be completed by December 1993 Council meeting. The target date for establishing a workable legal and regulatory VIP framework is December 1994.
4. The Council will review the performance of the Salmon Foundation initiative at the December, 1996 meeting to determine its effectiveness as a salmon bycatch measure. The Council may extend the initiative if it finds it is the most effective measure available. If not, Section 5 below applies.
5. If the NPFMC finds that:
 - a. the Salmon Foundation is not meeting the conditions in (1) above; or
 - b. at any time after the 1995 pollock "A" season that the initiative is proving inadequate as a salmon bycatch control method;

Amendment 21(b) is adopted for immediate implementation with a chinook cap for overall trawl bycatch in the BSAI based on the best scientific information available at that time unless:

- i. the NPFMC has ready for immediate implementation a salmon VIP program that is enforceable in the reasonable judgement of the NMFS and the Council adopts that program for immediate implementation; or
- ii. the Council has the necessary authority, has ready for immediate implementation, and adopts a salmon bycatch fee system will support an adequate salmon bycatch research program; or
- iii. the Council has developed another salmon bycatch plan that it deems is more effective than the other available options, and it is adopted for implementation.

The numerical cap may be adjusted from time to time based on the best available scientific information on the recommendation of NMFS and ADF&G.

6. The Council requests that the Regional Director in cooperation with ADF&G develop a proposal for closing areas of the BSAI to pollock and cod trawling under hot spot authority when chinook bycatch exceed a level equal to one and a half times the average of the 1991 and 1992 seasons. Where specific Council direction is needed to define the hot spots, the Regional Director shall prepare a range of proposals for Council consideration and provide his recommendation. The proposals shall take into account the best available information on such factors as pre-season projected and in-season estimated salmon stock abundance (based on factors including CPUE), run timing, probable areas of origin of the bycaught salmon, and the effects of existing time and area closures. The proposal shall seek to minimize the size of the areas closed to achieve the targeted bycatch level. Hotspots should be designated in 0.5° by 1° blocks.

**Industry/Terminal Area Initiative
Concerning Bering Sea Salmon Bycatch Management**

1. **Adoption of regulations requiring:**
 - 1.1 **Retention of all salmon bycatch.**
 - 1.2 **Posting on the NMFS bulletin board of chinook bycatch numbers on a vessel-by-vessel basis.**
 - 1.3 **Implementation of more specific data gathering and/or logbook procedures as appropriate to develop bycatch pattern analysis.**
 - 1.4 **A still penalty (greater than \$10,000) for discards shall be assessed by NMFS.**
2. **Sampling retained salmon as appropriate to conduct bycatch pattern and stream of origin analysis.**
3. **After sampling, preserving retained chinook in a "food grade" state, and turning them over at point of landing for distribution to food banks or related public use, provided that such fish are not placed "in commerce"**
4. **A "critical mass" of vessel owners paying an assessment of \$20.00 per chinook to a private research foundation to support development of data concerning marine chinook bycatch patterns and avoidance, and stream of origin identification.**
 - 4.1 **The Foundation shall be composed of representatives from the marine trawl fisheries, affected fisheries in the state of Alaska, and scientific personnel. Primary among the tasks estimates of bycatch numbers, stock composition, spatial and temporal distributions, as well as developing management practices aimed at reducing bycatch.**
 - 4.2 **The development and execution of the research program shall be implemented by a consortium consisting of ADF&G, NMFS and FRI and shall be directed by the Foundation.**
 - 4.3 **If a critical number of boats do not join the voluntary initiative by September, then a Vessel Incentive Program shall be implemented by NMFS prior to January 1994. The success and performance of this program is dependent on including the majority of the fleet. This critical mass should be in the range of 70 to 80% of the fleet.**
5. **Matching funds should be drawn from all Alaskan and Northwestern groundfish, mining, logging, oil development industries that negatively impact the resource.**
6. **As our understanding of the bycatch composition and distribution patterns increases with the expanded research initiative, the fishing practices of the trawl fleet shall be modified where possible to decrease the overall bycatch and impact on discrete stocks. This shall be facilitated by the utilization of smaller management areas, increasing management flexibility. This should be developed by fishery managers in conjunction with Foundation representatives.**

M E M O R A N D U M

To: The North Pacific Fishery Management Council
From: The Salmon Bycatch Initiative Working Group
Date: November 30, 1993
Re: Salmon Bycatch Initiative

The purpose of this memorandum is to report on salmon bycatch initiative developments and identify tasks that remain to be completed prior to opening of the Bering Sea/Aleutian Island trawl fishery on January 20, 1994.

1. Salmon Research Foundation. As you know, a key element of the initiative is formation of the Salmon Research Foundation, the organization that will be responsible for collecting salmon bycatch assessments, and funding and directing the in-season bycatch avoidance program, analysis of historical data concerning bycatch patterns, and stream of origin identification for salmon taken in the Bering Sea/Aleutian Islands trawl fisheries.

1.1 Formation. Based on comments we received from Council members and salmon fishery representatives, we revised the draft Articles of Incorporation and Bylaws for the Foundation, and circulated them for a second round of review on November 23. The latest drafts, together with "redline" versions showing the changes made since you reviewed the previous versions, are enclosed for your information (Attachments A1, A2, A3 and A4). As of this report, we are still in the process of receiving and responding to suggestions from salmon fishery representatives; however, it appears that the remaining issues will be resolved within the next few days, and that mutually agreeable final versions of the documents will be ready during the December Council meeting. During the next week, we hope to have the final forms of the Foundation's Articles and Bylaws approved and executed, the Foundation's initial board of directors named, and a brief organizational meeting of its board.

Under the currently proposed structure, the individuals serving as members of the Council serve as "members" of the Foundation. The Foundation's members elect its board of directors and review and approve its budget, expenditures and activities. Day-to-day activities of the organization are supervised by the board of eight directors, half of whom

represent the major salmon fisheries of western Alaska, and half of whom represent various sectors of the trawl fleet.

The initial directors will be named in the Articles of Incorporation, and will serve until the first annual meeting, which is expected to be held in December of 1994. At that point, half of them will be up for election, and thereafter all directors will serve staggered two year terms.

1.2 Assessment Agreements and Funding Plan. A form of Assessment Agreement to be executed by vessel owners participating in the initiative is being prepared. We expect to have a draft available for review by the Foundation Board as of the December Council meeting. A list of vessels that have signed up as of the date of this report is attached as Attachment B.

Based on the November 19 NMFS BS/AI salmon bycatch report and ADF&G's Amendment 21 analysis, if bycatch remained consistent with historical trends and 70% of the trawl fleet participated in the Foundation initiative, the \$20 per chinook assessment would generate approximately \$550,000.00. We have based a preliminary funding plan for the Foundation on that amount.

We are still in the process of determining the cost of the components of the Foundation's proposed activities (see Section 1.3, below, for more information concerning this matter). Preliminary estimates indicate that the organization's expected assessment income will cover the costs of the core elements of its program. We will provide more specific information for you at the December meeting.

It is possible that BS/AI bycatch rates will decrease significantly during the life of the Foundation. We believe that result would be a positive development, and expect that the corresponding shortfall in the Foundation's research budget would be made up through sources other than assessments, or that the scope of its research program would be reduced.

1.3 Research Proposals. The Foundation's board of directors will normally develop an annual research plan and budget and select contractors to provide the services it requires. However, because the period of time between Foundation formation and opening of the 1994 pollock "A" season is quite short, we have taken the liberty of preparing and distributing two "Requests for Proposals" ("RFPs") concerning bycatch pattern analysis (copies of which are attached as Attachments C1 and C2).

At the time that this report was prepared, we had not had an opportunity to evaluate the responses to our RFPs. However, conversations with a number of the proposers indicate

that providing "real-time" bycatch pattern analysis and feedback is feasible, but will require a great deal of developmental work in the early stages. These proposers specifically requested that we narrow the 1994 "A" season analysis to cover only pollock and cod fishery interactions with chinooks and other salmon. They were concerned that a broader scope of work would almost certainly exceed the Observer Program's data production capacity, the available contractors' analysis and transmission capabilities, and the trawl fleet's data reception limits. Several proposers also asked that we set the due date for proposals concerning analysis of historical data well after the 1994 "A" season's projected closing date, as they considered it important that all proposers be able to develop "real-time" proposals without distraction. Consonant with the proposer's requests, we suggest that the due date for proposals concerning analysis of historical bycatch data be set for late March, though that is certainly a matter for the Foundation board to decide.

We have had a number of meetings with representatives of the Fisheries Research Institute ("FRI") of the University of Washington concerning stream-of-origin analysis. The pool of personnel and facilities capable of conducting scale sample, electrophoretic and DNA analysis is quite limited, and it has become apparent that it can be most efficiently employed if an inter-institutional consortium is established. FRI has been conducting related research for some time, and appeared to be the best candidate to act as the consortium coordinator. We expect to have a preliminary budget and research plan from FRI to present at the Council meeting. An organizational meeting of potential consortium member institutions is scheduled to be held December 9, 2:00 to 4:00 pm. at the Fisheries Center at the University of Washington. A copy of the meeting announcement is attached as Attachment D.

Proposals concerning the in-season analysis and reports and stream of origin analysis will be submitted to the Council's Scientific and Statistical Committee as soon as we have received and compiled them, and to the Foundation's board of directors at its initial meeting. The Foundation's proposed Bylaws permit its board to appoint committees as it deems appropriate, and we expect that the board will form its own scientific advisory committee to assist it in the future.

2. Status of Regulations. This item is best addressed by NMFS staff. Disturbingly, on November 29th we learned that the regulatory framework that the Council adopted in June and September will not be implemented until April of 1994.

In addition, regulations requiring food grade processing and food bank distribution of salmon bycatch are objects of some controversy within NMFS and the office of NOAA General Counsel. While we do not have specific information

concerning NMFS/NOAA concerns, we have heard indirectly that issues such as insuring that processed bycatch meets food quality standards, that qualified food bank distributors are available, and whether NMFS has authority under the Magnuson Act to require p.s.c. retention past the counting stage are all sources of vexation to one or another of the agency staff involved in this matter.

Requiring food grade processing and food bank distribution of salmon bycatch are important elements of the initiative. Events during the 1993 "B" season made it abundantly clear that processing salmon impairs the profitability of groundfish operations, providing a strong incentive to avoid them. It is an important first step in reducing the waste in our industry that so concerns the general public. The fishing organizations we represent and a number of others in Alaska and Washington have actively encouraged NMFS to address these issues in an expeditious fashion, to resolve them favorably, and to permit the trawl fleet to voluntarily process and deliver salmon bycatch under the Terra Marine experimental permit (as extended, if necessary) in the meantime. We hope the Council will take the same position during the December meeting.

JMS:vm

Enclosures

cc: Mr. Dan Albrecht
Dr. William Aron
Mr. Dave Benton
Mr. Joseph R. Blum
Mr. Frank Charles
Mr. Vincent A. Curry
Dr. William Karp
Ms. Lisa Lindeman
Mr. Karl A. Ohls/John Zuck
Mr. Paul F. Peyton

LCOUNCI3.008/JMST

ATTACHMENT A-2

REDLINED DOCUMENT

THIS DOCUMENT WAS PREPARED USING COMPARERITE™ REDLINING SOFTWARE. WE HAVE MADE NO EFFORT TO INDEPENDENTLY VERIFY ITS ACCURACY. ADDED TEXT IS SHADED. DELETED TEXT IS MARKED THROUGH. MOVED TEXT, WHERE IT FORMERLY APPEARED, IS MARKED THROUGH AND PRECEDED BY AN ASTERISK AND A NUMBER. IN ITS NEW LOCATION, MOVED TEXT IS PRECEDED BY A DOUBLE ASTERISK AND THE SAME NUMBER.

ARTICLES OF INCORPORATION

OF

SALMON RESEARCH FOUNDATION

The undersigned incorporators hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation is SALMON RESEARCH FOUNDATION (the "Foundation").

ARTICLE II

The duration of the Foundation shall be ~~ten (10)~~ **five** (5) years from the date of incorporation.

ARTICLE III

The purposes for which the Foundation is organized are as follows:

- A. To fund and direct scientific research and publication concerning aspects of the interaction between Bering Sea marine trawl fisheries and Alaskan salmon stocks, including but not limited to: relationships between times, areas, fishing modes and other characteristics of marine trawling and bycatch of salmon; marine fishing practices that could reduce salmon bycatch; and streams of origin of salmon taken as bycatch in the Bering Sea marine trawl fisheries.
- B. To incorporate into its primary research and publication functions as appropriate consideration

of ~~the~~ secondary effects on ~~such as~~ bycatch of other "prohibited species" (as the same may be defined from time to time in 50 C.F.R. Part 675.20(c) or its successor) resulting from salmon bycatch avoidance practices.

- C. To make recommendations regarding the retention, preservation, landing and distribution of salmon taken as bycatch in the Bering Sea marine trawl fisheries.
- D. In general to exercise the powers of an Alaska nonprofit corporation that are conducive to the attainment of its purposes, and, notwithstanding any provision to the contrary herein, to exercise only those powers granted to an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of the United States, and its successor statutes.

ARTICLE IV

Provisions for regulating the affairs of the Foundation, including provisions for distribution of assets on final liquidation, are as follows:

- A. The Foundation shall not engage in any transactions or activities prohibited by the applicable sections of Subchapter F of Chapter 1 of the Internal Revenue Code, or of the Alaska Nonprofit Corporation Act, as they are now in force or may be afterwards amended.
- B. No more than an unsubstantial part of the Foundation's activities shall consist of unrelated trade or business as defined in Section 513 of the Internal Revenue Code as now in force or afterwards amended.
- C. No part of the net earnings of the Foundation shall inure to the benefit of any private individual, or any officer, director, employee or agent of the Foundation or substantial contributor to it, except as reasonable compensation for services actually rendered to the Foundation.
- D. No loan shall be made by the Foundation to any director or officer of the Foundation.
- E. The Foundation shall not directly or indirectly participate or intervene in any political campaign

on behalf of or in opposition to any candidate for public office, nor shall any substantial part of its activities consist of attempting to influence legislation by propaganda or otherwise.

- F. Upon dissolution of the Foundation, its remaining assets, if any, shall be distributed in accordance with Section 10.20.295 of the Alaska Nonprofit Corporation Act and Subchapter F of Chapter 1 of the Internal Revenue Code as they are now in force or may be hereafter amended, to organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code or to state or local government for a public purpose. Any Foundation assets not voluntarily distributed in this manner shall be disposed of by a court of competent jurisdiction exclusively for purposes and/or to organizations as such court shall determine are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- G. The sole member members of the Foundation at any given time shall be those individuals then serving as the members of the North Pacific Fishery Management Council (the "Council"). Each member shall be entitled to one (1) vote in all Foundation matters that properly come before its membership.
- H. The management of this Foundation is hereby vested in a Board of Directors. The Except as provided herein, the number of Directors, their terms, and their qualifications shall be as specified in the Bylaws of the Foundation.
- I. The initial Bylaws of the Foundation shall be effective upon adoption by the initial Board of Directors. Thereafter, any amendment to the Foundation's Bylaws shall be made as follows: the Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at the next meeting of the Foundation's members. Written notice setting forth the amendment and a summary of the proposed change shall be sent to each member entitled to vote in compliance with A.S. 10.20.066 or its successor. The proposed amendment shall be adopted upon receiving at least two-thirds (2/3) of the votes that the Foundation's members are entitled to cast.

ARTICLE V

The Foundation shall indemnify and defend all present and former directors of the Foundation against any expenses of any proceeding (including by or in the right of the Foundation) to which they are parties because they are or were directors of the Foundation, all as defined and to the fullest extent permitted by law.

A director of the Foundation shall not be personally liable to the Foundation for monetary damages for conduct as a director, except for:

- (a) a breach of a director's duty of loyalty to the Foundation;
- (b) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; or
- (c) a transaction from which the director derives an improper personal benefit.

If Alaska law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Foundation shall be eliminated or limited to the fullest extent permitted by Alaska law, as so amended. Any repeal or modification of the foregoing paragraph by the member members of the Foundation shall not adversely affect any right or protection of a director of the Foundation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

ARTICLE VI

The name of the initial registered agent and the address of the initial registered office of the Foundation is:

Name: _____
 Address: _____

ARTICLE VII

The initial Board of Directors shall consist of ~~three~~ ~~(3)~~ ~~eight~~ ~~(8)~~ persons who shall serve until their successors are elected and qualify. The names and addresses of the initial directors are:

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

The number and qualifications of directors shall be determined in accordance with the Bylaws of the Foundation.

ARTICLE VIII

The names and addresses of the incorporators of the Foundation are:

Name: _____
Address: _____

Name: _____
Address: _____

Name: _____
Address: _____

DATED this _____ day of _____, 1993.

INCORPORATORS:

(Print Name)

(Print Name)

(Print Name)

ARTSALMS:008/JMST
11/30/93

ATTACHMENT A-4

REDLINED DOCUMENT

THIS DOCUMENT WAS PREPARED USING COMPARERITE™ REDLINING SOFTWARE. WE HAVE MADE NO EFFORT TO INDEPENDENTLY VERIFY ITS ACCURACY. ADDED TEXT IS SHADED. DELETED TEXT IS MARKED THROUGH. MOVED TEXT, WHERE IT FORMERLY APPEARED, IS MARKED THROUGH AND PRECEDED BY AN ASTERISK AND A NUMBER. IN ITS NEW LOCATION, MOVED TEXT IS PRECEDED BY A DOUBLE ASTERISK AND THE SAME NUMBER.

BYLAWS

OF

SALMON RESEARCH FOUNDATION

ARTICLE I - NAME AND LOCATION

Section 1. The name of the organization shall be the Salmon Research Foundation (the "Foundation").

Section 2. The initial office of the Foundation shall be located at _____
Thereafter, the office shall be located as the ~~Board~~ ~~board~~ of ~~Directors~~ ~~directors~~ may determine.

ARTICLE II - PURPOSE

The purposes for which the Foundation is organized are as follows:

- A. To fund and direct scientific research and publication concerning ~~aspects of~~ the interaction between Bering Sea marine trawl fisheries and Alaskan salmon stocks, including but not limited to: relationships between times, areas, fishing modes and other characteristics of marine trawling and bycatch of salmon, and marine fishing practices that could reduce salmon bycatch; ~~and~~ streams of origin of salmon taken as bycatch in ~~the Bering Sea marine trawl fisheries, and~~ ~~secondary effects on.~~
- B. ~~To incorporate into its primary research and publication functions appropriate consideration of secondary effects such as~~ bycatch of other "prohibited species" (as the same may be defined from time to time in 50 C.F.R. Part 675.20(c) or

its successor) resulting from salmon bycatch avoidance practices.

~~C. To make recommendations regarding the retention, preservation, landing and distribution of salmon taken as bycatch in the Bering Sea marine trawl fisheries.~~

B. In general to exercise the powers of an Alaska nonprofit corporation that are conducive to the attainment of its purposes, and, notwithstanding any provision to the contrary herein, to exercise only those powers granted to an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of the United States.

ARTICLE III - MEMBERSHIP

~~Section 1. Member. Members. The sole-member members of the Foundation at any given time shall be the individuals then serving as the members of the North Pacific Fishery Management Council (the "Council"), or their designees.~~

~~Section 2. Meetings. Members shall hold an annual meeting to elect directors, receive a report on the Foundation's activities during the previous year and review the budget and research plan for the upcoming year in December of each year or at such other time as a majority of the members may determine. Members may hold special meetings upon the call of the president, a majority of the board of directors, or a majority of the members. Written notice of each meeting describing the matters to come before the membership at that meeting shall be provided not less than ten (10) nor more than fifty (50) days before the meeting, either personally or by mail, by or at the direction of the president or secretary, or the officers or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, the notice shall be considered delivered when deposited in the U.S. mail addressed to the member at the member's address as it appears on the records of the Foundation, with postage prepaid. To the extent possible, members meetings shall be held at places and times proximate to meetings of the Council. Presence of ten-elevenths (10/11) of the members shall constitute a quorum for transaction of business at all meetings.~~

ARTICLE IV - BOARD OF DIRECTORS

~~Section 1. Functions and Powers. The Foundation's affairs shall be managed by a Board board of Directers-directors. The Board board of Directers-directors shall have the power to: supervise, control and direct the affairs of the~~

Foundation; determine its policies within the limits of the Foundation's Articles of Incorporation and the Bylaws; approve projects to receive funding from the Foundation; and otherwise actively pursue its purposes. An affirmative vote by not less than four (4) Directors shall be required for selection and funding of all Foundation projects and approval of the Foundation's annual budget. The salaries, if any, of all employees of the Foundation shall be fixed by or under the direction of the Board of Directors. The Board shall review expenditures for the prior year and approve a proposed budget for the Foundation's coming fiscal year at the annual meeting. ~~Foundation's annual meeting.~~

Section 2, Number. The Foundation shall have seven (7) Directors ~~(8) Directors~~. The Foundation shall have three (3) ~~eight (8)~~ initial Directors, who shall be appointed by the incorporators and shall remain in office until their successors are elected and qualify. The remaining four (4) initial Directors shall be elected at the first December meeting of the Council following incorporation of the Foundation.

Section 3. Qualifications and Initial Terms of Office. Seats on the Board ~~Board~~ of Directors ~~Directors~~ of the Foundation will be filled as follows:

Seat # _____
Qualifications _____

~~Seat 1 Bering Sea Groundfish Catcher Boat Representative~~
* 2 moved from here; text not shown

~~Seat 4 Bering Sea Groundfish Fisheries~~

~~Catcher-Boat Representative~~

* 3 moved from here; text not shown
Seat 2 Bering Sea Groundfish Shore-Based

~~Seat 3 Bering Sea Groundfish Catcher-Processor Representative~~

* 1 moved from here; text not shown
* 3 Processor Representative

Seat 3 Bering Sea Groundfish

~~Catcher-Processor Representative~~

Seat 4 Bering Sea Groundfish

~~Mothership Operations At Large Representative~~

Seat 5 ~~Alaska Commercial Norton Sound/Kotzebue Drainage~~
Salmon Fishers' Representative

Seat 6 ~~Alaska Subsistence Yukon River Drainage~~
Salmon Fishers' Representative

Seat 7 ~~Alaska Sport Kuskokwim River Drainage~~
Salmon Fishers' Representative

~~Seat 8 Bristol Bay Drainage~~
~~Salmon Fishers' Representative~~

The Council ~~Foundation's members~~ shall select as Directors ~~directors~~ individuals whose background, experience and current occupation demonstrate their ability to effectively represent the industry sector or user group whose seat they are to occupy.

Section 4. Elections and Terms of Office. Directors shall be elected by the Council. ~~The Council Foundation's members, The Board of directors~~ shall solicit in September of each year nominations and/or letters of interest for the Directors' ~~Directors'~~ seats with a term expiring in that year. At its ~~December meeting, the Council shall convene as the member of the Foundation, and shall elect Directors~~ ~~their annual meeting, the members shall elect directors~~ to fill those seats. Directors shall serve staggered two (2) year terms. The initial terms of office of the ~~Directors appointed to Seats 1, 3, 5 and 7~~ ~~four (4) directors selected at random at the first board of directors meeting~~ shall be one (1) year. Thereafter, all ~~Directors directors~~ shall serve for a term of two years and ~~or~~ until their successors are elected and qualify.

Section 5. Meetings. Regular meetings of the ~~Board~~ ~~board of Directors directors~~ shall be held at times and places designated by the ~~Board a board~~. At least four regular meetings shall be held each year. Special meetings of the ~~Board board~~ may be called by a majority of the ~~Board board~~ or by the ~~President~~ ~~president~~. An annual meeting shall be held in December of each year ~~or at such other time as the board determines~~. Notice of each meeting describing the matters to come before the ~~Board board~~ at that meeting shall be given in writing to each ~~Director~~ ~~director~~ by mailing such notice not less than ~~seven (7) ten (10)~~ days prior to the meeting, or delivering such notice in person or by telefacsimile transmission not less than three (3) days prior to the meeting.

Section 6. Waiver of Notice. A ~~Director~~ ~~director~~ may waive any notice required to be given by signing a written waiver either before or after the meeting. Attendance at a meeting

shall constitute a waiver of notice of such meeting, except when attending for the express purpose of objecting to the transaction of business because the meeting was not lawfully called or convened.

Section 7. Quorum . Presence of Directors holding a majority of the then existing seats on the Board of Directors and Voting. The presence of directors holding seven (7) seats on the board of directors shall constitute a quorum for the transaction of business at all meetings. An affirmative vote by not less than seven (7) directors shall be required for the board to take action on any matter before it.

Section 8. Vacancies. Vacancies on the Board of Directors shall be filled by election of a successor at the next regular or special meeting of the Council members.

Section 9. Consent. If all Directors consent in writing to any action to be taken by the Foundation, such action shall be as valid as though it had been authorized at a meeting of the Board of Directors.

Section 10. Ex Officio Membership of the Board of Directors. The Executive Director, if any, of the Foundation shall be an ex-officio member of the Board of Directors, without voting privileges. The Executive Director shall not be counted in determining whether a quorum of directors is present at a meeting.

Section 11. Removal and Designation. A Director may be removed for speaking or acting in a manner prejudicial to the purposes or activities of the Foundation by an affirmative vote of two-thirds (2/3) of the Foundation's members of the Council at a regular or special meeting. A Director shall be considered to have resigned if he/she is absent from three (3) consecutive Board Meetings without being excused by a majority of the other Directors.

ARTICLE V - OFFICERS

Section 1. Number. The executive officers of the Foundation shall be a president, a vice-president, a secretary, and a treasurer, all of whom shall be elected by the Board of Directors and shall be members of the Board of Directors. Any two of these offices, except those of president and secretary, and president and treasurer, may be filled by the same person.

Section 2. Election. Officers shall be elected at the annual meeting of the Board of Directors. The

initial officers shall be elected at the first meeting of ~~Directors~~ ~~Directors~~ following incorporation of the Foundation.

Section 3. Term and Removal. The officers of the Foundation shall hold office for one (1) year terms, and until their respective successors are elected and have qualified. Any officer elected by the ~~Board~~ ~~board~~ of ~~Directors~~ ~~Directors~~ may be removed by a majority of the ~~Directors~~ ~~Directors~~ holding then existing seats on the ~~Board~~ ~~board~~ whenever, in their judgment, the best interest of the Foundation will be served thereby. If the office of any officer shall become vacant for any reason, the vacancy shall be filled by the ~~Board~~ ~~board~~ of ~~Directors~~ ~~Directors~~ at its next meeting.

ARTICLE VI - DUTIES OF OFFICERS

Section 1. President. The ~~President~~ ~~president~~ shall preside at all meetings of the ~~members of the Board of Directors~~ ~~board of directors~~, and have such other powers as provided by these Bylaws or delegated by the ~~Board~~ ~~board~~.

Section 2. Secretary. The ~~Secretary~~ ~~secretary~~ shall supervise the keeping of the minutes of all meetings of the ~~Board of Directors~~ ~~directors~~ of the Foundation. The ~~Secretary~~ ~~secretary~~ shall have charge of such of the books and papers as the ~~Board~~ ~~board~~ of ~~Directors~~ ~~Directors~~ may direct, which shall at all reasonable times be open to the examination of any ~~Director~~ ~~director~~, upon reasonable notice to the ~~Secretary~~ ~~secretary~~. The ~~Secretary~~ ~~secretary~~ shall arrange to have proper notice of all meetings provided to the ~~Directors~~. ~~Unless otherwise agreed by a majority of the Board, all Foundation books and records shall be treated as confidential~~ ~~Directors~~.

Section 3. Treasurer. The ~~Treasurer~~ ~~treasurer~~ shall supervise the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Foundation. The ~~Treasurer~~ ~~treasurer~~ shall arrange to have all assets received by the Foundation managed as the ~~Board of Directors~~ provides. ~~Unless otherwise agreed by a majority of the Board, all Foundation books and records shall be treated as confidential.~~ ~~board of directors~~ provides.

Section 4. Vice President. The ~~Vice President~~ ~~vice president~~ shall, in the absence or disability of the ~~President~~ ~~president~~, perform the duties of the ~~President~~ ~~president~~ and such other duties as may be assigned.

Section 5. Executive Director. The ~~Executive Director~~ ~~executive director~~, if any, shall be the chief executive director of the Foundation under the direction of the ~~Board~~ ~~board~~ of ~~Directors~~ ~~directors~~. Subject to the direction of the ~~Board~~,

~~board~~ the Executive Director ~~executive director~~ shall have general and active management of the Foundation.

ARTICLE VII - FUNDING AND EXPENDITURES

Section 1. Funding. The research and publication undertaken by the Foundation shall be funded ~~in part by collecting an assessment of a certain amount per salmon or species of salmon by collecting from its donors an assessment of Twenty Dollars (\$20.00) per chinook salmon (Oncorhynchus tshawytscha) taken as bycatch in the marine trawl fisheries of the Bering Sea. The initial assessment rate shall be \$20.00 (Twenty Dollars) per bycaught chinook () salmon.~~ Adjustment to the assessment rate may be recommended by unanimous vote of the Directors of the Foundation, provided that the assessment rate shall not be increased until the Foundation has received from the other industries (such as logging and mining) whose activities affect salmon spawning and habitat funding in an amount commensurate with their impact on salmon populations and proportionate on that basis to the funds contributed by the marine trawl fisheries and Alutian Islands federal fisheries management areas and such other grants, donations and contributions as the board of directors may approve. Assessments shall be levied and collected according to the terms of assessment contracts between the Foundation and ~~fishing and/or processing companies~~ entities operating vessels in the groundfish fisheries of the Bering Sea. Such assessment contracts may be enforced by the Foundation through civil enforcement and collection actions, and other means as appropriate.

Section 2. Expenditures. The Foundation ~~has been formed for the primary purpose of promoting reduction of salmon bycatch in the Bering Sea trawl fisheries to the lowest practicable level. The Foundation board shall therefore budget, allocate and expend the Foundation's available funds in a fashion that ensures the reasonable funding needs of its bycatch control research, analysis and reduction recommendation functions are achieved before such funds are allocated to other activities. The Foundation board shall endeavor to fund the research appropriate to its purposes and publicly disseminate the results therefrom in the most cost-effective fashion possible. The Foundation shall structure its research plans and grants in a fashion that encourages research personnel to work on a cooperative, inter-institutional basis, and results in the lowest practically achievable overhead and administrative cost rates for the foundation itself and for its contractors.~~

ATTACHMENT B

BERING SEA FISHING INDUSTRY
SALMON BYCATCH CONTROL

RESPONSE*

F/V AJ
 F/V Alaskan
 F/T Alaska Ocean
 F/V Aldebaron
 F/V Aleutian Belle
 F/T Aleutian Challenger
 F/T Aleutian Speedwell
 F/V Alliance
 F/V Alsea
 M/V Alyeska
 F/V Amber Dawn
 F/V Ambition
 F/T American Beauty
 F/T American Champion
 F/T American Dynasty
 F/T American Empress
 F/T American Enterprise
 F/T American Triumph
 F/T Arctic I
 F/V Arctic III
 F/V Arctic IV
 F/V Arctic VI
 F/T Arctic Storm
 F/T Arctic Trawler
 F/V Arcturus
 F/V Argosy
 F/T Arica
 F/T Bering Enterprise
 F/T Bristol Enterprise
 F/T Brown's Point
 F/V California Horizon
 F/V Cape Falcon
 F/T Cape Horn
 F/V Cape Kiwanda
 F/V Caravelle
 F/V Carol Mary
 F/V Chelsea K
 F/T Claymore Sea
 F/V Coho
 F/V Columbia
 F/V Commodore

BSFI Response
page 2

F/V Courtney Noral
 F/V Dakota
 F/V Defender
 F/V Destination
 F/V Diane
 F/T Distant Water
 F/T Endurance
 F/V Excalibur II
 F/V Exodus
 F/V Golden Dawn
 F/T Golden Fleece
 F/V Goldrush
 F/V Great Pacific
 F/V Gun-Mar
 F/V Half Moon Bay
 F/T Harvester Enterprise
 F/T Heather Sea
 F/T Highland Light
 F/T Island Enterprise
 F/T Kodiak Enterprise
 F/V Leslie Lee
 F/T Linda Rose
 F/V Lone Star
 F/V Mar-Gun
 F/V Milky Way
 F/V Miranda Rose
 F/V Miss Leona
 F/V Morning Star
 F/V Muir Milach
 F/V Norpac III
 F/V New Oregon
 F/T Northern Eagle
 F/T Northern Glacier
 F/T Northern Hawk
 F/T Northern Jaeger
 F/T Ocean Enterprise
 F/T Ocean Leader
 F/V Ocean Rover
 F/V Pacific Challenger
 F/T Pacific Enterprise
 F/T Pacific Explorer
 F/T Pacific Glacier
 F/V Pacific Ram

BSFI Response
page 3

F/T Pacific Scout
F/V Pacific Viking
F/V Pegasus
F/V Poseidon
F/V Progress
F/V Provider
F/V Raven
F/T Rebecca Irene
F/T Resolute
F/V Rosella
F/V Royal American
F/V Royal Atlantic
F/T Royal King
F/T Royal Sea
F/T Saga Sea
F/V Sandra Fay
F/V Seadawn
F/T Seafisher
F/T Seattle Enterprise
F/V Seawolf
F/T Snow King
F/T Starbound
F/V Starfish
F/V Starlite
F/V Starward
F/V Storm Petrel
F/V Sunset Bay
F/V Topaz
F/V Tracy Ann
F/T Unimak Enterprise
F/V U.S. Dominator
F/T U.S. Enterprise
F/V Vesterdaalen
F/V Viking
F/V Viking Explorer
F/V Westward i

*Fishing Company of Alaska was specifically invited to participate in this initiative. As of November 30, 1993, they had not responded.

ATTACHMENT C-1

REQUEST FOR PROPOSALS

Background. This request for proposals ("RFP") is issued in connection with the salmon bycatch control policy approved by the North Pacific Fishery Management Council (the "Council") at its September, 1993 meeting (the "Policy").

As an element of the Policy, the Salmon Research Foundation (an Alaska nonprofit scientific research organization) will be responsible for implementing a bycatch data gathering, analysis and reporting program (the "Program") for the Bering Sea and Aleutian Islands areas of the federal Fishery Conservation Zone off Alaska (the "Areas"). The Program comprises three major elements.

The first element of the Program involves providing to the trawl fleet during the fishing season current reports in a range of formats that identify times, areas and fishing modes associated with salmon and other prohibited species bycatch. These reports are to be prepared and released in a fashion designed to enable the trawl fleet to take effective in-season bycatch avoidance actions (to the extent that it is possible to do so). The data base from which these reports are to be produced will be assembled by the National Marine Fisheries Service ("NMFS") Observer Program, and will be updated not less than daily.

The second element involves analyzing a number of fields of historical data to determine whether certain characteristics of trawl fishery operations can be associated with unusually high or low rates of salmon bycatch, and publishing the results of this research in a form useful to the fishing community. This element is intended to derive principles of trawl fishery operation that, if adhered to, could substantially reduce salmon bycatch (to the extent that it is possible to do so).

The third element of the Policy involves identifying streams of origin of bycaught salmon. This element is intended to provide a better understanding of the actual impact of trawl bycatch on the salmon stocks of Alaska, and to the extent possible, determine whether certain fishing times, areas or modes are associated with bycatch of salmon from "sensitive streams" (i.e., those with salmon runs that are perceived to be at critically low levels).

The functions described above are to be performed during the entire fishing year, with primary focus on the pollock "A" and "B" seasons.

The initial duration of this project is expected to be three (3) years (i.e., 1994 through 1996). However, the Council has reserved the right to (i) immediately implement other bycatch management alternatives if conditions specified in the Policy

fail to be met according to the schedule specified therein, or (ii) implement other bycatch management alternatives following the 1995 pollock "A" season if the Program is proving to be an ineffective bycatch control mechanism. It is possible that the program could be extended beyond 1996 if it is proving effective and a need for it continues to exist.

*
*
A separate RFP is being issued for the first two elements of the Program described above. This RFP addresses the first element only. Proposals responding to this RFP should be based on providing the services described below for a one (1) year period, beginning with the opening of trawl fishing on January 20, 1994. Proposers may wish to include a schedule of costs that would be associated with providing the services described below during subsequent years.

Proposals. A response to this RFP should provide the following:

1. A general statement of the proposer's qualifications, including resumes of the individuals who would be assigned to the tasks described in this section, and a general description of the resources the proposer would commit to the project.

2. A proposal to provide the trawl fleet of the Areas and the public with bycatch information and avoidance recommendations. The primary focus of the proposal should be salmon bycatch avoidance in the pollock and cod fisheries, with secondary consideration being given to salmon bycatch avoidance in other groundfish fisheries, and avoidance of other "prohibited species" catch in all fisheries. In connection with this function, the proposal should explicitly address:

2.1 Actions that could be taken by the trawl fleet and the proposer to promote the efficiency and timeliness of data submission to, assembly at and distribution by the NMFS Observer Program.

2.2 A description of the method(s) by which the proposer would retrieve from the NMFS data base, compile, analyze as appropriate and make available to the public on an "as soon as possible" basis in both raw and processed form the following data concerning each trawl gear tow made in the Bering Sea/Aleutian Islands federal fishery management areas containing not less than fifty percent (50%) pollock and/or cod by volume:

- (a) Date and time of day of gear was set
- (b) Latitude and Longitude of set
- (c) Depth of tow
- (d) Rate of Chinook (number per mt)
- (e) Rate of Other Salmon (number per mt)

- (f) Rate of Halibut (kilograms per mt)
- (g) Rate of Herring (kilograms per mt)
- (h) Rate of King Crab (number per mt)
- (i) Rate of Bairdi (number per mt)
- (j) Sea Temperature, at surface (where available)
- (k) Sea Temperature, at net (where available)
- (l) Average Speed of Tow

(NMFS is presently considering whether it can release to the public these data fields for fisheries other than pollock and cod. If NMFS concludes it can do so, the Foundation may desire bycatch reports to be generated for those fisheries as well. The proposer should separately identify the cost of providing such bycatch reports.)

2.3 The forms of reports the proposer would provide to the trawl fleet of the Areas and the public. The proposer should describe how the range of reports to be provided will meet the varying data reception and analysis capabilities of the various sectors of that fleet (small and large catcher boats in both shore delivery and mothership modes, small and large factory trawlers, etc.) and other interested parties. The reports will be required to separately identify "chinook" and "other" bycatch rates, and may be required to distinguish between the species of salmon in the "other" category if that information becomes available from NMFS. The proposal should include providing a preliminary training session in Seattle on or about January 4, 1994, concerning reception and use of the reports, and other general explanatory materials and training as appropriate throughout 1994.

3. A schedule of work that identifies key stages of implementation of the proposal. It is anticipated that a prototype program will be provided during the 1994 pollock "A" Season, that the prototype will be analyzed and modified during the interim between pollock "A" and "B" seasons, and that a refined version will be in place as of the opening of pollock "B" season.

4. The cost of providing the proposed services, and a budget and billing schedule that identifies anticipated expenditures and funding requirements by date, type and amount. The anticipated source of funding for the services described herein are voluntary assessment payments to the Foundation of \$20.00 per chinook salmon taken as bycatch in the trawl fisheries of the Areas. Assessment payments are expected to be made within approximately thirty (30) days of chinooks being taken as bycatch. The Foundation is not anticipated to have funds in advance of such assessments being collected. The proposal's billing and payment schedule should be structured to coincide with Foundation's anticipated income schedule.

General Terms

1. Submission Deadline. Responses to this RFP must be delivered to Joe Sullivan at Mundt, MacGregor, Happel, Falconer, Zulauf & Hall, 4200 First Interstate Center, 999 Third Avenue, Seattle, Washington, 98104 before 12:00 noon Pacific Standard Time on November 29, 1993. Proposals delivered by fax are acceptable. Mundt, MacGregor's fax number is (206) 624-5469.
2. Inquiries. Inquiries and all correspondence concerning this RFP should be directed to Joe Sullivan at the above address.
3. Proposal Selection. It is anticipated that the initial Board of Directors of the Foundation will select a proposal to provide the services described herein shortly after being elected. The Board is expected to be elected between December 6 and December 10, 1993. The proposal selection process, development of a contract, and other related matters will be at the sole discretion of the Foundation Board. Proposers should assume that: (i) the Foundation Board will pay no pre-contract compensation, and that all proposal preparation, discussions, contract negotiations and related matters are at the proposer's sole cost; (ii) the Board will reserve the right to reject any and all proposals; and (iii) proposal selection constitutes an opportunity to negotiate a contract related to the matters addressed in the RFP, and if the Foundation Board and the selected proposer are unable to negotiate a mutually acceptable contract, the selection will be withdrawn, and the Foundation Board will be free to pursue other proposals without any obligation, monetary or otherwise, to the initially selected proposer.
4. Ownership of Work Product. It is anticipated that the Foundation will wish to retain ownership of all of proposer's work product associated with fulfilling its obligations under a contract related to this RFP, including but not limited to any computer software and data bases developed in the process of doing so. Proposers desiring to retain ownership of any portion of their work product related to providing the services addressed by this RFP should clearly specify their intent and the portions of their work that would be affected.

MEMORANDUM

To: Request for Proposal Recipients
From: Mr. Joseph M. Sullivan
Date: November 22, 1993
Re: Salmon Bycatch Initiative

Based on conversations we have had with several of you, it has become apparent that the scope of work described in the Request for Proposal we sent to you recently may be too extensive to be undertaken as a single task, given the time constraints that we face. We have therefore prepared the attached matrix to identify our priorities. Please separately identify in your proposal the costs and reasonable timelines for implementing each of the Phases.

We consider it essential that Phase 1 be implemented as of January 20, 1994. We do not have specific deadlines in mind for phases 2 and 3; we would like to see them implemented as soon as feasible, and would appreciate your thoughts in that regard.

We understand that Phase 1 may best be treated as a prototype program that will identify data gathering, analysis and reporting issues to be resolved before expanding the scope of the program. We recognize that the logistical difficulties associated with implementing and moving beyond Phase 1 are difficult to quantify at this time, and we therefore would not consider it inappropriate if your cost quotes for Phases 2 and 3 were provided as ranges at this time, or if you wished to provide a cost for those phases at a later date.

Some of you have told us that it would be very difficult to develop proposals responding to the in-season bycatch feedback RFP and an historical data analysis RFP at the same time. Because in-season feedback is the highest priority at this point, we plan to set a due date for the historical analysis proposals that is well after start-up of the in-season phase of the Program.

We appreciate your comments. Please feel free to contact me if you have further questions or concerns.

JMS/vm
Enclosure
MRFP.008/JMST

	<u>Pelagic Pollock</u>	<u>Bottom Pollock</u>	<u>Cod</u>	<u>Rocksole</u>	<u>Other Flatfish</u>	<u>Yellowfin Sole</u>	<u>Rockfish</u>	<u>All Others</u>
Chinooks	A	A	A	C	C	C	B	B
Other Salmon	A	A	A					B
Halibut	B	B	B	C	C	C		C
Red King Crab	B	B	B	C	C	C		
Bairdi Crab	B	B	B	C	C	C		
Herring	B	B	B			C		

Phase 1 On a daily basis, procure all available NMFS tow-by-tow data files concerning all above-referenced fisheries and prohibited species and make the files available in raw form via an electronic bulletin board; and

Procure NMFS tow-by-tow data files daily for all class "A" interactions; prepare and release bycatch analysis, recommendations and reports on a daily basis.

Phase 2 Procure NMFS tow-by-tow data files daily for all class "B" interactions; prepare and release bycatch analysis, recommendations and reports on Tuesday, Thursday and Saturday of each week.

Phase 3 Procure NMFS tow-by-tow data files weekly for all class "C" interactions; prepare and release bycatch analysis, recommendations and reports on a weekly basis.

ATTACHMENT C-2

REQUEST FOR PROPOSALS

Background. This request for proposals ("RFP") is issued in connection with the salmon bycatch control policy approved by the North Pacific Fishery Management Council (the "Council") at its September, 1993 meeting (the "Policy").

As an element of the Policy, the Salmon Research Foundation (an Alaska nonprofit scientific research organization) will be responsible for implementing a bycatch data gathering, analysis and reporting program (the "Program") for the Bering Sea and Aleutian Islands areas of the federal Fishery Conservation Zone off Alaska (the "Areas"). The Program comprises three major elements.

The first element of the Program involves providing to the trawl fleet during the fishing season current reports in a range of formats that identify times, areas and fishing modes associated with salmon and other prohibited species bycatch. These reports are to be prepared and released in a fashion designed to enable the trawl fleet to take effective in-season bycatch avoidance actions (to the extent that it is possible to do so). The data base from which these reports are to be produced will be assembled by the National Marine Fisheries Service ("NMFS") Observer Program, and will be updated not less than daily.

The second element involves analyzing a number of fields of historical data to determine whether certain characteristics of trawl fishery operations can be associated with unusually high or low rates of salmon bycatch, and publishing the results of this research in a form useful to the fishing community. This element is intended to derive principles of trawl fishery operation that, if adhered to, could substantially reduce salmon bycatch (to the extent that it is possible to do so).

The third element of the Policy involves identifying streams of origin of bycaught salmon. This element is intended to provide a better understanding of the actual impact of trawl bycatch on the salmon stocks of Alaska, and to the extent possible, determine whether certain fishing times, areas or modes are associated with bycatch of salmon from "sensitive streams" (i.e., those with salmon runs that are perceived to be at critically low levels).

The functions described above are to be performed during the entire fishing year, with primary focus on the pollock "A" and "B" seasons.

The initial duration of this project is expected to be three (3) years (i.e., 1994 through 1996). However, the Council has reserved the right to (i) immediately implement other bycatch management alternatives if conditions specified in the Policy

fail to be met according to the schedule specified therein, or (ii) implement other bycatch management alternatives following the 1995 pollock "A" season if the Program is proving to be an ineffective bycatch control mechanism. It is possible that the program could be extended beyond 1996 if it is proving effective and a need for it continues to exist.

* A separate RFP is being issued for the first two elements of the Program described above. This RFP addresses the second element only. Proposals responding to this RFP should be based on providing the services described below for a one (1) year period, beginning with the opening of trawl fishing on January 20, 1994. Proposers may wish to include a schedule of costs that would be associated with providing the services described below during subsequent years.

Proposals. A response to this RFP should provide the following:

1. A general statement of the proposer's qualifications, including resumes of the individuals who would be assigned to the tasks described in this section, and a general description of the resources the proposer would commit to the project.

2. A proposal to conduct research designed to identify factors affecting the rates of salmon bycatch in the Areas, and to arrange publication of the results of that research.

2.1 The research should be designed to examine the relevant data available in NMFS/NOAA and other appropriate data bases to determine whether the rate of salmon bycatch in the Areas can be controlled by modifying the trawl fleet's fishing practices and the management regimes of the Areas, and to identify the range of discreet actions that could be taken to reduce salmon bycatch, if it appears possible to do so.

2.2 As a secondary element, the research should address the potential impacts of salmon avoidance activities on bycatch rates for other prohibited species.

2.3 In addition, the research should integrate bycatch information gathered under various data gathering protocols, fishing patterns and fishery management regimes in a manner that is designed to make it possible to fairly compare data on a year-to-year basis.

3. A schedule of work that identifies key stages of the research and target dates for publication.

4. The cost of providing the proposed services, and a budget and billing schedule that identifies anticipated expenditures and funding requirements by date, type and amount.

The anticipated source of funding for the services described herein are voluntary assessment payments to the Foundation of \$20.00 per chinook salmon taken as bycatch in the trawl fisheries of the Areas. Assessment payments are expected to be made within approximately thirty (30) days of chinooks being taken as bycatch. The Foundation is not anticipated to have funds in advance of such assessments being collected. The proposal's billing and payment schedule should be structured to coincide with Foundation's anticipated income schedule.

General Terms

1. Submission Deadline. Responses to this RFP must be delivered to Joe Sullivan at Mundt, MacGregor, Happel Falconer Zulauf & Hall, 4200 First Interstate Center, 999 Third Avenue, Seattle, Washington, 98104 before 12:00 noon Pacific Standard Time March 20, 1994. Proposals delivered by fax are acceptable. Mundt, MacGregor's fax number is (206) 624-5469.

2. Inquiries. Inquiries and all correspondence concerning this RFP should be directed to Joe Sullivan at the above address.

3. Proposal Selection. It is anticipated that the initial Board of Directors of the Foundation will select a proposal to provide the services described herein shortly after being elected. The Board is expected to be elected between December 6 and December 10, 1993. The proposal selection process, development of a contract, and other related matters will be at the sole discretion of the Foundation Board. Proposers should assume that (i) the Foundation Board will pay no pre-contract compensation, and that all proposal preparation, discussions, contract negotiations and related matters are at the proposer's sole cost, (ii) the Board will reserve the right to reject any and all proposals, (iii) proposal selection constitutes an opportunity to negotiate a contract related to the matters addressed in the RFP, and if the Foundation Board and the selected proposer are unable to negotiate a mutually acceptable contract, the selection will be withdrawn, and the Foundation Board will be free to pursue other proposals without any obligation, monetary or otherwise, to the initially selected proposer.

4. Ownership of Work Product. It is anticipated that the Foundation will wish to retain ownership of all of proposer's work product associated with fulfilling its obligations under a contract related to this RFP, including but not limited to any computer software and data bases developed in the process of doing so. Proposers desiring to retain ownership of any portion of their work product related to providing the services addressed by this RFP should clearly specify their intent and the portions of their work that would be affected.

**FISHERIES RESEARCH INSTITUTE**

ATTACHMENT D

University of Washington
School of Fisheries, WH-10
Seattle, Washington 98195
Telephone 206-543-4650
Telex 474-0096 UWUI
FAX 206-685-7471

21 November 1993

Mr. John Roos
Pacific Seafood Processors Association
4019 21st Ave. West, Suite 201
Seattle, Washington 98199

RECEIVED
NOV 29 1993

Dear John,


MUNDT, MACGREGOR, HAPPEL,
FALCONER, ZULAUF & HALL

This letter is to announce a research planning and coordination meeting on the proposed chinook and chum salmon stock identification program to be implemented by the Salmon Research Foundation. The meeting will be held in the Fisheries Center (Room 207), School of Fisheries, University of Washington, in Seattle on December 9, 1993 from 2-4 p.m.

The purpose of the meeting is to discuss the general framework of the proposed study, the status of chinook and chum genetic baseline data (including identification of key baselines that need to be collected), and the design of a genetic test-sampling program for the BSAI pollock "A" season. I hope that you will be able to attend this meeting. Scientists from the NMFS Alaska Fisheries Science Center (Observer Program and Auke Bay Laboratory), NMFS Northwest Fisheries Center, Alaska Department of Fish and Game (Juneau), U.S. Fish and Wildlife Service (Anchorage), and University of Alaska (Juneau) have also been invited to attend.

Thank you for your cooperation.

Yours truly



Ellen K. Pikitch,
Director

cc: V. Curry, J. Sullivan

December 1993

MOTION TO REQUEST THAT THE COUNCIL'S REGULATORY AMENDMENT
APPORTIONING THE GULF TRAWL HALIBUT CAP BETWEEN
THE DEEP AND SHALLOW COMPLEXES
AND OPENING YELLOWFIN AND OTHER FLATFISH IN THE BERING SEA
BEFORE ROCK SOLE CLOSURES BE IMPLEMENTED AS AN EMERGENCY RULE

Mr. Chairman,

I move to request the NMFS implement the Council's regulatory amendment apportioning the Gulf of Alaska trawl halibut cap between the deep and shallow complexes as defined in the amendment and opening the Bering Sea yellowfin and Other flatfish fisheries in the Bering Sea early in the year to provide alternative opportunities for vessels after the rock sole fishery closes as an emergency rule to assure that this action is in place as early in 1994 as possible.

My reasons for making this request are detailed in the paper being passed out, so I will simply summarize ~~my~~ reasons:

1. THE NEED FOR THIS REGULATORY AMENDMENT WAS NOT FORSEEN UNTIL THE SEPTEMBER COUNCIL MEETING WHEN EXCLUSIVE REGISTRATION FAILED. ALSO, THE OVERFISHING PROBLEM WITH THORNYHEADS WAS NOT KNOWN UNTIL LATE SEPTEMBER OF THIS YEAR.
 - A. It was anticipated that Exclusive Registration between the Gulf and Bering Sea for pollock and flatfish, an amendment the Council overwhelmingly approved for public review in June would resolve the problems. This amendment, however, in September proved to be very controversial and industry was asked to come up with alternative solutions. For the halibut bycatch allocation problem industry did successfully negotiate a solution which they brought before us in September.
 - B. The fact that the bycatch of thornyheads in the longline fleet had been consistently underestimated and that thornyheads would reach the overfishing definition this year and probably in future years was not known until late September. This regulatory amendment will reduce the early year bycatch of thornyheads in the trawl fishery.

2. THIS REGULATORY AMENDMENT WILL REDUCE THE INFLUX OF EFFORT FROM THE BERING SEA WHEN ROCK SOLE CLOSES, SLOW DOWN THE RATE OF HALIBUT BYCATCH AND ALLOW NMFS TO CLOSE THE TRAWL FISHERY WHEN THE QUARTERLY CAP IS REACHED, RATHER THAN WELL AFTER THE CAP IS REACHED AS HAS HAPPENED THE LAST SEVERAL YEARS.

THIS REGULATORY AMENDMENT WILL ALSO REDUCE OR ELIMINATE THE RACE FOR HIGH VALUE SPECIES EARLY IN THE YEAR, PARTICULARLY THORNYHEADS AND SHORTRAKER ROUGHEYE. THORNYHEADS REACHED THE OVERFISHING DEFINITION THIRD QUARTER IN 1993. THE SHORTRAKER/ROUGHEYE QUOTA WAS EXCEEDED.

- A. A review of pin number data indicates that when rock sole closes in the Bering Sea, 11 vessels move into the Gulf. Another 7 move into the Gulf when Atka Mackerel closes. Most of these vessels appear to be "looking for something to do," spend one to three weeks in the Gulf and show high halibut bycatch rates and indications of covert targeting on rockfish. There are other vessels who come to the Gulf to fish Rex sole, show only Rex sole targets and average to low halibut bycatch rates. It is felt if the vessels looking for something to do after rock sole closes could move into yellowfin and other flatfish in the Bering Sea they would not come into the Gulf.
- B. Company records indicate what the NMFS data shows -- there is a high bycatch of arrowtooth flounder in the rex sole fishery early in the year. In 1993 over 500 MT of halibut mortality was used to catch and discard arrowtooth flounder. This is a waste of halibut and can be avoided by reducing the amount of rex sole fishing early in the year.
- C. Over half the trawl catch of thornyheads occurred during the first five months of 1993, even though rockfish fishing did not open until July 1. Reducing the opportunity to exceed the halibut cap first and second quarter and offering alternative opportunities in the Bering Sea is expected to reduce the trawl thornyhead bycatch early in the year.

3. TO FULLY BENEFIT FROM THIS REGULATORY AMENDMENT IN 1994 IT SHOULD BE IN PLACE BEFORE THE END OF THE ROCKSOLE FISHERY. THIS FISHERY HAS HISTORICALLY ENDED IN LATE FEBRUARY, EARLY MARCH. INDUSTRY NEGOTIATED THE PROVISIONS OF THIS REGULATORY AMENDMENT AND CAME UNITED BEFORE US IN SEPTEMBER SUPPORTING THIS AMENDMENT. HOLDING THIS AMENDMENT UP SO IT CAN GO THROUGH THE NORMAL RULE MAKING PROCESS CIRCUMVENTS THE INTENT OF INDUSTRY.

Failure to implement this amendment by emergency rule allows continued waste of halibut bycatch to support high bycatches of arrowtooth flounder, risks driving thornyheads to the overfishing definition and opens the opportunity for Pacific Ocean Perch bycatch to reach the overfishing definition -- all of which would close fisheries for the remainder of the year. The economic loss by not having this amendment implemented on an emergency basis are substantial.

4. ECOLOGICAL CONCERNS INCLUDE PREVENTING OVERFISHING OF THORNYHEADS AND PACIFIC OCEAN PERCH IN THE CENTRAL GULF BY SLOWING DOWN THE INFLUX OF BERING SEA VESSELS INTO THE GULF, LIMITING THE AMOUNT OF DEEP COMPLEX SPECIES WHICH CAN BE TAKEN AND OFFERING ALTERNATIVE OPPORTUNITIES IN THE BERING SEA.

5. FAILURE TO HAVE SOME CONTROL ON THE INFLUX OF BERING SEA EFFORT AND FAILURE TO OFFER BERING SEA VESSELS ALTERNATIVE OPPORTUNITIES HAVE HAD SEVERE ECONOMIC IMPACTS, AND WILL CONTINUE TO HAVE SEVERE ECONOMIC IMPACTS, ON ALL SEGMENTS OF THE GULF TRAWL INDUSTRY.

A. In May of this year, when the second quarter halibut cap was reached, Kodiak's unemployment rate jumped to 17% -- the highest in the state at that time. Vessels are tied up, plant workers are laid off and the whole community suffers.

B. This year thornyheads reached the overfishing definition and all deep flatfish and rockfish fishing was closed. No factory trawlers were able to fish the Gulf 4th Quarter. Rockfish were left on the grounds. The Gulf fleet struggled with shallow flatfish, but had high halibut bycatch rates until late November. Were deep flatfish open, the fleet would have fished deep flats until the halibut moved deep.

6. THE SOCIAL COSTS TO BOTH THE COMMUNITY OF KODIAK AND THE GULF FACTORY FLEET WILL BE HIGH IF THIS AMENDMENT IS NOT IMPLEMENTED AS QUICKLY AS POSSIBLE.

A. Kodiak will continue to have spurts of unemployment in the 15 to 17% range when the fisheries are closed due to the halibut cap being reached. Use of halibut to catch and discard arrowtooth will continue, precluding more profitable uses by all segments of the fleet. Lack of fishing opportunities reduces the cash flow through Kodiak, affecting merchants and municipal governments as well.

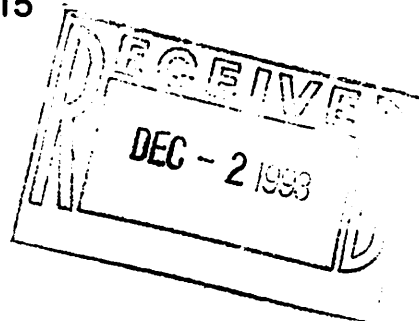
*The need for the change in the dr. fish. std
is to prevent people using arrow tooth*

907-486-3910
Box 991



Kodiak, Alaska
99615

FAX 486-6292



November 30, 1993

Richard Lauber
Chairman, North Pacific Fisheries Management Council
PO Box 103136
333 West 4th Avenue
Anchorage, Alaska 99615

Re: Regulatory amendment apportioning GOA trawl halibut PSC to shallow and deep complexes.

Dear Richard;

As members of the Board of Directors of Alaska Dragger Association, we support the management plan as negotiated by industry and approved by the Council during the September Council meeting.

We feel that this plan will make individual groups more accountable for their respective halibut bycatch; and if this last quarter is an indication, allow more fishing time to the shore based fleet, particularly when residents of the processing communities are most vulnerable to the economic condition of the fisheries.

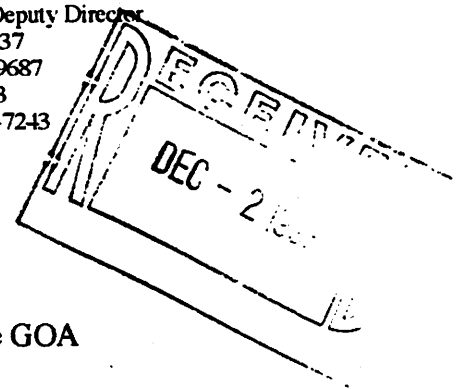
Signed,

Coastal and In River Fisheries Alliance

Frank Charles Ex. Director
P.O. Box 812
Bethel, Ak. 99559
(907) 543-2608
fax: (907) 543-2639

Tate P. Hayes Deputy Director
2310 E. 20th Ave.
Anchorage, Ak. 99508
(907) 272-3943
fax: (907) 272-5149

Page Herring Deputy Director
P.O. Box 878837
Wasilla, Ak. 99687
(907) 376-7243
fax: (907) 376-7243



Richard B. Lauber, Chairman--NPFMC
605 West 4th Avenue
Anchorage, Ak. 99501

RE: Request for initiation of Salmon Bycatch Control Framework for the GOA

December 2, 1993

HAND DELIVERED

Dear Mr. Lauber:

CIRFA, along with salmon user groups throughout South-central Alaska feel that there is an immediate need to address the issue of salmon bycatch in the GOA. This has been stated on the record during several of past recent NPFMC meetings. We realize that this is not the standard time for frameworks to be initiated, but feel that the immediate need to initiate the framework is clearly present at this time.

Salmon bycatch in the BSAI and the GOA is a serious problem that must be addressed immediately. The present level of salmon bycatch is something that we all are concerned about, especially at a time when many areas in Alaska and the Pacific NW are seeing severe conservation problems, as well as the loss of traditional subsistence fisheries and long standing commercial fisheries. Now is the time for the terminal areas, the NPFMC and the trawl industry to put forth efforts to reduce trawler salmon bycatch and eliminate the discard of all salmon bycatch in both the BSAI and the GOA.

In an attempt to reduce salmon bycatch, a salmon bycatch control policy has been adopted by the NPFMC which only applies to the BSAI. This salmon bycatch control policy incorporates many aspects that will provide the ability to obtain a greater knowledge and understanding of salmon bycatch in the BSAI. This knowledge and understanding will lead to ways of reducing salmon bycatch. A salmon bycatch control policy, much like the policy for the BSAI, must be initiated in the GOA immediately. We request that a salmon bycatch control policy be initiated by the NPFMC at the December 1993 meeting.

The components of the BSAI control policy which could be immediately adopted for the GOA, with some modification, follow this letter in the "Salmon Bycatch Control Framework for the GOA".

Thank you for your time and consideration on this important issue.

Tate Hayes / Deputy Director CIRFA

Salmon Bycatch Control Framework for the GOA

1. Adoption of the following regulations:

- a. Retention of all salmon bycatch in GOA trawl fisheries.
- b. Implementation of more specific data gathering and / or expansion of logbook procedures and entries as appropriate to develop bycatch pattern analysis.
- c. A stiff penalty (greater than \$10,000) for observed salmon bycatch discards, shall be assessed by NMFS.

2. Sample retained salmon as appropriate to conduct migratory and bycatch pattern, and stream of origin analysis (recording of tags and other visual identifications, as well as scale analysis or GSI). Sampling, and analyzing results of retained salmon will be funded by assessment fees for all salmon bycatch in the trawl fisheries of the GOA. Due to the large numbers of "other" salmon bycatch in the GOA, assessment fees for all salmon shall be mandatory. Appropriate fees are: \$20.00 for Chinook salmon and \$10.00 for all other salmon. This assessment fee shall act as a deterrent to salmon bycatch, as well as provide monies for sampling and analyzing salmon bycatch.

3. After sampling, all salmon will be preserved in a "food grade" state, and turned over at point of landing for distribution in food banks or in other related donated public use, provided that such fish are not placed in commerce. The NPFMC shall recognize that retention and donation of salmon bycatch for public use does not legitimize salmon bycatch in any manner.

4. Regulations in the framework will provide managers with the ability in the development of accurate estimates of salmon bycatch numbers, stock composition, spatial distribution, temporal and other influences, all of which will provide tools for developing management practices aimed at reducing salmon bycatch in the GOA.

5. As the knowledge of the salmon bycatch composition and distribution patterns increases, the fishing practices of the trawl fleet shall be modified, immediately to decrease the overall bycatch and impact on discrete salmon stocks. This shall be facilitated by the utilization of smaller management areas and by determining season timelines, increasing management flexibility aimed at reducing salmon bycatch.

6. If the reduction of salmon bycatch does not occur with the preceding guidelines, the collected data and information would enable staff to determine legitimate standards of salmon bycatch, and if necessary, provide the NPFMC with an appropriate cap or limit of salmon bycatch.

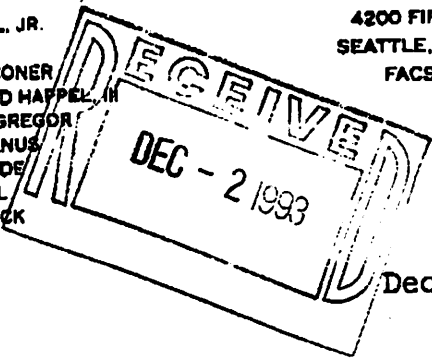
7. It is the industry's privilege to participate in the trawl fisheries off Alaska's coasts. The industry's negative impact on the resource, plus the total social cost that is inflicted upon coastal and in-river communities must be compensated, in the form of repayment, by the industry.

MUNDT, MACGREGOR, HAPPEL, FALCONER, ZULAUF & HALL
ATTORNEYS AT LAW

SPENCER HALL, JR.
JAY H. ZULAUF
JAMES C. FALCONER
HENRY HOWARD HAPPEL, III
WM. PAUL MACGREGOR
BRIAN T. MCMANUS
MICHAEL J. HYDE
J. DAVID STAHL
MATTHEW L. FICK

4200 FIRST INTERSTATE CENTER
SEATTLE, WASHINGTON 98104-4082
FACSIMILE: (206) 624-5469
(206) 624-8950

JANET H. CHEETHAM
MITCHELL A. BROZ
JOHN WARNER WIDELL
W. SCOTT ZANZIG
KYLE R. SUGAMELE
JOSEPH M. SULLIVAN
KATHLEEN C. VAN OLST
COLLEEN M. MARTIN
J. SCOTT HARLAN
ALISON K. CHINN



December 2, 1993

Dr. Clarence G. Pautzke
Executive Director
North Pacific Fishery Management Council
605 West 4th Avenue
Anchorage, Alaska 99501

SENT VIA FAX

Re: December Council Meeting - Salmon Bycatch
Initiative

Dear Clarence:

Thanks for the memo outlining the tasks to be completed in connection with the above-referenced matter. We look forward to seeing you next week.

We originally planned to have the Foundation incorporated in advance of the December meeting, and to have the first meeting of the Foundation's members held in connection with that meeting. However, we are still in the process of finalizing the Foundation's Articles and Bylaws, and trawl fleet and salmon fishery representatives are still in the process of selecting individuals to represent them on the Foundation board. We expect these matters to be resolved in the next week or so. We have revised the Foundation's corporate documents to provide that the full initial board of directors of the Foundation will be named in the Articles of Incorporation, so a Council meeting to elect directors will not be necessary until December of 1994. We expect the Foundation to be incorporated and its board to be constituted by mid-December, and anticipate that the board will formally adopt a research plan and budget shortly thereafter. Therefore, the Foundation should be able to submit final versions of the budget and research plan to the Council at its January meeting.

In light of these developments, we plan to submit to the Council next week (i) a summary of the proposals concerning in-season bycatch analysis and stock identification, and the request for proposals concerning analysis of historical bycatch data, and (ii) a draft budget based on projected assessment incomes and contracted services costs. As of November 30, we had

Dr. Clarence G. Pautzke
December 2, 1993
Page 2

MUNDT, MacGREGOR, HAPPEL,
FALCONER, ZULAUF & HALL

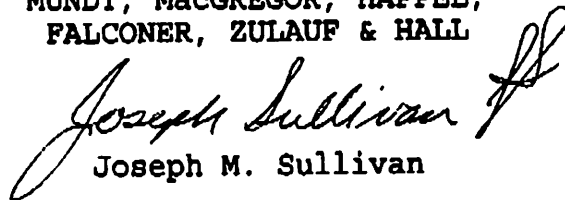
received three proposals concerning in-season bycatch pattern analysis and reporting, and a preliminary proposal for the stock identification analysis. With your concurrence, we have sent copies of the proposals to the Scientific and Statistical Committee with a request that S.S.C. be prepared to provide the Council with their reactions and recommendations during the course of the meeting. We believe the information the Council will receive from us and from the S.S.C. should enable the Council to determine whether the Foundation element of the bycatch initiative meets the conditions established in September.

We understand that the Council's official and unofficial agendas for next week are quite full. However, if Council members wish to meet informally with working group members and/or potential directors, we would be pleased to help schedule a meeting. As you may know, NOAA General Counsel has concerns regarding the Council acting as the Foundation member while it is in session. Therefore, time spent on Foundation-specific matters would have to be during periods that the Council was in recess or after it had adjourned.

Should you have any questions or concerns regarding this matter, please feel free to contact me.

Very truly yours,

MUNDT, MacGREGOR, HAPPEL,
FALCONER, ZULAUF & HALL


Joseph M. Sullivan

JMS:js

LPAUTZK2.008/JMS

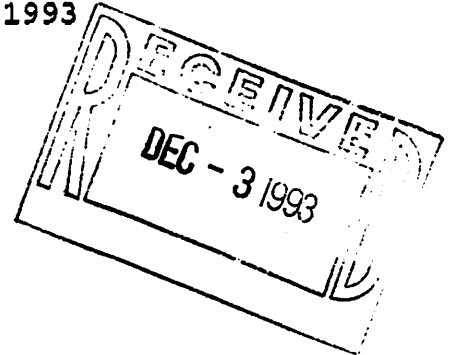
cc: Mr. Joseph R. Blum
Mr. Vincent A. Curry
Ms. Kate Graham



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
National Marine Fisheries Service
 P.O. Box 21668
 Juneau, Alaska 99802-1668

AGENDA D-2(b)
 DECEMBER 1993
 Supplemental

December 1, 1993



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

Dear Rick,

At its September 1993 meeting, the North Pacific Fishery Management Council (Council) recommended that NMFS prepare rulemaking to require the retention of salmon taken in the Bering Sea and Aleutian Islands Area (BSAI) trawl fisheries until all salmon have been counted by a NMFS-certified observer. The rule also would authorize the disclosure of specified observer data on prohibited species bycatch. The intent of the recommended measures is to (1) obtain the number of chinook salmon taken by each vessel for purposes of independent industry initiatives to address the salmon bycatch problem, and (2) to collect and disseminate additional data on salmon bycatch for purposes of initiating research that might lead to measures that would resolve this problem.

Subsequent to the Council's action in September, industry representatives for the Salmon Research Foundation requested that NMFS implement regulations to authorize the disclosure of additional observer data to support the Foundation's research initiatives. A proposed rule to implement the Council's recommended action and the Foundation's request for disclosure of additional data has been prepared and is undergoing Regional review. We anticipate submitting the proposed rule to our Headquarters Office for review in early December. Pending its approval, the rule likely could not be effective before April 1994.

We understand that industry members may be concerned about this implementation schedule. They perceive that data on the number of salmon taken during the 1994 pollock 'A' season will not be available for purposes of the Foundation's initiative to assess a fee for each chinook salmon taken by vessels participating in its program. We believe, however, that the Foundation's program could still proceed during the upcoming pollock 'A' season under existing regulations that require all vessel operators to count and record in the vessel's logbook the number of chinook salmon taken as bycatch each day the vessel participates in the groundfish fishery. Vessel operators voluntarily could provide



these numbers to the Foundation for purposes of the voluntary fee assessment program. Although this situation will not be viewed as ideal for purposes of the voluntary fee assessment program, we believe that it could provide an interim solution during the period that the proposed rule is undergoing Secretarial review.

Provided that sufficient staff and other resources are available, the NMFS Observer Program is willing to work with industry members who wish to participate in a voluntary program to assess an effective communication system for the timely inseason exchange of specified observer data on prohibited species bycatch. The development of such a program would support industry initiatives to obtain timely inseason data on salmon and other prohibited species bycatch that could be used to develop inseason guidelines for use by vessel operators to reduce prohibited species bycatch rates.

Sincerely,



Steven Pennoyer
Director, Alaska Region

Harold Sparck

Recognizing the Council's announced April, 1994 date to begin consideration of NMFS's proposed regulation for full retention of Bering Sea area salmon will delay until 1995 initiation of the proposed Foundation program, the AP members listed below hold the trawl fleet responsible for minimizing bycatch of impacted and rebuilding Western and Southcentral chinook and chum stocks in 1994.

A recent Alaska Board of Fish resolution (93-09-FB) adds chum conservation throughout its offshore Alaska range to the outstanding chinook bycatch issue.

To achieve this end, we find re-introduction of BS/AI Amendment 21(B) as a suitable action unless:

- * the Council continue to seek a MFCMA amendment giving itself authority to impose a graduated fee structure on prohibited species catch as a disincentive tool.
- * that the fee structure of the proposed Salmon Foundation be amended to include chums.
- * that the Gulf of Alaska salmon bycatch be considered for inclusion in the Salmon Foundation as expeditiously as possible.
- * that a Southcentral salmon user be designated as the ninth Foundation Board member to account for the 18% Southcentral Chinook contribution in the BS/AI groundfishery based on Myers et. al. (1991) and NMFS INPFC data on chinook region of origin.
- * as evidence of goodwill, the trawl industry will volunteer to institute 2 "A" season observers on 100% boats, 30% boats/plants and vessels less than 60 feet will move to 100% coverage within the Foundation's critical mass.

Signed: Harold Sparck
Dean Paddock
Penny Pagels
Dan Falvey
Doug Ogden

the majority of observed chinook accounting

Recognizing the Council's announced April, 94 date to consider NMFS proposed regulation for Full retention of Bering Sea area salmon in 1994, the AP members listed below hold the trawl fleet responsible for minimizing bycatch of impacted and rebuilding Western Alaskan chinook and chum stocks. A recent Alaska Board of Fish resolution (93-09-FB) adds chum conservation throughout its off-Alaska range to the outstanding chinook bycatch issue. To effect this program, we find re-introduction of 21(b) as a suitable action unless:

1. ~~that~~ the Council ~~should~~ continues to seek an MFCMA amendment giving it authority to impose a graduated fee structure on prohibited species catch as a disincentive tool.
2. that the fee structure of the proposed salmon Foundation be amended to include chums
3. that Gulf of Alaska salmon bycatch be considered expeditiously as a plan amendment.
4. that a southcentral salmon user be designated as the next Foundation Board member to account for the 18% southcentral chinook contribution in the BS/AI groundfishery based on Myers et al. (1991) and NMFS /NPFCC data on chinook region of origin.
5. as evidence of goodwill, voluntary placement of 2A observers on 100% boats, 30% boats/plants with 100% coverage, within their critical mass

Imparack
Lynn Tedesco
Ben Payne
Wen Zang
Doug [unclear]

? WHAT ABOUT 1994 "A" SEASON? CAN'S
YOU REQUEST INCREASED OBS. COVERAGE
FOR THE PALUOCK FISHERY SO THAT
THE COLLECTION OF FINES IS INITIATED?

Water level (1) is 1000mm

1000

ALASKA BOARD OF FISHERIES

RESOLUTION

WHEREAS, the Alaska Board of Fisheries held a special public meeting on December 1 - 4, 1993, in Anchorage, Alaska at the 4th Avenue Theater, to review issues associated with urgent conservation problems of western Alaska chum salmon resources;

WHEREAS, the board reviewed comprehensive reports presented by the staff of the Alaska Department of Fish and Game, state Fish and Wildlife Protection, and state Department of Law;

WHEREAS, the board received extensive public written and oral testimony documenting this urgent conservation problem and urging actions be taken to address these problems;

WHEREAS, the board discussed the above information among its members, with the state staff and the public;

WHEREAS, the board learned and expressed extreme concern that:

1. A poor return of chum salmon occurred throughout western Alaska in 1993.
2. The chum salmon returns were critically low, in the Arctic-Yukon-Kuskokwim regions, where the department determined it necessary to close major commercial, sport, personal use and subsistence fisheries to promote sustained yield of these important chum salmon returns.
3. The closures were felt particularly hard by the region's rural residents as it was not possible to allow normal traditional or even limited subsistence harvesting of chum salmon in many areas.
4. Despite these extensive fishery closures, escapement needs in many important spawning areas were not attained.
5. Below average returns of chum salmon to western Alaska systems may occur again in 1994 which are expected to require some subsistence fishery restrictions or closures.
6. That the bycatch of chum salmon in the Gulf of Alaska and Bering Sea groundfish trawl fisheries, managed by the North Pacific Fisheries Management Council, reached a record high level in 1994, totaling in excess of 300,000 chum salmon.

WHEREAS, the board and department are in the process of developing new fisheries management plans, for salmon fisheries

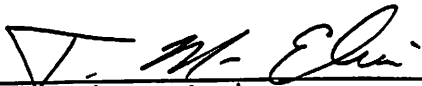
under state jurisdiction, to ensure that the 1994 chum salmon run can be managed for sustained yield.

WHEREAS, The management plans will address inriver and terminal fisheries in the Arctic-Yukon-Kuskokwim Region, as well as ocean fisheries conducted as far south as the southern shore of the Alaska Peninsula, in the Gulf of Alaska; and

WHEREAS, a continuation of a high chum salmon bycatch rate in the federally managed trawl fisheries will hamper the state's conservation efforts to manage western Alaska chum salmon resources to ensure sustained yields for future years.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Alaska Board of Fisheries respectively requests the North Pacific Fisheries Management Council (NPFMC) to do everything in its power to take necessary emergency actions to eliminate the bycatch of chum salmon during the prosecution of 1994 trawl fisheries in the Gulf of Alaska and Bering Sea; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor of the State of Alaska, Carl L. Rosier, Commissioner of Alaska Department of Fish and Game, Richard Lauber, Chair, NPFMC, Clarence Pautzke, Executive Director, NPFMC, and the Honorable Ronald Brown, Secretary of Commerce.



Tom Elias, Chairman
Alaska Board of Fisheries

12/4/93

Date

Vote: (7 / 0) (Yes/No)
Approved: Anchorage, AK (4TH Avenue Theater)

SALMON RESEARCH FOUNDATION
Funding and Research Plan
December 6, 1993

1. Funding.

1.1 Projected Income - Amount. Assuming (i) a 1994 pristine Bering Sea/Aleutian Islands ("BS/AI") chinook bycatch amount equal to the average number of chinook taken in those areas in 1991, 1992 and 1993 (per Amendment 21 analysis and NMFS Bulletin Board postings), (ii) the Salmon Research Foundation in-season feedback program resulting in a reduction of 1994 BS/AI chinook bycatch by twenty percent (20%), (iii) payment of Salmon Research Foundation assessments by vessels taking seventy percent (70%) of 1994 BS/AI chinook bycatch, and (iv) an assessment rate of \$20.00 per chinook salmon taken as bycatch in the groundfish fisheries of the BS/AI areas, the Foundation's projected income is as follows:

$$\frac{(43,261 + 42,350 + 39,497)}{3} \times .80 \times .70 \times \$20.00 = \$467,070$$

1.2 Projected Income - Timing. Foundation assessment agreements are expected to provide that assessment payments will be made within twenty (20) days of landing raw fish or product from the fishing trip during which the related chinook bycatch took place. Assuming chinook bycatch timing in the BS/AI will remain consistent with the patterns observed during the 1980's and 1990's in foreign, joint venture and domestic groundfish fisheries, approximately 33% of the 1994 BS/AI chinook bycatch will occur in January and February, and approximately 75% will have occurred by early May.

2. Research Plan. Because the Foundation board had not yet been constituted as of mid-November, we solicited on its behalf proposals concerning two of the major elements of the salmon bycatch initiative. The stock identification proposal was solicited from the Fisheries Research Institute ("FRI") of the University of Washington through a series of discussions with FRI personnel. The in-season feedback proposals were solicited through a formal written "Request for Proposals" that was developed through discussions with trawl vessel operators, Observer Program personnel and several data analysts with relevant experience.

We have developed a second formal "RFP" for analysis of historical bycatch data, but at the request of several the in-season feedback proposers, we have not yet released it.

The success of the in-season feedback component of the Foundation's research plan will depend in large part on Foundation contractors being able to acquire "fresh" observer data from the Observer Program. We have had extensive

discussions with Drs. Aron and Clark concerning this matter, and have been assured that the Observer Program will cooperate fully in attempting to meet the Foundation's data needs. We understand that Observer Program personnel are presently developing procedures and software that should be sufficient to support the enclosed analysis and feedback proposals.

We anticipate that the board of directors of the Foundation will make final decisions as to contractor selection, scope of work, and fund collection and disbursement schedules in the near future. A brief summary of proposals to the Foundation that we have received follows.

2.1 Stock Identification
(One Proposal)

Fisheries Research Institute and Consortium

Baseline Sample Collection	\$70,000
Scale Pattern Analysis	\$50,000
Electrophoresis	\$150,000
DNA Analysis	\$90,000
Statistical Analysis	\$50,000
Bycatch Estimation	\$10,000

FRI's proposal is based on a cooperative research effort being conducted by FRI, the Alaska Department of Fish and Game, the National Marine Fisheries Service (including the Alaska Fisheries Science Center, the Observer Program, the Auke Bay Laboratory and the Northwest Fisheries Science Center) the U.S. Fish and Wildlife Service and the University of Alaska.

FRI's proposal addresses all three forms of currently available stock identification analysis (i.e., scale pattern, electrophoresis, and DNA). The Foundation board may wish to undertake less than all three types of such analysis during its first year of operations.

This proposal may include certain costs that have already been programmed into the budgets of other agencies. A December 9 meeting among representatives of the various institutions and agencies that will make up the stock identification consortium is expected to address this issue, among others.

This proposal does not include the costs specifically related to preserving tissue samples for electrophoresis. Those costs are currently being estimated.

2.2 In-Season Bycatch Pattern Feedback
(Three Proposals)

These proposals assume that the Observer Program will collect and provide access to certain fields of bycatch data from the BS/AI trawl fisheries on something approximating a "real time" basis. Observer Program personnel are presently working on procedures that will make a set of such data adequate to support statistically valid bycatch pattern analysis available for the 1994 "A" season.

After the RFP concerning this element of the initiative was released, Observer Program personnel and several of the proposers suggested to us that the scope of work be divided into phases. The first phase, which these proposals address, focuses on interactions with salmon in the pollock and cod fisheries. The second and third phases pick up interaction between a broader range of prohibited species and groundfish fisheries.

Fisheries Information Services (Janet Smoker)

In-season Monitoring and Data Development	\$5,500
--	---------

This proposal does not address procedures or costs for communicating bycatch pattern analysis to the fleet.

LGL Alaska Research Associates, Inc.

Design, Set-up and Implementation	\$41,270
1994 Operation and Maintenance	\$130,373
Equipment Purchases	\$4,950
Voice Mail System	\$25,000 to \$45,000

LGL's proposal incorporates a number of automated voice mail communications system proposals from Winter Telecom, Inc. It is based on seven months of active feedback (during the pollock and cod fisheries) and one month spent generating reports for the Foundation and Council.

Sea State Inc.

Bycatch Pattern Analysis and Feedback	\$24,600
--	----------

This proposal is based on running a computerized bulletin board at Sea State, where results of bycatch pattern analysis would be posted on a daily basis. In addition, print-outs of the analysis would be made available via fax (with the

persons or entities receiving the transmission bearing the long distance line cost). Sea State is currently investigating the cost of providing daily SATCOM broadcasts of bycatch pattern maps, but had not received the final cost data as of the proposal deadline. This proposal covers ninety days of pollock and cod fishing activity, commencing January 20, 1994. Project costs would increase by \$140/day for each additional day reporting would be required.

finplan2.008

ALASKA BOARD OF FISHERIES

RESOLUTION

WHEREAS, the Alaska Board of Fisheries held a special public meeting on December 1 - 4, 1993, in Anchorage, Alaska at the 4th Avenue Theater, to review issues associated with urgent conservation problems of western Alaska chum salmon resources;

WHEREAS, the board reviewed comprehensive reports presented by the staff of the Alaska Department of Fish and Game, state Fish and Wildlife Protection, and state Department of Law;

WHEREAS, the board received extensive public written and oral testimony documenting this urgent conservation problem and urging actions be taken to address these problems;

WHEREAS, the board discussed the above information among its members, with the state staff and the public;

WHEREAS, the board learned and expressed extreme concern that:

1. A poor return of chum salmon occurred throughout western Alaska in 1993.
2. The chum salmon returns were critically low, in the Arctic-Yukon-Kuskokwim regions, where the department determined it necessary to close major commercial, sport, personal use and subsistence fisheries to promote sustained yield of these important chum salmon returns.
3. The closures were felt particularly hard by the region's rural residents as it was not possible to allow normal traditional or even limited subsistence harvesting of chum salmon in many areas.
4. Despite these extensive fishery closures, escapement needs in many important spawning areas were not attained.
5. Below average returns of chum salmon to western Alaska systems may occur again in 1994 which are expected to require some subsistence fishery restrictions or closures.
6. That the bycatch of chum salmon in the Gulf of Alaska and Bering Sea groundfish trawl fisheries, managed by the North Pacific Fisheries Management Council, reached a record high level in 1994, totaling in excess of 300,000 chum salmon.

WHEREAS, the board and department are in the process of developing new fisheries management plans, for salmon fisheries

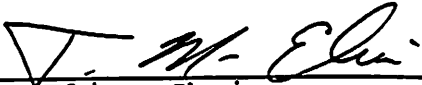
under state jurisdiction, to ensure that the 1994 chum salmon run can be managed for sustained yield.

WHEREAS, The management plans will address inriver and terminal fisheries in the Arctic-Yukon-Kuskokwim Region, as well as ocean fisheries conducted as far south as the southern shore of the Alaska Peninsula, in the Gulf of Alaska; and

WHEREAS, a continuation of a high chum salmon bycatch rate in the federally managed trawl fisheries will hamper the state's conservation efforts to manage western Alaska chum salmon resources to ensure sustained yields for future years.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Alaska Board of Fisheries respectively requests the North Pacific Fisheries Management Council (NPFMC) to do everything in its power to take necessary emergency actions to eliminate the bycatch of chum salmon during the prosecution of 1994 trawl fisheries in the Gulf of Alaska and Bering Sea; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be sent to the Honorable Walter J. Hickel, Governor of the State of Alaska, Carl L. Rosier, Commissioner of Alaska Department of Fish and Game, Richard Lauber, Chair, NPFMC, Clarence Pautzke, Executive Director, NPFMC, and the Honorable Ronald Brown, Secretary of Commerce.



Tom Elias, Chairman
Alaska Board of Fisheries

12/4/93

Date

Vote: (7 / 0) (Yes/No)
Approved: Anchorage, AK (4TH Avenue Theater)

TERRA MARINE RESEARCH & EDUCATION

7052 New Brooklyn Rd.
Bainbridge Island, WA 98110
(206) 842-3609 Phone & Fax

Northwest Chapter

Interim Report Bering Sea and Aleutian Islands Groundfish Fishery Experimental Fishing Permit

Feasibility of Retaining Salmon Caught as Bycatch For the Purposes of Distribution to Economically Disadvantaged Individuals Permit # 93 - 2

December 1, 1993

INTRODUCTION

Following approval by the North Pacific Fishery Management Council (the Council) in January 1993, the National Marine Fishery Service (NMFS) issued an experimental fishing permit to Terra Marine Research and Education. The purpose of the experiment is to develop and test a plan which will enable prohibited species bycatch to be diverted into the nonprofit food distribution network of the United States in a manner which will effectively reduce such bycatch. The permit application proposed that we measure the costs and effort associated with retention and processing and that we develop and test distribution procedures which will assure compliance with regulations prohibiting commercial use of these products.

The terms of the permit require that we submit a written report to the Council by December 31, 1993 on all information resulting from the experiment conducted under this experimental fishing permit (EFP).

CHRONOLOGY 1993

- 1-19 Permit application approved by the Council
- 8-6 EFP was issued (via FAX) by NMFS
- 8-15 Opening of "B" Season, start of fishing under EFP.
Starting participants included:
UniSea, Dutch Harbor onshore processor
Supreme Alaska Seafoods, mothership processor Excellence
Golden Age Fisheries, catcher/processor Browns Point
14 catcher vessels for UniSea
5 catcher vessels for mothership processor
- 9-10 Mothership processor discards all product as unfit to eat
- 9-15 Participation begins for Oceantrawl's 3 catcher/processors,
Northern Hawk, Northern Eagle, and Northern Jaeger.
- 9-17 Mothership processor removed from permit, ending participation
- 9-22 Offshore pollock "B" season ends.
- 9-30 Onshore pollock "B" season ends.
- 10-7 Onshore Aleutian Islands "B" season ends
- 10-23 Western Pioneer ships 3,277 pounds
- 10-29 SeaLand ships 45,474 pounds
- 11-3 Western Pioneer shipment arrives Seattle
- 11-4 SeaLand shipment arrives Seattle. Food Lifeline begins weighing
and repackaging for distribution.
- 12-1 Food Lifeline begins distribution for "B" season salmon.

"B" SEASON OVERVIEW

Much of the effort and expense of this operation cannot be reduced to hours or dollars per ton of PSC. The inconvenience factor, equipment limitations, and the general willingness of the processors to fulfill their obligations under the permit were a major component of effort and of expense. Due to the unexpectedly high levels of salmon bycatch the shoreside processor installed additional processing machinery at significant expense. The mothership processor when faced with the dilemma of unexpectedly high levels of salmon, and being constrained by equipment limitations, knowingly produced a product which was unfit for human consumption. They were overwhelmed by the task and felt they had no alternative but to attempt to move fishing operations away from areas known to have high concentrations of salmon. In a letter to NMFS enforcement they wrote, "Most of the product has now been remarked 'not for human consumption'. It [salmon processing] is needlessly inefficient and time consuming because of lack of planning. The crew is embarrassed by the product and does not see why they should keep doing it. The vessel has moved to get away from salmon, but in doing so has to fish on smaller pollock with lower recovery rates and poor catch rates. They see the lost time, low surimi production, and poor recovery rates as the waste of a valuable resource as well."

The start of the salmon operation was difficult for all of the participants because of the short notice between the date the permit was (somewhat unexpectedly) issued and the start of fishing. However it is fair to say that the NMFS staff and Regional Director were extremely helpful and accomodating during that rough start. NMFS clearly bent over backwards to see that those early problems didn't stop the operation in its tracks as they might have.

The catcher/processors experienced far lower salmon bycatch rates and had proportionally fewer problems than the other processors. However, the experience of the Oceantrawl fleet underlines the problems encountered by the mothership and problems which should be anticipated in any similar operation; on a surimi processor the plate freezers appear to be the most significant bottleneck in the salmon operation. Lack of freezer space, different freezing times, and inappropriate unit configuration lead to processing conflicts and slowdowns. Inevitably it is the bycatch processing which suffers the most. The Browns Point - which processes salmon in other seasons - was more well equipped to handle them and didn't appear to experience the same degree of difficulty coordinating the freezing of the salmon and their pollock products. In addition, the Browns Point had low salmon bycatch rates. The salmon operation had little impact on their pollock processing.

No products have been received from the mothership processor. Due to the difficulties they experienced they were released by the Regional Director from the terms of the EFP and allowed to dump all of their salmon product at sea, none of which they considered fit to eat.

We believe that the limitations encountered by the participants in this experiment accurately reflect the limitations of other Bering Sea pollock producers. The difficulties they faced, the effects of mandatory retention and processing for charitable purposes on their regular operations can be extrapolated to predict the effects of a fleet-wide program in the start-up phase. The learning curve was steep in some cases and the lessons learned will be applied during the second phase of the experiment in January 1994.

QUALITY ASSURANCE

All of the processors worried about quality. If the manpower is not immediately available the salmon don't get processed quickly. Or if salmon bycatch rates are low, there is a tendency to wait until a whole case can be processed and frozen at once. In both instances the salmon loses its freshness and after time becomes inedible. Their concern for quality showed however in that each of the processors was judging their products against high grade commercial salmon product standards. The products that have been examined so far were in good condition, showing no signs of deterioration. The exception to this are products from fish that were delivered by catcher vessels to the processors having been severely damaged by either the trawl net or during RSW storage. They were saved, processed, packaged, and labeled "not fit for human consumption".

Quality assurance of salmon processed in a surimi facility presents some very real problems unless the processor is, or can, set up to do other products. Some surimi vessels - for example, the mothership processor participating in this EFP - hold their groundfish without the use of refrigerated sea water (RSW). This is deliberate and produces a raw pollock material more suitable for their surimi product. However, salmon held in that same manner will deteriorate more rapidly and if there is any delay in further processing they will become inedible. There is no apparent way for the processor to first separate the fish when they are delivered over the stern. Variations of that type of problem, some more serious than others, make it difficult to define broad processing guidelines. Instead they must be established largely on a processor by processor basis, with minimum standards dictated by FDA minimums.

The shoreside processor identified handling of the fish aboard the vessels as a primary cause of deterioration. This processor proposes better coordination of ice and totes with the vessels that have the capacity to sort, and feel that greater care aboard the vessels would produce a higher grade product.

ENFORCEMENT EFFORT

uring the permit application process Terra Marine consulted with both the NMFS Observer Program Task Leader and with NMFS enforcement division. It was generally agreed that the presence of the observers, knowledgeable with regards to the EFP, would provide sufficient

oversight protection to the program. A coding system allowing enforcement officials to verify the disposition of retained salmon supplied the means to effectively monitor the program in the field or from the Juneau headquarters. The observers were to have recorded any effort in addition to their routine tasks on observer form 3US. At the conclusion of the 1993 "B" season the observers had recorded no additional effort.

All of the catch and processing records are in NMFS' possession. It is not known to us how much effort they have expended to cross reference the catch and delivery data pertaining to the PSC salmon (product code 97). The records are confidential and as such are not available to Terra Marine for inspection.

Because of the difficulties experienced by the mothership processor during the course of their participation, NMFS enforcement spent a considerable amount of time assessing their activities and ultimately overseeing the massive salmon discard operation which was undertaken. Though those enforcement activities fall outside the guidelines of the permit and do not reflect the routine enforcement effort required to assure compliance with the terms of the permit, they do shine some light on enforcement issues that must be defined prior to the implementation of a wider program. Specifically, the disposition of unfit product must be defined. The chain of custody and responsibility must be established so that neither NMFS enforcement or the NMFS Observer Program suffer the burden of product disposition.

-- Disposition of unfit product

Terra Marine has made the following proposal, addressed to the Regional Director, Alaska Region:

After consideration of the difficulties and expense involved in land based dumping of those fish [salmon processed aboard the mothership during "B" season], and having witnessed the results of your decision to allow the product from [that processor] to be either dumped at sea or rendered into fishmeal following inspection by NMFS Enforcement, I feel that we have limited but realistic options. Our proposal is that we develop and implement guidelines for enforced dumping at sea or fishmeal rendering. I believe that they are solutions which are consistent with the intent of our Experimental Fishing Permit. I think that without undermining the purposes of mandatory prohibited species bycatch retention this solution provides an enforceable means by which this inevitable problem can be addressed in the future. It will allow NMFS and the industry to expand this program in a way that the fleet can be reasonably expected to comply.

- Dumping at sea following processing and packaging and inspection by either NMFS or ADEC does not relieve the processor of the obligation to produce a food grade product. Dumping at sea under

these conditions is enough of a hardship that it provides no incentive for the processor to seek that solution as an alternative to proper and timely processing. If anything, it is likely to encourage the processors to make a higher grade product.

- The burden for the disposition of inedible product remains with the processor so that there is no question of fiscal responsibility or accountability. It remains simple and verifiable.
- It is feasible; whereas shoreside discard would likely involve very expensive shipping and handling as well as complicated chain of custody issues, at-sea dumping or fishmeal rendering would not.
- A simple, workable solution to the unfit product question allows this program to be developed in the best interests of the industry, the public, and the National Marine Fisheries Service.

END OF PROPOSAL

In a permanent program of this type we would recommend that food inspections be undertaken by Alaska Department of Environmental Conservation (ADEC) at the request and expense of the processor, and that the processor be entitled to recover those costs from the fishing vessels where applicable. ADEC has assured NMFS that they are in position to perform that service if required. This would effectively put the responsibility for the disposition of unfit products on the producer and relieve NMFS of that duty. Current laws regarding inspection and processing require that any processed fish meet certain standards. We feel that the processors can and will effectively monitor the quality of their products and that this will give them the ability to corroborate a decision to discard those which shouldn't be eaten. The good samaritan laws in all 50 states and Washington D.C. protect donors of tainted food products as long as the donated food is not known to be bad and as long as there is not gross negligence in the processing and handling of the products.

It has also been proposed to Terra Marine by one processor (currently a non-participant) that fish they receive in a severely damaged condition be frozen in totes, without further processing, in a way that would allow inspections and discard as described above.

The unfit product question is one which hangs over this program. We feel that the answer lies in realistic solutions that address the issue but don't at the same time become the major focus of effort and expense.

REDUCTION EFFORT

How much time does it take to dress, weigh, freeze, pack and document a salmon pulled out of the pollock line? The catcher/processors reported

that it took between 1.5 and 2 minutes per fish. The shoreside processor reported the effort in hours and pounds. Using an estimated average dressed weight of 3.95 pounds (based on individual dressed weights taken aboard Oceantrawl's processors and the mothership processor) we calculate that they spent approximately 5 minutes per fish. The reported time was 1.32 minutes per pound (48.69 hours per metric ton).

The difference in reported time between the shoreside and offshore processors is significant. The difference appears to be attributable partly to operations procedures and partly to reporting procedures. The report from the Browns Point describes their process, "Salmon were caught one or two at a time; therefore, we often had less than a full case to freeze at a time. Every 6-8 hours a processor would take whatever salmon had accumulated, H&G them by hand, then pack them in a freezer pan. After going through the freezer it would be boxed, labeled, and stowed. Time to handle per case is approx. 2 minutes per fish (handling, processing, freezing, labeling, everything). If we had more practice or training in hand cutting salmon that time would probably go down." The report from Oceantrawl reads, "With the existing "non-salmon lines" it takes about 1.5 minutes per salmon to get it from the bin, to heading and gutting, to packing, to the plate freezers. This however is using only a single individual or perhaps two. Obviously with any kind of real quantity we would have to dedicate at least 4 individuals to the task, which would cut down the time per salmon. However it would take those persons away from other processing."

The small and sporadic salmon production on all of the catcher/processors didn't allow for accurate production times to be recorded. Though the approximations are undoubtedly accurate they don't allow us to extrapolate with any confidence to a larger production scenario.

The production volume of bycatch salmon at the shoreside facility did allow for extended production times to be documented. They present a meaningful record of the effort required to process large amounts of salmon bycatch in the start-up phase of such a program. The report from the shoreside processor points out however that certain parts of the operation were done by hand which in the future might be mechanized to reduce production time.

The high production volume initially forced the plant to reduce their normal surimi operations staff and concentrate on salmon production. Ultimately they acquired salmon processing machinery, enabling them to restore normal surimi operations. However, they report, the additional machinery increased their cleanup time after production. They also found that due to poor fish condition, and varying sizes, the processing machinery did not work consistently well.

The shoreside freezing operation was very labor intensive. Quoting from their report, "The salmon were individually frozen on freezer carts (racks) in our main cold storage. With the fans and our temperatures between -20 F and -25 F in the cold storage we are able to create

conditions very similar to a blast freezer. After freezing, the racks were removed from the freezer and the salmon glazed in fresh water and loaded into 50lb. boxes. In order to ensure accurate weights in each case we weighed the fish first then glazed and cased them up. The process was done completely by hand and without mechanical assistance."

Average production times recorded
by the shoreside processor and the catcher/processors

	Shorside	Catcher/Processor
Production time per fish	5 minutes	1.5 minutes
Production time per mt	48.67 hours	14 hours

Because the mothership processor did not produce a food grade product the measure of effort was not taken into consideration. However, this is not to say they didn't spend a considerable amount of time in salmon production. In their letter to NMFS enforcement they describe their frustration with the process, "The salmon must go through the fish bins and onto the surimi line where it is then sorted and sent to the processing area. There it is H&G'd and frozen on cardboard liners because it does not fit in the freezer pans. After freezing it must be hand carried down to the fishmeal plant for bagging, then back up to the factory, labeled, and hand carried to the hold." The permit provided the option of splitting the salmon to fit surimi boxes but "the crew did not think they could handle the large amount of fish properly during the start-up of the surimi production ..." They chose to store the dressed (H&G) salmon in fishmeal bags.

These remarks are not intended to be critical of the mothership operation. They were simply caught off-guard by the unexpectedly high salmon bycatch rates. They were left with only one option: to move away from areas with high concentrations of salmon. Their experience points out that the difficulties and the ability to comply with retention and processing requirements are proportional to the amount of salmon bycatch. It points out also that the factory manager can possibly persuade the captain and fishing master to get away from salmon if the problems become great enough.

DIRECT PRODUCTION COSTS

Direct production costs for this report have been limited to the costs of labor and packaging materials. Consistent with its greater production time, the shoreside processor also reported greater direct costs. Total labor costs were reported at \$.18/lb (\$.72/fish @ average fish size 3.95lb). Packaging costs were reported at \$.027/lb (\$.11/fish). They showed the costs of additional processing machinery direct production costs. For the sake of this report we have considered that to be an extraordinary capital expense. It was a significant expense, adding over \$.05/lb (\$.20/fish) to the cost of their participation during "B" season.

The catcher/processor for which we have a detailed report showed labor costs of \$.08/lb (\$.32/fish). Packaging and incidental costs totalled \$.044/lb (\$.17/fish).

Indirect production costs - fuel, electricity, administrative expenses etc. - have not been determined for the salmon production.

Average total direct production costs reported
by the shoreside processor and the catcher/processers

	Shoreside	Catcher/processers
Production costs per fish	\$.83	\$.49
Production costs per mt	\$458	\$271

The number of variables, both in the reporting procedures and in the method of production, preclude averages that can be used to define the real costs of bycatch salmon production in the future. They do however reflect the effort and expense of this program for those who participated in the first phase of Terra Marine project during the 1993 "B" pollock season.

SUPPORT AND DELIVERY COSTS

Shipping, interim cold storage, local transportation, and local administrative support was all donated to the "B" season project by various companies. Their contributions nevertheless depict inherent expenses incurred in the completion of the project. The value of the shipping was \$.08/lb (\$.30/fish). The value of the cold storage has been estimated. There are no large commercial cold storage facilities in Dutch Harbor. As a result, interim cold storage has been provided by the processors at an undetermined cost, or it has been provided at a rate which would equal \$10 per ton per day in freezer equipped shipping containers. Commercial cold storage in Seattle for mixed salmon species is \$.86/100wt per month (Ranier Cold Storage). Though meaningful price comparisons cannot be drawn between Seattle and Dutch Harbor, we think it is a useful reference point for the cost of processor self storage. Using those rates and assuming a proportional increase in volume over a period of eight weeks, 75% stored by processors and 25% in containers, we estimate the costs to be on average \$.05/lb (\$.20/fish). The impact of cold storage demands is proportional to the amount of storage available to the processor in his facility and to the amount of salmon that must be stored. No other general conclusion can be made. Alternate storage is more expensive requiring a small processor with high bycatch rates to be burdened more than a large processor (possibly with a disproportionately large freezer) which has similarly high costs.

The cost of local drayage, handling, and administrative support in Dutch Harbor was \$.03/lb (\$.12/fish).

Support and delivery costs

Costs per fish	\$.63
Cost per mt	\$353

Total direct production, support, and delivery costs

	Shoreside	Catcher/processors
Total costs per fish	\$1.46	\$1.12
Total costs per mt	\$814	\$625

All of the above costs are averages and have been calculated using a fish weight of 3.95 pounds (dressed weight), an aggregate amount of 48,539 pounds of fish delivered to Terra Marine during the 1993 pollock "B" season, and the expense reports provided by the processors, support personnel, and carriers.

AGENCY DISTRIBUTION

At the time of this interim report, delivery to recipient agencies has not proceeded sufficiently to acquire meaningful distribution data. In the final report, we will identify the percentage of product received by the agencies, the condition upon receipt, and costs and effort of handling and repackaging. To date all of the product has been received by Second Harvest's western Washington affiliate Food Lifeline. Some of it has been repackaged and distribution has just begun. Approximately 4% of the product was received marked "not fit for human consumption". The final disposition of this unfit product will be determined and described in the final report.

SALMONID BIOLOGICAL SAMPLING PROJECT

At the time of the permit application, NMFS Observer Program representatives felt that they would have the capacity to take scale samples from each of the salmon retained as part of the Terra Marine project. Largely because of a reevaluation of their capacity, the final EFP was issued with very limited sampling requirements; observers were only required to take snout and scale samples from salmon with missing adipose fins. This is not substantially different from the routine

observer requirements. Due to this change, the availability of materials for study was not increased. Fisheries Research Institute has postponed their participation until a proportionally greater amount of material becomes available through this or other salmon retention programs. The number of salmon sampled under this program is presently being evaluated. Any and all information regarding this sampling effort will be included in the final report.

CONCLUSION

In the final report we will provide an analysis of the remainder of the data which was proposed in the EFP permit application, and which is required by NMFS in the terms and conditions of the EFP. Specifically, cost effectiveness compared to commercially available product and the overall ratio of food-grade salmon received by the agencies to the amount of fish processed. This will include an accounting of all fish processed and shipped under this EFP and a detailed report of their final disposition.

At the time of this report a more comprehensive, fleet-wide, salmon bycatch retention program is under consideration by NMFS and the Council: The Salmon Bycatch Management Initiative. We have learned a lot from the experiences of the 1993 "B" season which can be applied to the development of those proposed regulatory changes. The issues of quality assurance and the disposition of unfit products must be addressed in a more definitive way than they are in the EFP. Expectations must be realistic with regards to processors' - particularly some floating processors' - ability to comply with proposed changes without making substantial modifications to their operation, or being willing to move away from areas of high concentrations of salmon, ceasing operations if that becomes impossible. The upcoming 1994 "A" pollock season will give us, both the processors and the support network, an opportunity to examine some solutions to the many small, and some large, problems which were encountered in 1993. We are seeking participation from a greater number of processors in the hopes of discovering, and resolving, even more such problems; ultimately to provide that information for use in crafting a meaningful and realistic prohibited species bycatch management program.