North Pacific Fishery Management Council

Richard B. Lauber, Chairman Clarence G. Pautzke, Executive Director

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Approved by

ADVISORY PANEL MINUTES APRIL 20-23, 1992 ANCHORAGE, ALASKA

The Advisory Panel for the North Pacific Fishery Management Council met on April 20-23, 1992, at the Anchorage Hilton Hotel. Members in attendance were:

John Bruce Al Burch Gary Cadd Phil Chitwood Dan Falvey Dave Fraser, Vice Chair Spike Jones

Kevin Kaldestad David Little Pete Maloney Dean Paddock Penny Pagels Bryon Pfundt

Perfenia Pletnikoff

John Roos John Sevier Harold Sparck Michael Stevens Beth Stewart Robert Wurm

Minutes for the January 1992 meeting were approved.

ELECTION OF OFFICERS

John Woodruff was unanimously re-elected Chair and Dave Fraser was re-elected as Vice Chair by an 11-9 vote.

C-2 INSHORE/OFFSHORE

C-2(A)

The AP recommends to the Council that the Governor's CDQ package be submitted to the Secretary as a regulatory amendment and then comment directly to the Secretary on the proposed rule in June. The only alteration to the package recommended by the AP is that the distance from the baseline be changed from 30 to 50 miles to include the communities of Naknek, King Salmon, South Naknek, and Aleknagik. (This motion passed unanimously)

C-2(B)

With regard to the next phase of the Inshore/Offshore, the AP recommends the Council staff analyze a range of percentages for the shoreside pollock allocation from 35-45% including the CVOA, the definition of which needs to be clarified (i.e., are motherships allowed to receive catch in the zone?) In addition, the proposal submitted by AHSFA should be included as an alternative. The AP feels that the Cost/Benefit analysis performed by NMFS is seriously flawed. Further, we feel that an Economic Efficiency Analysis, while a useful and necessary tool, is too limited in its scope to decide net national benefits.

In deciding net national benefits, a broader scope must be used that considers conservation, product utilization, social impacts, and other relevant long-term benefits. The chair of the AP will appoint a work group to detail the flaws and technical concerns in the economic study.

(This motion passed 13-6)

The following is the report of the work group on the AP's concerns on the Economic Cost/Benefit Analysis:

The AP has a general concern about seeing a document so central to a decision only after the decision has been made. Our criticisms of the model's structure, inputs, and scope should be taken into account in the development of the analysis for the next phase of inshore/offshore.

- A. Lack of Symmetry (differential treatment of the Inshore and Offshore sectors.
 - 1. Doesn't account for opportunity costs of processing labor offshore.
 - 2. Treatment of meal product.
 - 3. Treatment of discards.
 - 4. Projections for future must use data of equal quality by sector.

B. Lack of Scope

- Leakage of national benefits to foreign economies.
 - a. Distributional analysis of payments (costs).
 - b. Repatriation of rents/profits to foreign ownership of plants and vessels.
- 2. Assumes constant returns to scale (linear)
 - It doesn't examine how industry profitability will change with changing percentages.
- 3. Only deals with producer surplus (private profitability) versus consumer surplus.
- 4. There is no examination of differential bycatch rates by sector and the potential cost of discards to third parties.

C. Inputs

- 1. Shaky documentation of PRRs.
- 2. Product mix is not present time (current)
- 3. Prices are not present time and appear to be from different sources.
- 4. Arbitrary assumption that CDQs assigned to inshore sector and no consideration of moving CDQ beneficiaries from government dependency to private sector.

D. Qualitative Limitations Need To Be Explicitly Recognized

- 1. Need for qualitative valuation of:
 - a. environmental costs,
 - b. conservation costs.
 - c. bycatch costs, (particularly inshore operational zone), and
 - d. social costs. (Foregone benefits to other sectors resulting from discards)
- 2. Because it is a one-year snapshot it doesn't capture the dynamic changes that have already happened in the industry, such as trends to vertical integration.
- E. Black Box Syndrome When computer models are used in an analysis the public has no way of knowing whether the model is conceptually valid because we only see the outputs and some of the inputs.
 - 1. Recommend a technical team of directly involved industry representatives to interface with the authors of future analyses.

- 2. Such a team would:
 - a. Have input on need for systematic data collection.
 - b. Provide input on structure of computer models.
 - c. Give the public an opportunity to utilize the model prior to the meeting where a decision is made, and run alternate scenarios.
- 3. We recommend that any Cost/Benefit Analysis on a decision of this magnitude be subject to peer review.

This report is intended to show the range of concerns of AP members on this analysis. Not all AP members endorse the validity of each point.

(A motion to endorse this report passed 13-2)

C-2(D)

The AP recommends that a regulatory amendment for the BSAI be developed apportioning PSC limits for herring and Chinook salmon (should a Chinook cap be imposed) relative to any future inshore/offshore percentages for pollock.

(This motion passed unanimously)

C-2 Inshore/Offshore

Minority Report

We, the following members of the Advisory Panel, protest and object to the recommendation in favor of any further analysis and action to resubmit Amendment 18 to the BSAI groundfish plan.

The problem statement has been invalidated due to approval of Amendment 23 (GOA groundfish plan). Preemption has not been a substantiated problem in the Bering Sea.

Under-Secretary Knauss urged the Council "To work as expeditiously as possible toward some other method of allocating fish than either olympic system or government intervention." Inshore/offshore is blatant government intervention. The Under-Secretary recommends a system which "relies more on free market decisions..."

It is virtually impossible for the Council to follow Under-Secretary Knauss' urging to work as "expeditiously as possible" if more staff time, agency time, the public's time, the AP's time and the Council's time, continues to be directed at this issue.

Signed: Phil Chitwood

Dave Fraser David Little Mick Stevens

C-3 MORATORIUM

The AP had two suggestions for items to add to the analysis document:

- 1. A list of the specific fisheries that are included in the FMPs.
- 2. A discussion of how future vessel buyers could be assured that a vessel they are purchasing was qualified after the Moratorium implementation, perhaps through something like a registration certificate.

The AP recommends sending the Moratorium Analysis out to public review with a deletion of the option of including motherships and processing vessels.

(The main motion passed Unanimously)

(The amendment to restrict the moratorium to harvesting vessels passed 13-7)

C-4(A) NORTH PACIFIC FISHERIES RESEARCH PLAN

The AP recommends the Research Plan analysis be sent out for public review as is. (This motion passed 14-4, minority report attached)

The AP added to its Research Plan recommendation the following:

- 1. NMFS should go to public bid on a proposal to provide the requisite number of observers and requisite data management efforts under the Research Plan, the total of which <u>cannot</u> exceed the funds generated by the 1 percent exvessel assessment.
- 2. The AP recommends start-up funds be covered by Congress and believes the industry Council, and environmental community should undertake a coordinated lobbying effort to achieve this goal. (This motion passed 15-1)

C-4(A)

Minority Report

The undersigned members of the AP believe that it is misleading to send out options for public review on levels of observer coverage for which necessary levels of funding have not been provided in the options. We reiterate our support for the position taken by the AP in January that it is necessary to include an option of a change in valuation of the fisheries from ex-vessel to an upward adjusted ex-vessel value not to exceed first wholesale value. We believe this is a necessary to accompany option 2 (100% coverage).

Signed:

Penny Pagels Beth Stewart Dave Fraser

$\underline{C-4(C)}$ Changes to the existing observer program

The AP recommends sending the package of proposed changes in the existing observer program forward to a draft regulatory amendment, including an option of requiring standard C communications or equivalent on at least 100 percent covered vessels. Also, the AP requests the Council Chairman to establish one Observer Oversight Committee now and instruct them to meet with observer program people and region staff in the development of the draft regulatory amendment (fine tuning of proposals and establishing one needed criteria and parameters around some of the proposals).

(This motion passed unanimously)

C-5 INTERNATIONAL FISHERIES

No report taken.

C-6 COMPREHENSIVE RATIONALIZATION PLAN

No report taken.

D-1 CRAB MANAGEMENT

The AP recommends that the Council ask the Crab Plan Team to initiate review of the opilio OY and begin analysis to amend the Plan.

(This motion passed unanimously)

D-2 GROUNDFISH MANAGEMENT

D-2(D) Trawl test zone

The AP recommends that the Council adopt Alternative 2 and that staff be directed to finish the EA/RIR/IRFA responding to the concerns of the SSC and AP before the amendment is signed and published in the Federal Register. The AP's concerns are:

- 1. That the areas not be open when directly conflicting with a crab fishery.
- 2. That use of the areas not conflict with halibut openings.
- 3. Areas not be larger than necessary.
- 4. That observer coverage is at the RD's discretion.

D-2(E) Delay the BSAI Pollock B Season

The AP had an extensive discussion of the various implications of a delay including:

- 1. Improved product quality and recovery
- 2. Various bycatch tradeoffs between herring and salmon
- 3. Ripple effect of impacts on other fisheries such as YFS and GOA pollock (A motion to delay the "B" season failed 8-8)

D-2(F)

Amendment 26

The AP recommends that the Council approve Amendment 26 for public review with the following changes:

- 1. Regarding the proposed trawl closure East of 140 degrees, the AP recommends that the analysis include a statement noting the limitations of the analysis in evaluating social costs and benefits such as employment, community stability, and availability of alternatives.

 (This portion of the motion passed unanimously)
- 2. Regarding the Kodiak trawl closures, the AP was evenly split on the question of whether to delete Alt. 3.

(The main motion passed unanimously)

Amendment 21

The AP recommends sending the salmon chapter of the amendment out to public review after the addition of an option to include time/area closures by 1/2 by 1 degree blocks on a month-by-month basis, selectively applied to those fisheries that account for the vast majority of the salmon bycatch (i.e., MW and bottom pollock and possibly P. cod)

(This motion passed unanimously)

With regard to the Pribilof Island proposed area closure the AP recommends that the Council add an alternative consisting of a 25-mile closure (measured from the beach) for -

- 1. bottom trawling
- 2. all trawling

and send the package out for public review.

(This motion passed unanimously)

D-2(I) VIP Rates

The AP recommends that the VIP rates for the 3rd and 4th quarters be the ones recommended by the AP at the December council meeting.

BSAI:	Halibut P. Cod Flatfish	3.0% 0.5%	Red King Crab BSAI: Flatfish	2.5/mt
GOA:	Rockfish Cod	5.0% 5.0%		

(This motion passed unanimously)

The AP also heard a report on the status of the VIP program. We are deeply distressed about the lack of apparent effectiveness of the program. A motion was made to request that the councils once again ask the RD to publish vessel bycatch rates of halibut and King salmon by vessel name.

(This motion passed 9 - 5)

D-2(J) Pelagic Trawl Definition

The AP discussed concerns about the ongoing problem with the use of modified bottom trawls in the Pollock fishery after the closure to bottom trawling and the inadequacy of the VIP program to prevent excess halibut bycatch in the upcoming B season.

The AP recommends that the Council recommend that NMFS undertake a regulatory amendment redefining a pelagic trawl with the attached Draft Pelagic Trawl Definition serving as the basis for the development of regulatory language, and to include consideration of the restriction of the use of floats on pelagic trawls.

(This motion passed unanimously)

Other Business

The AP requests that the NPFMC's Executive Director arrange for staff reports on environmental issues including the biology of depressed and threatened species and habitat to be included in our briefing at each meeting.

DRAFT PELAGIC TRAWL DEFINITION

A PELAGIC TRAWL means a trawl which:

(revised section)

- 1. a) Does not have discs, bobbins, rollers, or other chafe protection gear attached to the foot rope (or fishing line)*, but which may have weights on the wing tips and,
- b) Has stretched mesh sizes of at least <u>60</u> inches, as measured between knots,
- 1.) starting at all points on the fishing line, head rope, and breast lines and extending aft to the fishing circle and going around the entire circumference of the trawl, and
- 2.) which has the webbing tied to the fishing line with no less than 20 inches between knots around the circumference of the net
- c) <u>Has stretched mesh sizes of at least 60 inches continuing</u> from the fishing circle,
- 1.) for a distance equal to or greater than one half the vessel's length and,
- 2.) for an additional distance equal to or greater than one half the vessel's length has webbing which shall be of stretched measure larger than 15 (or 30 or 60) inches and,
- 3.) contains no configurations intended to reduce the mesh size of the forward section.
- d) (May have parallel lines spaced no closer than 64 inches in the forward section ahead of the required minimum length of large mesh, but such parallel lines shall not substitute for the required length of large mesh.)

(new section)

- 2. Shall be permitted to have small mesh
- a) within 10 feet of the head rope and breast lines for the purpose of attachment of instrumentation and/or lifting devices (i.e. kites or floats)
- b) within 32 feet of the center of the head rope for the purpose of attachment of instrumentation (i.e. netsounders).
- 3. Shall have no more than one each fishing line and <u>(or)</u> foot rope, for a total of no more than two <u>(one)</u> weighted lines on the bottom of the trawl between the wing tip and the fishing circle.
- 4. Shall have no metallic components except for connectors (i.e. hammerlocks or swivels) aft of the fishing circle and forward of any mesh greater than 5.5 inches stretched measure.

THE FISHING CIRCLE is defined as the circumference of the trawl measured from the center point of the fishing line. This center point shall be clearly marked with a yellow marker.

* NOTE: <u>Underlined</u> text represents new or replacement wording to the existing definition. Text in <u>(parenthesis)</u> represents options resulting from comments received in response the draft circulated as a result of the Ad Hoc Gear Committee's work group meeting.

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INSHORE - OFF-SHORE AMENDMENT

WE THE FOLLOWING MEMBERS OF THE ADVISORY PANEL PROTEST AND OBJECT TO THE RECOMMENDATION IN FAVOR OF A FURTHER ANALYSIS AND ACTION TO RESUBMIT AMENDMENT 18 TO THE BSAI GROUNDFISH PLAN.

THE PROBLEM STATEMENT HAS BEEN INVALIDATED DUE TO APPROUAL OF AMENDMENT 23 (GOA GROUNDFISH PLAN). PREEMPTION HAS NOT BEEN A SUBSTANTIATED PROBLEM IN THE BERING SEA.

UNDERSECRETARY KNAUSS URBED THE COUNCIL TO WORK AS EXPEDITIOUSLY AS POSSIBLE TOWARD SOME OTHER METHOD OF ALLOCATING FISH THAN EITHER OLYMPIC SYSTEM OR GOUT INTERVENTION. " DUSHORE-OFFSHIRE IS BLATANT GOU'T INTERVENTION. THE UNDER-SECRETARY RECOMMENDS A SYSTEM WHICH "RELIES MORE ON FREE MARKET DECISIONS ...

IT IS VIRTUALLY IMPOSSIBLE FOR THE COUNCIL TO FOLLOW SEC. KNAWSS URGINGS TO WORK AS EXPEDITIONSLY AS POSSIBLE IF MORE STAFF TIME, AGENCY TIME, THE PUBLICS TIME, THE AP'S TIME AND THE COUNCILS TIME CONTINUES TO BE DIRECTED AT THIS ISSUE

SIGNED

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