

North Pacific Fishery Management Council

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December 4, 2003

DRAFT AGENDA
164th Plenary Session
North Pacific Fishery Management Council
December 10-16, 2003
Anchorage Hilton
Anchorage, AK

The North Pacific Fishery Management Council will meet December 8 through December 16, 2003 at the Anchorage Hilton in Anchorage, AK. Other meetings to be held during the week are:

Committee/Panel

Advisory Panel
Scientific and Statistical Committee
Council/Board of Fisheries Joint Protocol
SSL Panel: Case Study on Negotiated
Funds Distribution (UAA)
Primer on Stock Assessment Process
& OFL/Tier Structure
UAA Seminar - Effects of Fishing
on Habitat
Fur Seal Committee

Beginning

Dec. 8, Mon. - Dillingham/Katmai Room
Dec. 8, Mon. - King Salmon Room
Dec. 8, Mon. - 1:00 pm - 5:00 pm - Aspen/Spruce Room
Dec. 9, Tue. 6:00 pm - King Salmon Room
Dec. 9, Tue. 7:00 pm - Dillingham/Katmai Room
Dec. 10, Wed. 7:00 pm - 8:30 pm - Dillingham/Katmai
Dec. 11, Thur. 6:30 pm - Dillingham/Katmai Room

All meetings will be held at the Hotel unless otherwise noted. All meetings are open to the public, except executive sessions of the Council. Other committee and workgroup meetings may be scheduled on short notice during the week, and will be posted at the hotel.

INFORMATION FOR PERSONS WISHING TO PROVIDE PUBLIC COMMENTS

Sign-up sheets are available at the registration table for those wishing to provide public comments on a specific agenda item. Sign-up must be completed **before** public comment begins on that agenda item. Additional names are generally not accepted **after** public comment has begun.

Submission of Written Comments. Written comments and materials to be included in Council meeting **notebooks** must be received at the Council office **by 5:00 pm (Alaska Time) on Wednesday December 3.** Written and oral comments should include a statement of the source and date of information provided as well as a brief description of the background and interests of the person(s) submitting the statement. Comments can be sent by mail or fax--please **do not** submit comments by e-mail. **It is the submitter's responsibility to provide an adequate number of copies of comments after the deadline.** Materials provided during the meeting for distribution to Council members should be provided to the Council secretary. A minimum of **25** copies is needed to ensure that Council members, the executive director, NOAA General Counsel, appropriate staff, and the official meeting record each receive a copy. If copies are to be made available for the Advisory Panel (**28**), Scientific and Statistical Committee (**18**), or the public after the pre-meeting deadline, they must also be provided by the submitter.

FOR THOSE WISHING TO TESTIFY BEFORE THE ADVISORY PANEL

The Advisory Panel has revised its operating guidelines to incorporate a strict time management approach to its meetings. Rules for testimony before the Advisory Panel have been developed which are similar to those used by the Council. Members of the public wishing to testify before the AP **must** sign up on the list for each topic listed on the agenda. Sign-up sheets are provided in a special notebook located at the back of the room. The deadline for registering to testify is when the agenda topic comes before the AP. The time available for individual and group testimony will be based on the number registered and determined by the AP Chairman. **The AP may not take public testimony on items for which they will not be making recommendations to the Council.**

FOR THOSE WISHING TO TESTIFY BEFORE THE SCIENTIFIC AND STATISTICAL COMMITTEE

The usual practice is for the SSC to call for public comment immediately following the staff presentation on each agenda item. In addition, the SSC will designate a time, normally at the beginning of the afternoon session on the first day of the SSC meeting, when members of the public will have the opportunity to present testimony on any agenda item. The Committee will discourage testimony that does not directly address the technical issues of concern to the SSC, and **presentations lasting more than ten minutes will require prior approval from the Chair.**

COMMONLY USED ACRONYMS

ABC	Acceptable Biological Catch	MMPA	Marine Mammal Protection Act
AP	Advisory Panel	MRA	Maximum Retainable Amount
ADFG	Alaska Dept. of Fish and Game	MRB	Maximum Retainable Bycatch
BSAI	Bering Sea and Aleutian Islands	MSY	Maximum Sustainable Yield
CDQ	Community Development Quota	mt	Metric tons
CRP	Comprehensive Rationalization Program	NMFS	National Marine Fisheries Service
CVOA	Catcher Vessel Operational Area	NOAA	National Oceanic & Atmospheric Adm.
EA/RIR	Environmental Assessment/Regulatory Impact Review	NPFMC	North Pacific Fishery Management Council
EEZ	Exclusive Economic Zone	OY	Optimum Yield
EFH	Essential Fish Habitat	POP	Pacific ocean perch
FMP	Fishery Management Plan	PSC	Prohibited Species Catch
GHL	Guideline Harvest Level	SAFE	Stock Assessment and Fishery Evaluation Document
GOA	Gulf of Alaska	SSC	Scientific and Statistical Committee
HAPC	Habitat Areas of Particular Concern	TAC	Total Allowable Catch
IBQ	Individual Bycatch Quota	VBA	Vessel Bycatch Accounting
IFQ	Individual Fishing Quota	VIP	Vessel Incentive Program
IPHC	International Pacific Halibut Commission		
IRFA	Initial Regulatory Flexibility Analysis		
IRIU	Improved Retention/Improved Utilization		
ITAC	Initial Total Allowable Catch		
LAMP	Local Area Management Plan		
LLP	License Limitation Program		
MSFCMA	Magnuson-Stevens Fishery Conservation and Management Act		

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Estimated Hours

A. CALL MEETING TO ORDER

- (a) Approval of Agenda

B. REPORTS

- B-1 Executive Director's Report (2 hrs)
B-2 NMFS Management Report
B-3 Coast Guard Report
B-4 ADF&G Report
B-5 USFW Report

C. NEW OR CONTINUING BUSINESS

- C-1 Gulf of Alaska Groundfish Fishery Rationalization (20 hrs)
(a) Receive report from Joint Protocol Committee.
(b) Receive Groundfish Development Authority (Council only).
(c) Review and refine alternatives and options.
- C-2 Observer Program (4 hrs)
(a) Groundfish Program overview (AFSC)
(b) Preliminary Review of Program Restructuring Analysis.
- C-3 IR/IU (6 hrs)
(a) Receive status report from NMFS on Amendment 79.
(b) Review Committee report.
(c) Finalize alternatives and options for Amendments 80a and 80b.
- C-4 Halibut and Sablefish IFQ (4 hrs)
Receive report from IFQ Implementation and Cost Recovery Committee, and review IFQ proposals.

D. FISHERY MANAGEMENT PLANS

- D-1 Groundfish Management (12 hrs)
(a) Final action to adopt final GOA groundfish specifications for 2004.
(b) Final action to adopt final BSAI groundfish specifications for 2004.
(c) Discuss alternatives and schedule for repealing the VIP.
(d) Update on Salmon Bycatch Excluder Experiment

- D-2 Staff Tasking (4 hrs)
(a) Review tasking and provide direction to staff.
(b) Discuss direction to committees.

- D-3 Other Business

E. CHAIR'S REMARKS AND ADJOURNMENT

Total Agenda Hours: 52 Hours

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Certified: Jan Bendix
Date: 12/2/03

DRAFT MINUTES SCIENTIFIC STATISTICAL COMMITTEE October 6-7, 2003

The Scientific Statistical Committee met October 6-7, 2003 at the Sheraton Hotel in Anchorage, AK.
Members present:

Rich Marasco, Chair,
Keith Criddle
Doug Woodby

Jack Tagart, Vice Chair
Steve Hare
Ken Pitcher

Pat Livingston
Mark Herrmann
Terry Quinn

C-3 ESSENTIAL FISH HABITAT

While the SSC received a full presentation on the EFH EIS, it focused its attention on Appendices B (Evaluation of Fishing Activities That May Adversely Affect Essential Fish Habitat), C (Regulatory Impact Review/Initial Regulatory Flexibility Analysis), and J (Proposed HAPC Identification Process).

Appendix B - Evaluation of Fishing Activities that May Adversely Affect Essential Fish Habitat

The SSC received a presentation on an Effects of Fishing analysis by Craig Rose (NMFS). Comments on the presentation were provided by Ben Enticknap (AMCC), Ron Clarke (MCA), Donna Parker (Arctic Storm), Heather McCarty (Central Bering Sea Fisherman's Association), Jon Warrenchuck (Oceana), John Gauvin (Groundfish Forum), Ed Richardson (PCC), Julie Bonney (AGDB).

The analysis included both a quantitative fishing impacts model and a more qualitative assessment based on current and projected species abundance. The purpose of the fishing impacts model was to provide a quantitative summary of the effects of fishing on essential fish habitat, or more specifically on habitat features such as infauna, epifauna, living structures, non-living structures, and hard corals. The SSC notes that this model is at an early stage of development. The analysts are working at the forefront of research and model development in this area. They are to be commended for the progress they have made to date.

The impacts model considers fishing intensity, the effect of fishing on habitat, and the rate of recovery of affected habitat. The model output is a Long Term Effects Index (LEI) defined as the percentage reduction in availability of a habitat feature. A number of caveats apply to the model and it is extremely important to keep these in mind when evaluating model outputs. The model assumes that the distribution and intensity of fishing effort (average over the last 5-years) is constant; that the habitat effect of a unit of effort is known; that for a given fishery and habitat feature, every unit of effort has the same effect; and that the rate of recovery from fishery impacts is known and constant for each habitat type. In practice few of these assumptions are likely to remain true. Nevertheless, the LEI provides an opportunity to scale the relative

habitat impacts of a variety of fisheries given our current understanding. Because the information available to estimate model parameters was sparse, improving parameter values will require directed research in Alaskan waters.

Model outputs are used to construct detailed maps showing expected habitat reduction in a 5' by 5' grid across the BSAI and GOA. As noted in the analysis "*While quantitative output may provide an impression of rigor, the results are actually subject to considerable uncertainty.*" The dominant feature of these maps is basically a non-linearly weighted representation of the distribution of fishing effort. Areas of higher fishing effort tend to project greater habitat effects. While there are large regions of low habitat impact, there are also large regions where the habitat effects are very high. However, the integrated impacts taking into account all available habitat are consistently low. The casual reviewer of these maps may find it incongruous that these high intensity impact areas don't result in higher integrated LEI index values.

The SSC notes that there is a large disconnect between the LEI maps and the apparent ability of the habitat to support large populations and sustain healthy fisheries. Despite estimates of a reduction (at equilibrium) of 75-100% of some habitat features, regions of the Bering Sea continue to support large fisheries. Clearly, the connection between habitat feature reduction – as currently modeled - and effect on population productivity of the managed species is unknown. Until a better understanding of these linkages is made, it is questionable to what extent the LEI maps can be used to demonstrate the effects of fishing on habitat and, through habitat feature reduction, on fish productivity.

The LEI analysis has a further tendency to subsume local effects by focusing on impacts summed over a species total resident area. It is possible that habitat reduction may have local effects on fish productivity and these effects may be of greater concern for sedentary species, but this effect is lost in the bigger picture. Regardless, it is not only unrealistic but undesirable to expect fisheries managers to develop a management regime that distributes fishing effort uniformly over all available habitats.

In addition to the development of a habitat effects model, a "bottom up" approach, a "top down" approach was also taken to determine the effects of fishing on EFH. In this approach a "knowledgeable scientist" was asked to evaluate whether fisheries, as they are currently conducted, affect the welfare of the species in question in a way that is more than minimal and not temporary. This was done in two ways, first through a "linkages" assessment and second by evaluation of the ability of the stock to maintain its population above the Minimum Stock Size Threshold (MSST). Analysts looked at both historical stock levels relative to MSST and 10 year projections under current harvesting policy. The ability of the stock to remain above MSST was interpreted as an indication of habitat health.

Following consideration of these analyses, the determination was made that for the 105 species/species groups in no case were the effects of fishing found to be more than minimal and not temporary. The SSC notes that the overall conclusions that were reached are heavily reliant upon expert opinion and may have been heavily influenced by the evaluation of each stock's ability to remain above MSST given the estimated habitat effect. The SSC notes that using stock status in relation to MSST is problematic in at least a couple of ways. First, both MSST and stock size are determined by a number of factors other than the effects of fishing on habitat, such as recruitment trends related to environment, effects of fishing on stock biomass, changes in population parameters, and measurement errors in the data. Second, the projected stock status is based on the use of average historical recruitment, which assumes that no habitat effects on recruitment are occurring. Consequently, whether the stock is or is not currently above MSST may have little to do with fishing effects on habitat.

The SSC urges further development of the habitat effects model. When questioned, the model developer noted that the model would benefit most from solidifying two of the input data types: finer detail habitat

information for the GOA and AI and better estimates of recovery rate for biological structures. The SSC urges that funding be sought for these avenues of research, particularly fine scale habitat mapping.

Appendix C—RIR/IRFA

Jeff June (NRC) presented EFH Appendix C, the RIR/IRFA for the proposed EFH alternatives. Public Testimony was provided by Ben Enticknap (Alaska Marine Conservation Council), Ron Clarke (Marine Conservation Alliance), Donna Parker (Arctic Storm Fisheries), Heather McCarty (Central Bering Sea Fisheries Association), John Warrenchuck (Oceana), John Gauvin (Groundfish Forum), Ed Richardson (Pollock Conservation Cooperative), and Julie Bonny (Alaska Groundfish Databank)

General Comments: The RIR/IRFA attempts to project the net economic benefits and resulting industry and community distributional impacts associated with the alternatives. Although the qualitative discussion of potential costs and benefits as well as inferences about the potential distributional effects on industry sectors and communities are well-written and provide an appropriate foundation for decision making; the empirical analyses that endeavor to characterize the magnitude of differences in costs, benefits, and distributional consequences of the alternatives suffer from critical data limitations and therefore should be used with caution when selecting among the alternatives.

The RIR/IRFA includes results denoted “*revenues at risk*”. These numbers were used to characterize potential losses in exvessel revenues and mixed revenues (for CPs), as well as to characterize changes in the distribution of revenues anticipated under the EFH alternatives. Changes in fishing patterns that could partially, or wholly mitigate these potential revenue changes (and associated cost changes) were not estimated. Nor was there an attempt to quantify other values (option or quasi-option) engendered by the EFH alternatives. While primary distribution effects (resulting from revenue changes) were discussed there was no attempt to quantify overall direct, indirect, and induced impacts to communities.

Differences in “*revenues at risk*” should not be confused with differences in economic variables such as net benefits to the nation or net revenues that accrue to harvesters or processors. In order to develop estimates of the differences in net benefits to the nation or net revenues for harvesters and processors, analysts would need to begin by developing: (1) estimates of exvessel and wholesale level demand functions, (2) estimates of production functions and associated cost functions based on primary data on harvesting and processing costs and technology, (3) behaviorally-based models of entry, exit, and site-selection decisions by fishers, (4) regional economic models parameterized to reflect local economic organization and current purchasing patterns, and (5) estimates of the magnitude of amenity values associated with the EFH alternatives. “*Revenue at risk*” lacks a foundation in economic theory and should not be regarded as a sound basis for comparing the economic performance of the EFH alternatives. Moreover, because the estimated “*revenues at risk*” are presented without confidence intervals, it is inappropriate to assert that apparent differences are statistically significant.

Public testimony raised additional concerns about the data and assumptions that formed the basis for estimates of “*revenues at risk*”. Specifically, it was noted that the value added from shore-based processors was not represented and that the some of the wholesale prices used were lower than prevailing prices. Concern was also expressed that the scale of aggregation obscured fishery sector level changes within affected statistical areas.

The summary table (slide 92 – “Practicability Analysis”) was particularly troubling because it tempts the reader to conclude that the six EFH alternatives can be uniquely ranked using a simple quantitative performance measure. The table legend should clearly identify that the reported values are “*revenues at risk*”

rather than costs associated with the alternatives. As such, they do not provide an accurate indication of the actual costs of the alternatives or an accurate ranking of associated revenue losses.

The SSC notes that these well-qualified researchers dedicated to the empirical portion of the economic analysis were faced with an impossible task. There is simply not enough data, funding, or time to do even a superficial empirical economic analysis. The SSC is continually frustrated by the poor empirical economic analysis that accompanies nearly every major policy analysis that comes before the Council.

Specific Comments:

1) Under C.3.1.2.1 (Revenue at Risk) it says that "The economic law of supply and demand suggests that" The discussion that follows is related almost solely to demand. It may be clearer if *supply* is struck from the opening statement so it reads "The economic law of demand".

2) Under C.3.1.2.1 (Revenue at Risk) there is mention of some preliminary work on the responsiveness of price to changes in quantity for pollock, Pacific cod, and Atka mackerel. The work in the Steller Sea Lion RPA/RIR Appendix D was cited and the comment was made that "interested readers may consult that report for additional detail". The SSC notes that it was highly critical of the demand modeling in this report and that the reference to this study be removed.

3) Under C.3.1.2.1 (Revenue at Risk) the second paragraph starts with "Increased revenue accruing from such a per-unit price rise..." It seems that this lead-in follows from the previous paragraph that infers that this price rise is the result of reductions in supply. If this is the case then the sentence may be clearer by rewriting it as "The increased *per-unit* revenue accruing from a price rise..." so that the reader is not misled into thinking that a price increase will necessarily raise *total revenue*.

4) Under C.3.1.2.1 (Revenue at Risk) the term *deadweight loss (DWL)* is used in reference to the loss of consumer surplus that may result from a reduction in supply and a corresponding price increase. The SSC strongly suggests that reference to this reduction in consumer surplus be renamed. The use of the term DWL has social welfare implications and is generally used to represent a negative impact on net benefits arising from a situation where supply is decreased and marginal social benefits (MSB) (at the new equilibrium quantity) exceeds marginal social costs (MSC) resulting in a decrease to net benefits. The motivation for EFH protection is to bring MSC and marginal private costs (MPC) more in line and negate damages that may have occurred from the situation when MSC exceeded MSB. By enacting EFH protection, if alternatives are enacted to produce a better harvest strategy, the loss of consumer surplus is not a DWL but the result of price increases that result from a fishing policy that more accurately reflects the true cost of fishing.

Appendix J - Proposed HAPC Identification Process

The SSC offers the following comments on options for HAPC 1) criteria, 2) priorities, and 3) a stakeholder process and proposal review.

1) The four criteria (importance, sensitivity, susceptibility to stress, and rarity) are adequately inclusive and no other criteria are needed.

2) Establishing Council defined habitat priorities is important to assure relevancy of submitted HAPC proposals. The HAPC process will be an important vehicle for additional habitat protection. The substantive information requirements for proposals and the extensive review process will greatly benefit if proposals are focused to address Council priorities.

Most protection to habitat will likely be provided through the HAPC process.

3) Proposals need to be specific, with clear identification of the action to be taken and the overall goals for the action. The Council should determine who is responsible for spelling out the adaptive management program (i.e., the program to evaluate the efficacy of the HAPC in meeting the goals).

C-5 STELLER SEA LION MITIGATION COMMITTEE REPORT

Representatives of the SSL Mitigation Committee (SSLMC) presented a report of progress on charges assigned them by the Council. They reported on two major topics; (1) a proposal to issue a RFP for a design to experimentally evaluate the impacts of fisheries on SSL population dynamics, and (2) potential regulatory changes to provide additional fishing opportunity yet preserve the level of protection to SSLs afforded by current regulations.

ADAPTIVE MANAGEMENT EXPERIMENT - The National Research Council's report on the SSL decline strongly recommended an experimental approach to fisheries management that would allow an evaluation of the effects of the fisheries on SSL survival and recovery. The Council requested the SSLMC provide advice on an adaptive management experiment as proposed in the NRC report. Currently, SSL researchers and managers have been unable to develop such an experiment for a number of reasons. These include concerns about experimental design including sampling issues such as size, number, and locations of experimental areas, comparability of experimental and control areas, time required to obtain results, and wide-ranging movements of SSLs and some of their prey. Additional concerns include constraints imposed by the Endangered Species Act and impacts on communities and industry.

The SSLMC developed an RFP concept as a way to expand the range of inputs for experimental designs with the hope that a novel approach(s) could be developed that would allow for an adaptive management experiment than would not be unduly limited by factors which have restrained previous design attempts.

The SSC supports the RFP concept as way to bring fresh perspective and perhaps new approaches to an adaptive management experimental design. There were concerns expressed regarding the proposed process for soliciting the RFPs, particularly in regard to providing motivation for the preparation and submittal of high quality proposals. With no compensation for proposal preparation nor any commitment for continuing involvement and/or compensation the SSC was concerned that the RFP would not attract the high quality, innovative proposals desired. The SSC suggested that the SSLMC consider this in their continued development of the RFP. A workshop approach, with participants contributing to an experimental design, was suggested as an alternative to a RFP process. The SSC also emphasized the importance of community and industry support for any experimental approach.

PROPOSED REGULATORY CHANGES – The SSLMC presented, for discussion, a total of 7 draft proposals for the GOA dealing with modifying area closures (4), changes in temporal TAC allocations for Pacific cod (1), removal of the stand-down period between the pollock A and B seasons and C and D seasons, and a change in the method for rolling over underharvested pollock TAC in the western/central Gulf (1). These proposals were developed under the concept that passage of the regulations would increase fishing opportunity and result in no net loss in SSL protection provided under current regulation.

The proposal (1-A) that would open the closed area around the Marmot Island rookery to 10 n mi for pollock trawling in exchange for additional closure of pollock trawling out to 20 n mi around Sea Otter Island, a nearby haulout, generated substantial discussion. It was pointed out that Marmot Island is a major rookery, currently reduced to about 10% of former abundance, whose recovery will likely be important to overall

population recovery. SSLs use Marmot Island throughout the year and unlike many other rookeries it supports substantial numbers of juveniles. Substantially fewer animals use Sea Otter Island. The area beyond 10 n mi at Sea Otter Island is likely far less important for SSL foraging than the area between 5 and 10 n mi at Marmot Island. In addition, a substantial portion of the area proposed to be closed around Sea Otter Island is already closed due to overlapping closures around Marmot and Sugarloaf rookeries. This proposal does not appear to meet the standard of "no net loss" in protection for SSLs.

Proposal 1-B & C, reductions in closures at haulouts in exchange for additional protection at other haulouts, appear to more closely conform to the concept of "no net loss" of SSL protection. A point of concern is the concept that opening waters near a haulout in exchange for additional closures more distant from another haulout provides equivalent protection for SSLs. It is probable (based on telemetry data) that areas closer to a haulout or rookery are more important for SSL foraging than more distant areas as in proposal 1-B. Other factors that should be considered are the numbers of SSLs at the sites considered and their seasonal use patterns. The Castle Rock proposal reduces SSL protection with no corresponding protection and does not appear to meet the "no net loss" standard.

Proposal 2-A that would change seasonal TAC of Pacific cod is somewhat counter to the original intent of spreading the harvest over a longer time period and thereby presumably reducing the impact on SSLs.

The SSC expressed support for resumption of a localized depletion experiment for pollock in the Chiniak and Marmot gully areas near Kodiak. This research has the potential to provide substantial insight into a hypothesized mechanism for fishery/sea lion interaction which has been the basis for many SSL protection measures.

D-1 GROUND FISH MANAGEMENT

D-1(b) AFSC Review of F40 Report

Dr. Grant Thompson (AFSC) presented an overview of the AFSC review of the F40 report by Goodman et al. In general, AFSC agreed with many of the conclusions of the F40 report and noted that it was a very useful summary of the current harvest strategy used by NPFMC. The AFSC review noted that two recommendations of the F40 report, "conducting a management strategy evaluation" and "bring in additional ecosystem considerations", were being accomplished through the PSEIS and EFH EIS processes. The AFSC review also revealed that the conclusion of the F40 report that "the current harvest strategy was not appropriate for rockfish" requires additional evaluation. It was shown, using an equilibrium yield model with deterministic stock recruitment relationships, that a rockfish-like species with low natural mortality and high age of maturity is no more vulnerable to over harvest at F40% than a flatfish-like species with higher natural mortality and lower age of maturity. Further work will be done by AFSC to evaluate harvest strategies of rockfish in the next year to more fully address this issue.

D-1(d) Final Action to adopt preliminary and interim groundfish specifications for 2004, including GOA amendment 63 to separate skates from the "other species" category

The SSC received public testimony from Beth Stewart (Aleutians East Borough), Gerry Merrigan (Prowler Fisheries).

Preliminary groundfish TAC setting specifications for 2004 included a description of the catch estimation methods as requested last year by the SSC. A projection approach was used for most Tier 1-3 species and a rollover approach for Tier 4-6 stocks. The SSC agreed with the GOA Plan Team that a rollover approach

for GOA pollock, instead of the projection approach which would have given a large increase in TAC, seemed reasonable given the low biomass value from the 2003 Shelikof Strait survey results. The SSC supports the Plan Team proposed ABC and OFL specifications.

Amendment 63 is slated for final action at this Council meeting. The SSC has not directly addressed GOA skates since being presented a Discussion Paper in 2001. This issue has two components. The first issue, and the one that must be acted upon, is whether or not to separate skates from the Other Species complex. The second issue would then be to provide guidance on how to specify OFLs and ABCs for GOA skates.

The urgency of this issue is reflected in catch data for skates in 2003. These data confirmed that skates have become the target of a directed fishery, with the fishery being concentrated in the Central Gulf of Alaska region. Presently, the only TAC applicable to GOA skates is the GOA wide TAC for "other species". Catches of skates in the Central Area totaled 3,131 mt and this compares to a recently estimated OFL of 3,623 mt (Table 2.5-3, pg 30 Amendment 63 EA/IRFA). Clearly, some action is required. Skates are species highly vulnerable to overfishing: they are slow growing, long-lived, low-fecundity fish that become exposed to fisheries years prior to reaching sexual maturity. Therefore, the SSC recommends that skates be separated from the "other species" group.

The SSC discussed a number of issues that follow directly from recommending Alternative B of Amendment 63. By default, skates would likely become a Tier 5 stock and subject to the rules of OFL and ABC determination. The SSC discussed the possibility of putting skates on bycatch only status, or treating them like forage fish and establishing a Maximum Retainable Allowance. These are issues that obviously require much further thought and analysis. As this is a fast developing issue, the SSC believes that any measures put into place should focus on 2004 and be restricted to a relatively small set of options. In particular, one objective should be establishment of options that would not trigger additional rulemaking under APA. This is a distinct possibility with Option 3 (ABC/OFL split by species and region). The SSC does not recommend any of the 3 options (recognizing the Plan Team's preference for Option 2 and the assessment analysts' recommendation of Option 3). The SSC believes that Option 3 is moving to a management arrangement that could have widespread ramifications for other fisheries where skates are taken as bycatch and suggests limiting to Options 1 and 2.

The SSC is concerned about the concentration of directed skate catch in the Central GOA Management Area, as well as, skate bycatch in a number of directed fisheries, and notes that recognition of this is important in establishing a range of options.

The SSC received reports on preliminary groundfish SAFE sections for sablefish, Aleutian Islands pollock, northern rockfish, a stock production model, forage fish, and Dover sole. The SSC noted that stock production models, which can be applied to species lacking a time-series of age data, assume instantaneous responses, which might be problematic for rockfish species that have large lags in recruitment.

An overview of the Ecosystem Considerations section was given that noted the additions of new information this year, particularly with regard to status and trends of state-managed species such as salmon and herring. The strategy behind the proposed ecosystem assessment was also presented, that proposes to use a variety of multispecies modeling frameworks to derive model-based indicators of future ecosystem status.

D-1(e) TAC setting

The SSC received a report on the TAC setting Plan Amendments for BSAI and GOA by Melanie Brown (NMFS). Public testimony was provided by Ron Clark and Paul MacGregor (MCA), Ed Richardson (PCC), Carl Haflinger (SeaState), and Jerry Merrigan (Prowler Fisheries).

This amendment package has been before the Council several times. The objectives of the action as described by NMFS include (1) using best available scientific information, (2) providing additional public comment, (3) minimize disruption to the existing TAC setting process, (4) providing for additional Secretary review, and (5) achieving administrative efficiency. The SSC renders these down to two principal objectives; assuring adequate opportunity for meaningful public input on final specifications, and utilizing the most recent survey and fishery data when developing ABC and OFL recommendations.

Conflicting objectives has led to consideration of the following five alternatives: (1) Status quo, (2) Using a one-year projection, (3) Changing the fishing season to July – June, (4) Using a two-year projection, and (5) Performing 18-month harvest specifications.

NMFS notes that Alternative 1 (Status Quo) is likely to violate the Administrative Procedures Act, so is not a preferred alternative. The SSC recommends against Alternative 3, because changing the fishing year could have unknown repercussions and unintended consequences. Also, the SSC recommends against Alternatives 2 and 4, because these are based on projections and hence do not use the most current data. SSC believes that Alternative 5 best meets our two principal objectives.

In addition to the alternative, there are several options under consideration. One option places sablefish on its own annual cycle to facilitate the IFQ program. The SSC notes that Alternative 5 may not work well with sablefish, and recommends that NMFS and the Plan Teams work further to find a solution for this issue. Option A, eliminating the reserve system, seems to be a housekeeping measure, but public testimony indicated that the reserve system still appears to have a use in adjusting flatfish TACs. Option B, rewriting the plans to be more accurate, clearly deserves support. The SSC supports Option C, utilizing a biennial specification process for certain GOA species, because it should promote efficiency in the TAC setting process and utilizes new survey information as it becomes available.

D-2 CRAB MANAGEMENT

Pribilof Blue King Crab Rebuilding Plan

The SSC received a presentation on the Pribilof Islands Blue King Crab Rebuilding Plan by Doug Pengilly and Diana Stram. Public comments were made by Frank Kelty (City of Unalaska) and Steve Minor (St. Paul CDQ group).

The SSC notes that the Pribilof blue king crab stock continues to decline despite multiple years without fishing pressure. After examination of the simulation results in the report by Zheng and Pengilly (2003) for their base model (cyclic recruitment assumption with handling mortality rate = 0.2), all eight of the options lead to rebuilding within 9 years with 50% probability. Five of the eight options lead to rebuilding within 11-12 years with 90% probability, leading us to conclude that there is little to differentiate the models with respect to the expected time to rebuilding (based on simulation). The key to successful rebuilding is increased recruitment. Given the depressed stock status, and the apparent lack of pre-recruit crab, there is only a small chance of rebuilding in the next 10 years unless there is an unforeseen recruitment event.

The SSC commends the crab plan team for establishing a work group to develop proposals to revise the overfishing definitions for BSAI crab. The planned review of the overfishing/overfished definition has been warranted for a long time and the SSC is encouraged to see this go forward. The SSC requests periodic updates of progress and of direction in which the review is proceeding. The intent is for the SSC to offer advice at an early stage to avoid subsequent problems.

BSAI Crab SAFE

The SSC received a presentation on the BSAI Crab SAFE by Doug Pengilly and Diana Stram. The SSC asks that the status of stocks report include an historic evaluation of fishery management performance, including graphs of the guideline harvest levels compared to the actual catches. Similarly, the SSC requests the inclusion of a graphical retrospective evaluation of exploitation rates in comparison to rates specified in the harvest strategies.

Terms of Reference

The SSC supports the modifications to the plan team terms of reference to specify two meetings each year. This change will allow a more thorough scientific discussion of stock status and review of the guideline harvest levels in relation to MSA requirements. The SSC notes that the Crab Plan Team is at liberty to revise the team's terms of reference.

**North Pacific Fishery Management Council
Advisory Panel Minutes
Anchorage Sheraton Hotel
Anchorage Alaska, October 6-11, 2003**

The following members were present for all or part of the meeting:

Dave Boisseau	Kent Leslie
Al Burch	Tracey Mayhew
Craig Cross	Sandra Moller
Tom Enlow	Kris Norosz
Dan Falvey	Eric Olson
Duncan Fields	Jim Preston
Dave Fraser	Michelle Ridgway
Bill Jacobson	Jeff Steele
Teressa Kandianis	Jeff Stephan
Mitch Kilborn	

The AP unanimously approved the minutes from the June 2003 meeting in Kodiak.

C-3 (a) Essential Fish Habitat

EFH description: AP recommends Council adopt Alternative 3 as Preliminary Preferred Alternative.

HAPC approach: AP recommends the Council adopt Alternative 3, the site-based concept, as the Preliminary Preferred Alternative.

Minimization of fishing effects on EFH: The AP recommends the Council adopt Alternative 1, status quo habitat protections, as the Preliminary Preferred Alternative.

C-3 (b) HAPC Proposal and Review Process

Criteria for consideration of HAPCs:

The AP recommends the following as criteria for consideration of HAPC proposals: HAPC proposals would be required to meet at least two of the four HAPC criteria established in the EFH Final Rule: importance of ecological function, sensitivity, vulnerability, and rarity. Additionally, the AP recommends that "rarity" be a mandatory criterion of all HAPC proposals.

Council priorities for initial (2003) Request for HAPC Proposals:

AP believes that concrete and realistic priorities need to be set by the Council for this initial HAPC RFP process, and for each subsequent cycle. Experience in 2002, the large number of broad and expansive HAPC proposals brought forward by the public (absent any call for proposals), underscores the need for prioritization in order to move forward expeditiously with the designation and possible protection of HAPCs. Without prioritization, the AP is concerned the initial RFP will bog down NMFS and the Council's available resources for consideration and review of HAPC proposals.

AP recommendation for HAPC priorities for the 2003 RFP:

AP recommends that the priorities for HAPC proposals in 2003 should be seamounts (*motion passed 18/0*) and undisturbed hard coral beds exhibiting high biodiversity (*motion passed 12/5*).

The Council should consider establishing HAPC's for a representative subset of those areas identified through HAPC proposals.

Proposal prioritization:

The AP recommends that submitted proposals be ranked according to how many of the four HAPC criteria they meet, with the highest ranking given to those proposals that meet all four.

Review and Stakeholder process:

The AP recommends the Council utilize its normal public process in the review of HAPC proposals, including the use of a Technical Review Team of the appropriate scientists, social scientists and managerial expertise. Additionally, the AP recommends the following be considered to replace the existing portion of section J of the EIS:

Call for proposals for HAPC Process

- (1) HAPC proposals should be solicited every five years, and
- (2) on the same cycle as the regular plan or regulatory amendment cycle.

Any member of the public may propose a HAPC, including fishery management agencies, other government agencies, scientific and educational institutions, non-governmental organizations, communities, industry groups.

HAPC proposals be taken from any individual or entity permitted to submit proposals for regular plan/regulatory amendments.

The format for a HAPC proposal should include:

- Name of proposer, address, and affiliation
 - Title of proposal: Provide a title for the HAPC proposal and a single, brief paragraph concisely describing the proposed action.
 - Identification of the habitat and FMP species the HAPC proposal is intended to protect.
 - Statement of purpose and need.
 - A description of whether and how the proposed HAPC addresses the four considerations set out in the final EFH regulations.
 - Specific objectives for this proposal, including proposed management measures and their specific objectives, if appropriate.
 - Proposed solutions to achieve these objectives (how might the problem be solved)
 - Methods of measuring progress towards those objectives.
 - Expected benefits to the FMP species of the proposed HAPC, and supporting information/data.
 - Identification of the fisheries, sectors, stakeholders and communities to be affected by the establishment of the proposed HAPC (Who benefits from the proposal and who would it harm?) and any information you can provide on socioeconomic costs, including catch data from the proposed area over the last five years.
 - Clear geographic delineation for proposed HAPC (written latitude and longitude reference points and delineation on an appropriately scaled NOAA chart)
 - Provide best available information and sources of such information to support the objectives for the proposed HAPC. (Citations for common information or copies of uncommon information)
- Proposals screened by Council staff to determine consistency with EFH Final Rule and application completeness. If not consistent or complete, proposal is rejected, If accepted, proposal is forwarded to next step.

- Proposals reviewed by a Technical Review Committee.

The Council names a Technical Review Committee made up of scientists in the appropriate disciplines, social scientists and economists, and management and enforcement specialists. The team evaluates the proposals for ecological, socio-economic, management and enforceability considerations, and for practicability. The team ranks the proposals using a system like the matrix illustrated below, and makes their recommendations directly to the Council.

- Evaluation of Candidate HAPC's:

The team should evaluate each proposal on the basis of how well it meets the criteria for HAPC established in step #1 and the requirements established in step #2 above, and determine whether designation and any management measures are warranted. The review team should give all considerations equal attention, but the overall depth of analysis at this stage needs further thought.

In the NPFMC Environmental Assessment of Habitat Areas of Particular Concern (NPFMC 2000), proposed HAPC types and areas were evaluated using a ranking system that provided a relative score to the proposed HAPCs by weighing them against the four considerations established in the EFH final rule.

Two more columns should be added to the matrix. One column is to score the level of socio-economic impact, with the lower the impact, the higher the score. The final column is to score the level of likelihood that the proposal will successfully address the identified problem of the FMP species. To arrive at this score, reviewers must consider the known information on the relative linkage of the habitat function to the health and productivity of the FMP species.

The "Data Level" column should be modified to be "Level and Certainty of Data" to reflect not only the amount of data available, but also the scientific certainty of the information supporting the proposal.

A written description should accompany the ranking so it is clear what data, scientific literature, and professional judgments were used in determining the relative score.

Evaluation matrix of proposed HAPC types and areas, with example proposals for illustration only. (NPFMC 2000)

Proposed HAPC area	Data Level	Sensitivity	Exposure	Rarity	Ecological Importance
Seamounts and Pinnacles	1	Medium	Medium	High	Medium
Ice Edge	3	Low	Low	Low	High
Continental Shelf Break	3	Medium	Medium	Low	High
Biologically Consolidated Sediments	1	Low	Medium?	Low	Unknown

- Socioeconomic and other criteria:

The EFH mandate states that EFH measures are to minimize impacts on EFH "to the extent practicable" so socioeconomic considerations have to be balanced against expected ecological benefits at the earliest point in the development of measures. NMFS' final rule for developing EFH plans states specifically that (Section (2) ii F.R. page 2378) FMPs should "identify a range of potential new actions that could be taken to address adverse effects on EFH, include an analysis of the practicability of potential new actions, and adopt any new measures that are necessary and practicable". In contrast to a process where the ecological benefits of EFH or HAPC measures are the singular initial focus and a later step is used to determine practicability, this approach would undertake the consideration of practicality simultaneously.

Specifically, HAPC proposals should be rated on their identifying as extensively as possible the exact locations that would be affected if the proposed HAPC mitigation measures were implemented. Proposals should also be rated on their identifying affected fishing communities and the potential effects

on those communities, employment and earnings in the fishing and processing sectors, and related infrastructure.

Management and enforcement will also need representation in the review, to evaluate general management cost and enforceability of individual proposals.

- Council selection of HAPC proposals for analysis, to address Council priorities if identified.
- Stakeholder input
The Council retains the authority to set up a stakeholder process as appropriate to obtain input on proposals.
- Technical reviews
The Council retains the authority to obtain additional technical reviews as needed from scientific, socio-economic and management experts.
- Public comment on NEPA analysis
- Council action
As per the normal Council process, the Council receives public comments and takes final action on HAPC selections and management alternatives.

Motion passed 17/0

Further, in reviewing the EIS, the AP suggest the following:

1. Re-evaluate the economic impacts of GOA slope closures
2. Address the SSC's concerns regarding the EIS
3. For GOA alternatives, review comparisons between expected reductions in revenues to total annual revenues
4. Include first wholesale prices for the catcher processor sector in the GOA alternatives
5. Consider the use of ex-vessel revenues for catcher vessels may overlook a substantial and important portion of economic effects of the GOA alternatives
6. Re-evaluate the assumptions about the industry's ability to make up slope rockfish revenues by fishing in areas not part of the GOA slope or by using alternative fishing gear
7. Economic impacts need to be evaluated in the context of open access management
8. Re-evaluate determinations of "no community impact"
9. Consistently apply methods to assess implementation and enforcement costs

Motion passed 17/0

C-4 IRIU

Amendment 79 Implementation issues:

The AP supports the Technical Committee's recommendation that if changes are made to the pollock ICA, NOAA fisheries should document and report to Council at its December meeting that such change was consistent with the intent of the Council's MRA actions in June, 2003, and whether such changes were attributable to increased harvesting of pollock by a given sector, or other factors.

Motion passed 16-0

Amendment 80 (a)

The AP recommends accepting the recommendations of the IRIU Technical Committee for changes to the components and options with the following exceptions and modifications:

Adding a technical correction to the definition in the table of sectors "Issue 1, Sector Definitions" by adding "<60 feet hook and longline and pot catcher vessels." *Motion passed 17/0*

Component 4

Option 4.1 Include all groundfish species except pollock ~~already allocated to AFA fishery cooperatives.~~ *Motion passed 17/0*

Component 7 Sector Catch History Years

~~Option 7.1 1995-1997~~

Option 7.1 1995-2002

Option 7.2 1995-2002

a. excluding 2000 because of the injunction

b. excluding 2001 consistent with prior direction of the Council to staff

c. excluding 2000 and 2001

Option 7.3 1998-2002

Option 7.4 1998-2002

a. excluding 2000 because of the injunction

b. excluding 2001 consistent with prior direction of the Council to staff

c. excluding 2000 and 2001

Option 7.5 2000-2002

Motion passed 10-7

We, the undersigned, supported a motion to add a set of years that incorporated 2003 in place of 2002 for each option. The intent of that motion was to incorporate the most recent year to be consistent with the consideration of recent history in addition to existing sets of years ending in 2002. Signed: Teresa Kandianis, Tom Enlow, Dave Boisseau, Mitch Kilborn, Craig Cross, Jim Preston, Kris Norosz

Component 8 For purposes of apportionment, annual catch percentages will be defined using one of the following:

Option 8.1 Total catch of the sector over total catch by all sectors

Option 8.2 Retained catch of the sector over retained catch by all sectors

~~Option 8.3 Retained catch of the sector over the TAC~~

~~Option 8.4 Total catch of the sector over the TAC~~

Motion passed 16-0

Component 9 Pacific cod allocations will be determined as follows:

9.1 The AP wishes to clarify that P.cod catch history is the same as all other targeted species.

Motion passed 17/0

9.2 Add the new text in italics: Pacific cod shall be allocated based on apportionments in regulation *as modified by amendment 77* with an additional split of the trawl CP apportionment ...

9.4 Delete

Motion passed 17/0

Component 10 CDQ and PSQ allocations (add PSQ) *Motion passed 16/0*

Component 12

12.2 Clarify that PSC apportionment is based on the total amount of groundfish harvested in a target fishery. *Motion passed 17/0*

In the C4(d) PSC discussion paper, add a method 1a for the non-CDQ fisheries that would calculate PSC allocation based on a sectors historic harvest of groundfish by target and by a sub area (Bering Sea, Aleutian Islands). *Motion passed 16/0.*

Amendment 80 (b)

The AP recommends accepting the recommendations of the IRIU technical Committee for changes to the components and options with the following exceptions and modifications:

Component 8: Determines which years of catch history are used in the calculation. The allocation of groundfish between the cooperative and the open access pool is proportional to the catch history of groundfish in the vessels included in each pool. Applicable PSC limits are allocated between the cooperative and open access pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the sector Eligibility Endorsement which indicates the vessel's membership in the non-AFA trawl CP sector. The aggregate histories will then be applied to either the cooperative or the open access pool.

Add to the existing years in the amendment:

Option 8.1 1995-2003

Option 8.2 1995-2003, but each vessel drops its lowest annual catch during this period

Option 8.3 1998-2003

Option 8.4 1998-2003 but each vessel drops its lowest annual catch during this period

Option 8.5 1999-2003

Option 8.6 1999-2003 but each vessel drops its lowest annual catch during this period

Option 8.7 2000-2003

Option 8.8 2000-2003 but each vessel drops its lowest annual catch during this period

Motion passed 13/3

Component 11

The AP requests clarification why and when excessive share limits are necessary, both in endorsements and harvest limits at company and entity levels. *Motion passed 17/0*

Component 12

Add another option that discusses issues addressed by the IRIU Technical Committee at its August 2003 meeting in regard to the harvest of pollock by non AFA trawl CPs.

Motion passes 17/0

Additionally, the AP recommends the Council request staff to include a note in the IRIU analysis that the Council asked the Plan Team in June 2003 to evaluate a Bering Sea/Aleutian Island P.cod split. In light of this potential future split, the AP recommends that the Council request staff to include tables and data reflecting this Pcod split in IRIU documents

Motion passed 17/0

C-6 Halibut Subsistence

Further, the AP requests the Council take no action to include Ninilchik. *Motion passed 15/0/1*

The AP recommends that the Council appoint a committee to address concerns about and changes to current subsistence halibut regulations. The committee should examine, at a minimum, the following issues and options.

1. Enforcement of the subsistence program and the legal possession of halibut.
2. Possession, aboard the same vessel, of subsistence halibut with other, non-halibut, commercially caught fish.
3. Implications for enforcement and possible enforcement mechanisms for the filleting of subsistence halibut aboard the vessel.
4. Need for possession limits
5. Monitoring program that accurately accounts for undersize subsistence halibut, increase in subsistence harvest by new participants and subsistence harvests by resident in remote areas where use of SHARC cards and/or creel surveys may be limited.
6. Concerns about "sale" of subsistence halibut and possible limitation of "sale", by area, to subsistence halibut caught with a community fishing permit.
7. Definition of a "charter vessel"
8. Inconsistencies between halibut subsistence regulations and other Alaska groundfish and bottomfish subsistence fisheries regulations.

Additionally, the AP request the council clarify the following subsistence halibut provisions as they apply in the Sitka lamp.

1. The Low Island registration area is a 2 circle extending E,S, & W of low island
2. Power hauling is prohibited in this area during the summer months, but longlines with reduced gear provisions would still be allowed.
3. Ceremonial permits should be allowed in the LAMP during the non-summer months.

In addition the AP requests that the Council clarify that the Community Harvest Permit is indeed a permit that liberalizes halibut subsistence regulations and could be revoked if abused.

Motion passed 16/0

D-1 Groundfish Management

D-1 (d) Groundfish Specifications

The AP approves the EARIR supporting the GOA specifications and Amendment 63.

Motion passed 15/0

The AP moves the 2004 TACs for BSAI be set by rolling over the 2003 TACs except for those species that have a lower 2004 ABC. For these species, the TAC will be equal to ABC. *Motion passed 16/0*

Additionally, the AP recommends apportionment of PSC limits as outlined in the action memo with the (pages 2 and 3) with the following changes:

1. Halibut not be seasonally apportioned
2. Proposed halibut PSC specifications for trawl rockfish from January 1 to July 4 be set at 0
3. 35% of red king crab (zone 1) cap is made available in red king crab savings subarea for rock sole/flathead sole/ other flatfish

Motion passed 16/0

The AP moves the 2004 TACs for GOA be set by rolling over the 2003 TACs except for those species that have a lower 2004 ABC. For these species, the TAC will be equal to ABC.

Additionally, the AP recommends reducing P.cod TAC by the apportionment to the state waters fishery.

Further, the AP recommends approval of the PSC apportionment in total for GOA as outlined in the action memo.

Finally, the AP recommends the Council approve a rollover of the 2003 halibut discard mortality rates.

Motion passed 14/0

Skates

The AP recommends the adoption of FMP amendment 63 to remove skates from the "other species" category in the GOA. Further, the AP recommends the Council adopt Option 4 for skate management to establish a single GOA –wide OFL and to establish a single GOA –wide ABC.

The AP also recommends that the GOA TAC be set at or below the ABC level 1 but that, for the December meeting staff provide area specific biomass apportionments that would allow, if desired, the setting of area specific TACs. Motion passed 16/0.

The AP recommends that the Council take additional steps to inform the public about current biomass and incidental catch information in the skate fishery and about the possibility that skates could be put on "bycatch only" status or a low DFA (Directed Fishing Allowance).

The AP further recommends that if the directed fishery on skates continues, the Council consider apportioning halibut PSC to the hook and line sector targeting skate.

The AP also recommends the Council request the observer program develop a special monitoring project to enhance the information and data gathered on vessels targeting skates. Such program could be developed using the NMFS "staff to sea" program or similarly developed program.

Motion passed 16/0.

D-1 (e) Revising the TAC setting process – Amendment 48/48

The AP recommends the council adopt Alternative 5, inclusive of stand alone options B and C, but not including stand alone option A. Further, the AP recommends a pot and hook and line sablefish option that would maintain the status quo process for specifications for pot and hook and line sablefish, if a second proposed rule is required. If a 2nd proposed rule is required, this option would issue a separate final specification for pot and hook and line sablefish.

Motion passed 15-0-1

IFQ Implementation/Staff Tasking

The AP requests the Council schedule time on the December agenda

- b. to receive the report from the IFQ implementation committee
- c. to provide the public with the opportunity
 1. to comment on the proposal priorities that were deployed by the IFQ implementation Committee
 2. to provide comment on halibut and sablefish IFQ fishery issues
- d. to take action as necessary, on IFQ implementation issues. *Motion passed 13/0*

C-1 GOA Groundfish Rationalization Alternatives and Options

The AP recommends revising the matrix of EIS Alternatives with the following additions/changes: (*see attached matrix*)

- Replace mandatory coop element with voluntary coops (*Motion passed 19/0*)
- Replace open access element with individual fishing quotas. (*Motion passed 19/0*)
- Add a second option to high producing fixed gear CVs requiring a linkage to processors. (*Motion passed 15/5*)
- Remove “don’t fish” option for both CPs and CVs, and clarify that vessels not joining a coop may fish open access with reduced PSC allowance (*Motion passed 20/0*)
- Add a 3rd option to fixed gear CV high producing vessels and trawl CV’s which would require no processor delivery restrictions. (*Motion passed 11/9*)

Minority Reports:

1) *The following members of the AP believe that adding a processor linkage option in alternative 2 for the high producing fixed gear vessels to be inappropriate. Many of these vessels delivered to multiple processors during the qualifying period. The original Alternative 2 called for a single closed class option for these vessels. This approach provided processor protection in a manner consistent with historic delivery patterns and was a reasonable stand alone alternative. Adding a 2nd processor linkage option in Alternative 2 reduces the contrast between Alternative 2 and 3. It will also likely distort historic delivery patterns by giving a single processor who may have only received a fraction of total deliveries a guarantee of all future deliveries.*

Signed: Dan Falvey, Duncan Fields, Eric Olson, Sandra Moller, Jeff Stephan.

2) *We oppose the motion to re-insert an IFQ alternative for all CVs into the GOA Groundfish Rationalization program. We oppose it because the Council eliminated that alternative at the June 2003 meeting. The Council determined at that time the IFQ does not address the problem statement nor does it meet the goals of the program. We believe that nothing has changed to warrant re-insertion at this time.*
Signed: Teresa Kandianis, Jim Preston, Tom Enlow, Tracey Mayhew, Kris Norosz, Dave Boisseau, Mitch Kilborn, Al Burch.

Additionally, the AP recommends the Council adopt the staff’s recommendations in attachment A2 of the GOA Groundfish Rationalization program, for inclusion in Alternative 2, with the following changes and additions:

NOTE: AP additions to staff recommendations are included as underlined, and deletions from staff recommendations are indicated as strikeouts.

1 Status Quo (No Action Alternative)

2 Harvest Sector Provisions

2.1 Management Areas:

Areas are Western Gulf, Central Gulf, and West Yakutat—separate areas

For Pollock: 610 (Western Gulf), 620 and 630 (Central Gulf), 640 (West Yakutat (WY))

- Shortraker and rougheye (SR/RE) and thornyhead rockfishes will be divided between Southeast Outside (SEO) and WY
- Provisions relating to the halibut/sablefish IFQ program are contained in Section 5 unless otherwise noted.
- Non-SR/RE and thornyhead rockfish trawl catch history in SEO during 95-98 will be used in the calculation of WYAK allocation

- SEO area is exempt except for provisions contained in Section 6 or unless otherwise noted. (Motion passed 17/1)

Gear: Applies to all gear except jig gear–

Option 1. The jig fishery would receive an allocation based on its historic landings in the qualifying years – the jig fishery would be conducted on an open access basis.

Option 2. Gear would be accounted for in a manner similar to sport halibut harvests in halibut IFQ fishery.

Suboption: Cap jig harvest at ___% of current harvest by species and area:

1. 125%
2. 150%
3. 200%

2.2 Qualifying periods and landing criteria (same for all gears in all areas)

(The analysis will assess AFA vessels as a group)

Option 1. 95-01 drop 1

Option 2. 95-02 drop 1

Option 3. 95-02 drop 2

Option 4. 98-02 drop 1

2.2.1 Qualifying landing criteria

Landings based on retained catch for all species (includes weekly processor report for Catcher/Processor sector)

Catch history determined based on the poundage of retained catch year (does not include meal)

Suboption: catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

2.2.2 Eligibility

LLP participation

Option 1. Eligibility to receive catch history is any person that holds a valid, permanent, fully transferable LLP license.

Suboption 1. Any person who held a valid interim LLP license as of January 1, 2003.

Suboption 2. Allow the award of retained incidental groundfish catch history arising from the halibut and sablefish IFQ fishery.

Basis for the distribution to the LLP license holder is: the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

Option 2. Non-LLP (State water parallel fishery) participation

Suboption 1. Any individual who has imprinted a fish ticket making non-federally permitted legal landings during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

Suboption 2. Vessel owner at time of non-federally permitted legal landing during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

2.2.3 State Waters - Parallel Fisheries and State Groundfish Management

Option 2. Direct allocation of portion of TAC to fisheries inside 3 nm.

No 'parallel' fishery designation, harvest of remaining federal TAC only occurs in federal zone (3 – 200 nm); and

Council allocates _____ % of the TAC, by species by FMP Amendment, to 0-3 nm state water fisheries representing a range of harvests that occurred in state waters. This could include harvest from the status quo parallel fishery and the state waters P. cod fisheries. State waters fisheries would be managed by ADF&G through authority of, and restrictions imposed by, the Board of Fisheries.

Area or species restrictions:

Suboption 1. Limited to Pollock, P. cod, flatfish, and/or pelagic shelf rockfish (light and dark dusky rockfishes).

Suboption 2. Limited to Western, Central GOA management areas and/or West Yakutat.

Option 3. Parallel fishery on a fixed percentage (____ %) allocation of the federal TAC, to be prosecuted within state waters with additional State restrictions (e.g., vessel size, gear restrictions, etc to be imposed by the BOF).

Fixed allocation for:

Suboption 1. P. cod

Suboption 2. Pollock

Suboption 3. All other GOA groundfish species

2.3 Primary Species Rationalization Plan

Primary Species by Gear

2.3.1 Initial Allocation of catch history

Option 1 2. Allocate catch history on an individual basis

a. Trawl CV and CP:

Pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, Pelagic shelf rockfish

b. Longline CV and CP:

Pacific Cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if turbot is targeted), northern rockfish, Arrowtooth flounder

c. Pot CV and CP:

Pacific Cod

2.3.2 Harvest share (or QS/IFQ) Designations

2.3.2.1 Designation of low producing and high producing QS recipients in the fixed gear class. Modify as follows:

High producing QS recipients are defined as

Option 1 The upper 50% of QS recipients by species, by pound, by area (CG, WG)

Option 2 The upper 25% of QS recipients by species, by pound, by area (CG, WG)

(Motion passed 16/0)

2.3.2.2 Harvest share sector designations:

Designate harvest shares (or QS/IFQ) as CV or CP. Annual CV harvest share allocation (or IFQ) conveys a privilege to harvest a specified amount. Annual CP harvest share allocation (or

IFQ) conveys the privilege to harvest and process a specified amount. Designation will be based on:

Actual amount of catch harvested and processed onboard a vessel by species.

2.3.2.3 Harvest share gear designations

Option 1 2. Designate CV harvest shares as Trawl, Longline, and Pot

Option 2. Designate harvest shares and high and low producer fixed gear

Option 3. Designate CP harvest shares as CP trawl, CP longline, CP pot

~~Option 3. Longline and pot gear harvest shares (or IFQ) may not be harvested using trawl gear.~~

Motion passed 17/0

2.3.2.x Harvest Share Restrictions--Harvest restrictions apply to primary species only

Harvest restrictions for primary harvest shares (or IFQ) may be used by other gear types except that:

Option 1. No restrictions

Option 2. Fixed gear harvest share (or IFQ) may not be harvested using trawl gear

Option 3. Pot gear harvest shares may not be harvested by longline or trawl gear

Option 4. Pot and longline harvest shares may not be harvested by trawl gear

Motion passed 17/0

2.3.2.4 Trawl and high producing fixed gear CV harvest shares will be issued in two classes. Class A shares will be deliverable to a qualified processor. Class B shares will be deliverable to any processor as authorized under this program, (for alternative 2).

~~Option. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.~~

Option 1 QS will be issued as class A or B and are separable at the QS level and at the annual allocation level.

Option 2. QS will be issued as combined A/B share and are not separable. Only the annual allocations will be subject to the class A/B distinction.

(Motion passed 17/0)

2.3.3 Transferability and Restrictions on Ownership of Harvest shares (or QS/IFQ)

2.3.3.1 Persons eligible to receive harvest shares by transfer must be (not mutually exclusive):

Option 1. Individuals eligible to document a vessel with at least 150 days of sea time (apply to CV shares)

Option 2. Entities eligible to document a vessel that have a US citizen with 20% ownership and with at least 150 days of sea time (apply to CV shares)

Option 3. Entities eligible to document a vessel (apply to CP)

Option 4. Initial recipients of CV or C/P harvest share

Option 5. Community administrative entities would be eligible to receive harvest shares by transfer.

~~Option 1 2. Entities that have a U. S. citizen with 20% or more ownership and at least 150 days of sea time~~

~~Option 1 US citizens who have had at least 150 days of sea time~~

~~Option 3. Entities that have a US citizenship with 20% or more ownership~~

~~Option 5. US Citizens eligible to document a vessel.~~

(Motion passed 16/1/1)

Definition of sea time

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

2.3.3.2 Restrictions on transferability of CP harvest shares

~~Option 1. CP harvest shares maintain their designation upon transfer.~~

Option 1. 2. CP harvest shares maintain their designation when transferred to persons who continue to catch and process CP harvest shares at sea, if CP harvest shares are processed onshore after transfer, CP harvest shares converts to CV harvest shares.

(Motion passed 18/0)

~~Option 3. CP harvest shares maintain their designation after transfer for 5 years following implementation, after which time any transfer of CP shares convert to CV shares.~~

2.3.3.3 CP shares redesignated as CV shares:

Option 1. Retains gear designation upon transfer

Option 2. Purchaser must further identify which processing coop and regionalization provision apply to the shares, consistent with the gear type. Motion passed 18/0.

2.3.3.4 Vertical integration

Harvest shares initial recipients with more than 10% limited threshold ownership by any processor are capped at:

Option 1. initial allocation of harvest CV and CP shares.

Option 2. 115-150% of initial allocation of harvest CV shares.

Option 3. 115-150% of initial allocation of harvest CP shares.

2.3.3.6 Leasing of QS ("leasing of QS" is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program). Options are not mutually exclusive and may apply to different sectors.

Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

Option 2. No leasing of CP QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

Option 3. Allow leasing of CV QS, but only to individuals eligible to receive QS/IFQ by transfer.

Option 4. Allow leasing of CP QS, but only to individuals eligible to receive QS/IFQ by transfer.

(Motion passed 17/0)

Option 5. Sunset [CP – CV] QS leasing provisions [3 – 5 – 10] years after program implementation.

2.3.3.7 Separate and distinct harvest share use caps

Individual caps apply to all harvesting categories by species with the following provisions:

1. Apply individually and collectively to all harvest share holders in each sector and fishery.
2. Percentage-caps by species are as follows (a different percentage cap may be chosen for each fishery):
 - i. Trawl CV and/or CP (can be different caps):

Use cap based at the following percentile of catch history for the following species:
(i.e., 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, pelagic shelf rockfish

Suboption 1. 75 %
Suboption 2. 85%
Suboption 3. 95 %
 - ii. Longline and Pot CP and high producing and low producing fixed gear CV (can be different caps)

based on the following percentiles of catch history for the following species:
Pacific cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if Greenland turbot is targeted), northern rockfish

- Suboption 1. 75 %
- Suboption 2. 85%
- Suboption 3. 95 %

3. Conversion of CP shares:

- i. CP shares converted to CV shares
 - Option 1. will count toward CV caps
 - Option 2. will not count toward CV caps at the time of conversion.
- ii. Caps will be applied to prohibit acquisition of shares in excess of the cap. Conversion of CP shares to CV shares alone will not require a CP shareholder to divest CP shares for exceeding the CP share cap.

Vessel use caps on harvest shares harvested on any given vessel shall be set at two times the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003; including transfers by contract entered into as of that date.

2.3.3.8 Owner On Board Provisions

Provisions may vary depending on the sector or fishery under consideration (this provision may be applied differently pending data analysis)

- option 1. No owner on board restrictions.
- option 2. A portion (range of 5-100%) of the quota shares initially issued to fishers/ harvesters would be designated as "owner on board."

Suboption 1 All initial issues (individual and corporate) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued harvest share units.

option: Limit exemption to a period of 5 years after implementation.

Suboption 2. In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of (Range 1-3 years).

ii. Vessel categories for owner on board requirements

- Option 1. No Categories
- Option 2. Vessel Categories as follows
 - Vessels < 60'
 - Vessels \geq 60' and < 125'
 - Vessels \geq 125'

2.3.3.9 Overage Provisions

i. Trawl CV and CP:

Suboption 1. Overages up to 15% or 20% of the last trip will be allowed— greater than a 15% or 20% overage result in forfeiture and civil penalties. An overage of 15% or 20% or less, results in the reduction of the subsequent year's annual allocation or IFQ. Underages up to 10% of last trip harvest shares (or IFQ) will be allowed with an increase in the subsequent year's annual allocation (or IFQ).

Suboption 2. Overage provisions would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be charged if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

ii. Longline and pot CV and CP:

Overages up to 10% of the last trip will be allowed with rollover provisions for underages— greater than a 10% overage results in forfeiture and civil penalties. An overage of less than 10% results in the reduction of the subsequent year's annual

allocation or IFQ. This provision is similar to that currently in place for the Halibut and Sablefish IFQ Program (CFR 679.40(d)).

Suboption. Overages would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

2.3.3.10 Retention requirements for rockfish, sablefish and Atka mackerel:

Option 1. no retention requirements.

Option 2. require retention (all species) until the annual allocation (or IFQ) for that species is taken with discards allowed for overages

Option 3. require 100% retention (all species) until the annual allocation (or IFQ) for that species is taken and then stop fishing.

2.3.3.11 Limited processing for CVs

Option 1. No limited processing

Option 2. Limited processing of CV "B" harvest share (IFQs) of rockfish species is allowed up to 1MT of round weight equivalent of rockfish per day on a catcher vessel less than or equal to 60 ft LOA. Limited processing of rockfish species by owners of CV harvest shares is allowed up to 1 mt of round weight equivalent of rockfish per day on a vessel less than or equal to 60ft LOA. (Motion passes 17/0)

2.3.3.12 Processing Restrictions

Option 1. CPs may buy CV fish

Suboption. 3 year sunset

Option 2. CPs would be prohibited from buying CV fish

Option 3. CPs are not permitted to buy fully utilized species (cod, pollock, rockfish, sablefish, and allocated portion of flatfish) from CVs.

Suboption. Exempt bycatch amounts of these species delivered with flatfish.

2.4 Allocation of Secondary Species

Thornyhead, roughey, shortraker, other slope rockfish, Atka mackerel, and trawl sablefish
Includes SEO shortraker, roughey, and thornyhead rockfish.

i. Allocation of shares

Option 1. Allocate shares to all fishermen (Provisions relating to the Halibut/Sablefish IFQ program are contained in Section 5 (Motion passed 17/0) based on fleet secondary species catch rates by gear:

Suboption 1. based on average catch history by area and target fishery

Suboption 2. based on 75th percentile by area by target fishery

Option 2. Allocation of shares will be adjusted pro rata to allocate 100% of the annual TAC for each secondary species.

Suboption 1. Other slope rockfish in the Western Gulf will not be allocated, but will be managed by MRB and will go to PSC status when the TAC is reached.

Suboption 2. Pro-rata reduction of secondary species allowances in open access fisheries reduced from allocation of participants by:

i. 5%

ii. 10%

iii. 15%

ii. Include these species for one gear type only (e.g., trawl). Deduct the secondary species catch from gear types from TAC. If deduction is not adequate to cover incidental catch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

iii. Retain these species on bycatch status for all gear types with current MRAs.

- iv. Allow trawl sablefish catch history to be issued as a new category of sablefish harvest shares ("T" shares) by area. "T" shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.
Suboption. These shares may be used with either fixed gear or trawl gear.
- v. Permit transfer of secondary species shares
 - Option 1. Groundfish primary harvest shares and secondary shares are non-separable and must be transferred as a unit.
 - Option 2. Groundfish primary harvest shares and secondary shares are separable and may be transferred separately
 - Option 3. Secondary species IFQ may be transferred across gear types
 - Option 4. Secondary species IFQ may not be transferred across gear types

Motion passed 19/0

2.5 PSC Species

2.5.1 Accounting of Halibut Bycatch

Pot vessels continue their exemption from halibut PSC caps.

Hook and line and trawl entities

Option 1. Modeled after sablefish IFQ program (no direct inseason accounting of halibut PSC. Holders of halibut IFQ are required to land legal halibut. Estimates of sub-legal and legal size incidental mortality are accounted for when setting annual CEY.

Option 2. Halibut PSC will be managed through harvest share allocations

Option 3. Holders of halibut IFQ are required to land legal halibut. Halibut bycatch occurring without sufficient IFQs would count against PSC harvest share allocations.

Motion passed 19/0

Trawl entities – Halibut PSC will be managed through harvest share allocations.

2.5.2 Halibut PSC Allocation

Each recipient of fishing history would receive an allocation of halibut mortality (harvest shares) based on their allocation of the directed fishery harvest shares. Secondary species would receive no halibut allocation.

Initial allocation based on average halibut bycatch by directed primary species during the qualifying years. Allocations will be adjusted pro rata to equal the existing PSC cap.

By sector average bycatch rates by area by gear:

Option 1. Both sectors

Option 2. Catcher Processor/Catcher Vessel

2.5.3 Annual transfer/Leasing of Trawl or Fixed Gear Halibut PSC mortality

Halibut PSC harvest shares are separable from secondary groundfish harvest shares and may be transferred independently within sectors. When transferred separately, the amount of Halibut PSC allocation would be reduced, for that year, by:

Option 1. 0%

Option 2. 5%

Option 3. 7%

Option 4. 10%

Option 5. Exclude any halibut PSC transferred for participation in the incentive fisheries (includes transferrals outside the cooperative)

Option 6. Exclude any halibut PSC transferred within a cooperative

Motion passed 19/0

2.5.4 Permanent transfer of Halibut PSC harvest share mortality

- Option 1. Groundfish harvest shares and Halibut PSC harvest shares are non-separable and must be transferred as a unit
Suboption. exempt Pacific cod
- Option 2. Groundfish harvest shares and Halibut PSC harvest shares are separable and may be transferred separately

2.5.5 Retention of halibut bycatch by longline vessels

Halibut bycatch may be retained outside the halibut season from Jan 1 to start of commercial fishery, and from end of commercial fishery through November 15. Any person retain halibut must have adequate halibut IFQ to cover the landing. Retention is limited to (range 10-20%) of primary species

Option 1. In all GOA areas

Option 2. Limited to 3A, 3B, 4A and 4B Motion passed 19/0

~~Option 1. retention is limited to (range 10-20%) of primary species~~

2.6 Incentive species

Arrowtooth flounder, deepwater flatfish, flathead sole, rex sole, shallow water flatfish.

Owners of shares must utilize all their shares for an incentive species before participating in incentive fishery for that species.

Option. The portion of historic unharvested West Yakutat TAC will be made available as an incentive fishery, subject to provision of incentive fisheries

2.6.1 Eligibility to fish in the incentive fisheries

Option A. The unallocated portion of the TAC of incentive species are available for harvest, providing the share holder has adequate PSC and h secondary species and the share holder is a member of a GOA fishing cooperative or holds low producing fixed gear catcher vessel shares.

~~Option B. Open access participants will be permitted to harvest incentive species as long as the open access fishery remains open and NMFS determines that the secondary and PSC allocations remaining in the open access fishery are adequate to support prosecution of incentive species.~~

Option C. Any holder of halibut or sablefish IFQ that has adequate PSC and secondary species. The AP requests the Council task the IFQ implementation team with developing options for accessin gincentive species and managing halibut bycatch. Motion passed 190

2.6.2 Catch accounting for the incentive fisheries – Allocated QS and Incentive fishery quota

Option 1. The individual coop member's apportionment of the allocated incentive species QS must be used prior to the individual gaining access to the incentive fishery unallocated portion. The coop will notify NMFS when a vessel enters the incentive fishery quota pool.

Option 2. The coop's allocation of incentive species QS must be fished before gaining access to the unallocated portion of the incentive species quotas. The coop members through a contractual coop agreement will address catch accounting amongst the coop members.

Option 3. For low producing fixed gear catcher vessel share holders and halibut and sablefish IFQ holders not participating in a co-op, the unallocated incentive species are available for harvest once individual IFQ holder's allocation of the incentive species has been used.

~~Option 4. For open access participants, the harvest of incentive species quota allocated to open access participants must be fished prior to gaining access to the unallocated portion of the incentive species quota. Motion passed 190~~

2.7 Preserving entry level opportunities for P. cod

2.7.1 Each initial allocation of P. cod harvest shares based on the final year of the qualifying period to fixed gear catcher vessels below the block threshold size would be a block of quota and

- could only be permanently sold or transferred as a block.
- Option 1. allocations of 10,000 pounds or less constitute one block
 - Option 2. allocations of 20,000 pounds or less constitute one block

Motion passed 19/0

- 2.7.2 Eligible participants would be allowed to hold a maximum of:
- Option 1, 1 block
 - Option 2. 2 blocks
 - Option 3. 4 blocks

2.7.3 Any person may hold: (Alternatives 2 and 3)

- Option 1. One block and any amount of unblocked shares or**
- Option 2. Two blocks**

Motion passed 19/0

2.8 Skipper/Crew

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

- Option 1. No skipper and/or crew provisions
- Option 2. Allocate to skippers and/or crew
 - Suboption 1. Initial allocation of 5% shall be reserved for captains and/or crew
 - Suboption 2. Initial allocation of 10% shall be reserved for captains and/or crew
 - Suboption 3. Initial allocation of 15% shall be reserved for captains and/or crew
- Option 3. Establish license program for certified skippers. For initial allocation Certified Skippers are either:
 - i. Vessel owners receiving initial QS or harvest privileges; or
 - ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).
 - Suboption 1. include crew in the license program.
 - Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Under any alternative that establishes QS and annual harvest privileges, access to those annual harvest privileges is allowed only when fishing with a Certified Skipper onboard. Certified Skipper Licenses are non-transferable. They accrue to an individual and may not be sold, leased, bartered, traded, or otherwise used by any other individual.

Defer remaining issues to a trailing amendment and assumes simultaneous implementation with rationalization program.

2.9 Communities

Note: Bering Sea/Aleutian Islands communities (CDQ or otherwise) and communities adjacent to the Eastern GOA regulatory area Southeast Outside District (except Yakutat) will not be included in any Gulf rationalization community protection programs.

2.9.1 Regionalization

Regionalization options may be selected under any of the proposed alternatives for Gulf rationalization.

If adopted, all processing licenses (for shorebased and floating processors) will be categorized by region.

- Processing licenses that are regionally designated cannot be reassigned to another region.
- Catcher vessel harvest shares are regionalized based on where the catch was processed, not where it was caught.
- Catcher processor shares, incentive fisheries and secondary species are not subject to regionalization.

Motion passed 19/0

Option 1. Qualifying years to determine the distribution of shares between regions will be consistent with the preferred alternative under "Section 2.2 Qualifying Periods".

Option 2. Be based on the years 1999-2002 **Motion passed 19/0**

In the event harvest shares are regionalized and the linkage option is chosen, a harvester's shares in a region will be linked to the processor entity in the region to which the harvester delivered the most pounds during the qualifying years. **Motion passed 19/0**

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58° 51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North - South distribution: Pollock in Area 630; CGOA flatfish (excludes arrowtooth flounder); CGOA Pacific ocean perch; CGOA northern rockfish and pelagic shelf rockfish (combined); CGOA Pacific cod (inshore); GOA sablefish (trawl); WY pollock

The AP recommends deleting section 2.9.2 (**Motion passed 9/8**)

~~2.9.2 Community Fisheries Quota (CFQ)~~

~~2.9.2.1 Administrative Entity~~

- ~~Option 1. Gulf-wide administrative entity~~
- ~~Option 2. Regional administrative entities (Western Gulf, Central Gulf, Eastern Gulf)~~
- ~~Option 3. Multi community administrative entities~~
- ~~Option 4. The administrative entity representing a community or communities must be a non-profit entity qualified by NMFS.~~

~~2.9.2.2 Eligible Communities~~

- ~~Option 1. Population (based on 2000 Census):~~
 - ~~a. Less than 1,500~~
 - ~~b. Less than 2,500~~
 - ~~c. Less than 5,000~~
 - ~~d. Less than 7,500~~
- ~~Option 2. Geography~~
 - ~~a. Coastal Communities without road connections to larger community highway network~~
 - ~~b. Coastal communities adjacent to salt water~~
 - ~~c. Communities within 10 nautical miles of the Gulf Coast~~
 - ~~d. Communities on the south side of the Alaska Peninsula that are adjacent to Central and Western GOA management areas (including Yakutat) within 5 nautical miles from the water, but not to include Bering Sea communities included under the Western Alaska CDQ program.~~
- ~~Option 3. Historic Participation in Groundfish Fisheries~~
 - ~~a. Communities with residents having any (Motion passed 19/0) commercial permit and fishing activity as documented by CFEC in the last ten years (1993-2002)~~
 - ~~b. Communities determined by the State of Alaska to have met the customary and traditional use threshold for halibut~~

~~Option 4. Government Structure~~

- ~~a. Communities recognized by the State of Alaska as a first class, second class, or home rule municipality~~
- ~~c. All other eligible communities~~

A new section be inserted called Allocation Basis:

CFQ will be allocated to qualifying administrative entities based on:

~~Option 1. Allocation based on equal assignment of 10-100% of CFQ between qualifying communities.~~

~~Option 2. Allocation based on pro rata assignment, by community population, of 10-100% of CFQ between qualifying communities~~

~~Option 3. Allocation based on assignment of CFQ to a qualifying community that is limited to CFQ from the management area (WG, CG & WYAK) in which the community is located. (For pollock, CG includes management areas 620 & 630 and WYAK includes management areas 640 & 649.) (Motion passed 19/0)~~

~~2.9.2.3 Species~~

- ~~Option 1. All rationalized groundfish species~~
- ~~Option 2. Limited to species that can be caught without (hard-on) bottom trawling~~

~~2.9.2.4 Allocation~~

- ~~Option 1. 5% of annual TAC~~
- ~~Option 2. 10% of annual TAC~~
- ~~Option 3. 15% of annual TAC~~
- ~~Option 4. Allocation based on assignment of CFQ to a qualifying community that is limited to CFQ from the management area (WG, CG & WYAK) in which the community is located. (For pollock, CG includes management areas 620 & 630 and WYAK includes management areas 640 & 649.) (Motion passed 19/0)~~

2.9.2.5 Allocation Basis:

CFQ will be allocated to qualifying administrative entities based on:

~~Option 1. Allocation based on equal assignment of 10-100% of CFQ between qualifying communities.~~

~~Option 2. Allocation based on pro rata assignment, by community population, of 10-90% of CFQ between qualifying communities~~

~~(Motion passed 19/0)~~

~~2.9.2.6 5 Harvesting of Shares~~

- ~~Option 1. Limited to residents of eligible communities that own their vessels~~
- ~~Option 2. Limited to residents of eligible communities~~
- ~~Option 3. No limitations on who harvests shares~~
- ~~Option 4. No offshore leases to CPs.~~

~~2.9.2.7 6 Use of Revenue~~

- ~~Option 1. Community development projects that tie directly to fisheries or fishery related projects and education.~~
- ~~Option 2. Community development projects that tie directly to fisheries and fisheries related projects, education and government functions.~~
- ~~Option 3. Education, social and capital projects within eligible communities as well as governmental functions.~~

~~2.9.2.8 7 Qualification of Administrative Entity~~

~~The administrative entity must submit a detailed statement of eligibility to NMFS and the State prior to being qualified. The State may comment on the statement of eligibility but does not have a formal role. The required elements of the eligibility statement will be in regulation.~~

~~2.9.2.9 8 Administrative Oversight~~

~~A report submitted to NMFS detailing the use of QS by the administrative entity. The required elements and timing of the report will be outlined in regulation.~~

The AP recommends the Council make the following clarifications to the Community Fishing Program:

1. Communities will be allocated bycatch species and PSC species in proportion to their quota share. If 10% of the annual TAC is awarded to communities as CFQ, 10% of the bycatch species and PSC would also be awarded to communities.

2. Bycatch species would be awarded to regional or gulf wide management entities not individual communities. The species would be pooled and managed by the regional entity to prosecute the CFQ fisheries C similar to how a co-op might manage bycatch and PSC species.

3. A regional or gulf wide management entity would not be able to transfer (sell) its CFQ shares. However, the management entity could experience changes in the percentage of CFQ allocated based on program review.

4. Add an option that harvest share designations are not applicable to harvest shares held by community entities in the CFQ program.

5. Add an option that harvest shares held by community entities are not subject to processor linkages.

6. Harvesters leasing shares from community entities would not be required to also be in a co-operative.

7. If CFQs are allocated to the community management entity based on community location in a given management area (WG, CG, or WYAK) they should retain regional designations. The coalition would prefer this approach. Motion Passes 19/0

Minority Report

The minority of the AP opposes the removal of section 2.9.2, Community fisheries Quota, from the current issues and options for analysis in the GOA Groundfish Rationalization initiative for one or more of the following reasons:

- a. It is too early in the rationalization process to remove an option that could address the community protection mandates of National Standard 8 in Magnusen-Stevens.*
- b. Community CFQ could be one of the tools needed to balance equities between GOA stakeholders.*
- c. Alaska's smaller GOA communities are experiencing economic hardship, fisheries reductions and population decline. CFQ's could address preservation of fishing opportunities in these communities and help to stabilize their economies.*

Signed Duncan Fields, Tracy Mayhew, Jim Preston, Dan Falvey, Sandra Moller, Michelle Ridgeway, Eric Olsen and Dave Fraser (item A only)

2.9.3 Community Purchase Program

The AP recommends that the Council make the following clarifications to the Community Purchase Program.

1. If a community management entity sells purchased quota shares, the shares would retain the designations assigned them when initially purchased by the community.
2. Add an option that harvest use share designation for quota shares purchased and fished by communities be relaxed. Similarly, harvest use share designations should not apply when the community, through an individual, is fishing purchased quota shares.
3. Add an option that processor linkage would not transfer to quota shares purchased by qualifying community management entities. However, upon sale, processor linkage would reattach.
4. Harvesters leasing community purchased quota shares would not be subject to the mandatory co-ops.
5. Provide analysis of use caps proportionally to the caps used for communities in amendment 66.
6. Community held harvest shares would continue to have their regional designation. These are two aspects of community protection and should not be viewed in opposition to one another. (Motion passed 19/0)

2.9.3.1 Administrative Entity

Option. The administrative entity representing a community or communities must be a non-profit entity qualified by NMFS.

2.9.3.2 Eligible communities

Option 1. Population (based on 2000 Census):

- a. Less than 1,500
- b. Less than 2,500
- c. Less than 5,000
- d. Less than 7,500

Option 2. Geography

- a. Coastal Communities without road connections to larger community highway network
- b. Coastal communities adjacent to salt water
- c. Communities within 10 nautical miles of the Gulf Coast
- d. Communities on the south side of the Alaska Peninsula that are adjacent to Central and Western GOA management areas (including Yakutat) within 5 nautical miles from the water, but not to include Bering Sea communities included under the Western Alaska CDQ program.

Option 3. Historic Participation in Groundfish Fisheries

- a. Communities with residents having commercial permit and fishing activity as documented by CFEC in the last ten years (1993 - 2002)
- b. Communities determined by the State of Alaska to have met the customary and traditional use threshold for halibut

Option 4. Government Structure

- a. Communities recognized by the State of Alaska as a first class, second class, or home rule municipality
- b. All other eligible communities

2.9.3.3 Qualification of Administrative Entity

The administrative entity must submit a detailed statement of eligibility to NMFS and the State prior to being qualified. The State may comment on the statement of eligibility but does not have a formal role. The required elements of the eligibility statement will be in regulation.

2.9.3.4 Administrative Oversight

A report submitted to NMFS detailing the use of QS by the administrative entity. The required elements and timing of the report will be outlined in regulation.

2.9.4 Community Incentive Fisheries Trust (CIFT)

The CIFT has full ownership of CIFT harvest shares and holds these shares in trust for the communities, processors and crewmembers in the region to use as leverage to mitigate impact directly associated with implementation of a rationalization program.

2.9.4.1 Harvest Share Distribution

10-30 % of harvest shares shall be originally reserved for GOA CIFT associations. These harvest shares will be a pool off the top before individual distribution of harvest shares.

2.9.4.2 CIFT Designation

Option 1. One CV CIFT for entire GOA (exclude SEO)

Option 2. Regional CV CIFTs:

Suboption 1. Central GOA (Kodiak, Chignik)

Suboption 2. Western GOA

Suboption 3. North Gulf Coast (Homer to Yakutat)

Option 3. CP-based CIFT

Defer remaining issues to a trailing amendment

2.10 PSC for Crab and Salmon

2.11 Review and Evaluation

2.11.1 Data collection.

A mandatory data collection program would be developed and implemented. The program would collect cost, revenue, ownership and employment data on a periodic basis to provide the information necessary to study the impacts of the program. Details of this program will be developed in the analysis of the alternatives.

2.11.2 Review and Sunset

Option 1. The program would sunset unless the Council decides to continue or amend the program. The decision of whether to continue or amend would be based on a written review and evaluation of the program's performance compared to its objectives.

Suboption 1. 5 years after fishing under the program

Suboption 2. 7 years after fishing under the program

Suboption 3. 10 year schedule after fishing under the program

Suboption 4. No sunset provision.

Option 2. Formal program review at the first Council Meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities, by addressing concerns, goals and objectives identified in the problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

2.12 Sideboards

GOA Groundfish sideboards under the crab rationalization plan and under the AFA would be superceded by the GOA rationalization program allocations upon implementation.

Participants in the GOA rationalized fisheries are limited to their historical participation based on GOA rationalized qualifying years in BSAI and SEO groundfish fisheries and the Gulf jig fisheries.

Vessels (Steel) and LLPs used to generate harvest shares used in a co-op may not participate in other federally managed open access fisheries in excess of sideboard allotments.

Participants in the GOA rationalized fisheries are limited to their aggregate historical participation based on GOA rationalized qualifying years in BSAI and SEO groundfish fisheries, and the Gulf jig fisheries.

AFA sideboard exempt vessels will keep their exempted status in the BSAI. *Motion passed 19/0*

3 Processing Sector Provisions

3.1 Provisions for a Closed Class of Processors

3.1.1 Harvester Delivery requirements

3.1.1.1 Closed class delivery requirements

For trawl catcher vessel shares, 50-100% of harvest share allocation will be reserved for delivery to:

- i. the linked qualified closed trawl or fixed class processor (or)
 - ii. any qualified closed trawl or fixed or large or small class processor
- The remaining (50 -0%) CV harvest share allocation can be delivered to:

- i. any processor excluding CPs
- ii. any processor including CPs

For high producing fixed gear catcher shares, 50-100% of CV harvest share allocation will be reserved for delivery to:

- ii. any qualified closed trawl or fixed or large or small class processor
- The remaining (50 -0%) CV harvest share allocation can be delivered to:
- i. any processor excluding CPs
 - ii. any processor including CPs

Low producing fixed gear catcher vessels are exempt from closed class delivery requirements

3.1.1.2 Linkage: For trawl catcher vessels

A harvester's processor linked shares are associated with the qualified fixed or trawl closed class large or small processor to which the harvester delivered the most pounds of groundfish during the last ___ years of the harvester allocation base period.

- i. 1
- ii. 2
- iii. 3

If the processor with whom the harvester is associated with is no longer operating, and that processing history has not generated a license the harvester will be allocated "B" (open delivery) shares. (Amendment passed 10/7) deliver to any qualified processor.

(Motion passed 13/5)

~~3.1.1.4 Low producing vessel provisions~~

- ~~i. Low producing vessels are defined as:
Option 1. H&L or pot CVs receiving less than average QS initially allocated by gear, species and area
Option 2. H&L or pot CVs receiving less than the 75th percentile QS initially allocated by gear, species and area~~
- ~~ii. Provisions for low producing vessels
Low producing vessels are exempt from closed class delivery provisions (Motion passed 17/0)~~

3.1.2. Closed Class Processor Qualifications

3.1.2.1 To purchase groundfish required to be delivered to a qualified processor must have purchased and processed a minimum amount of GOA groundfish by region

Option 1. Apply at company level

Option 2. Apply at the entity level (Motion passed 17/0)

as described below in at least 4 of the following years:

- Option 1. 1995-99
- Option 2. 1995-2001

Option 3. 1995-2002

- Option 1. a. Trawl eligible Processors
Suboption 1. 2000 mt
Suboption 2. 1000 mt
Suboption 3. 500 mt
- b. Fixed gear eligible Processors
Suboption 1. 500 mt
Suboption 2. 200 mt
Suboption 3. 50 mt
- c. Trawl and Fixed gear eligible processors
Meet criteria for both the closed class trawl process catch and closed class fixed gear process catch as described above

- Option 2. a. Large closed class processor
Suboption 1. 2000 MT
Suboption 2. 1000 MT
Suboption 3. 500 MT
- b. Small closed class processor
Suboption 1. 500 MT
Suboption 2. 200 MT
Suboption 3. 50 MT
- c. Open class processor – no groundfish landing qualifications – can purchase any amount of open class B share QS.

3.1.2.2 Processor history would be credited to (and licenses would be issued to):

Option 1. Operator – must hold a federal or state processor permit.

~~Option 2. Facility owner – (Motion passed 16/0)~~

Suboption. Custom processing history would be credited to:

- i. the processor that physically processes the fish
- ii. the processor that purchases the fish and pays for processing

3.1.2.3 Transferability of eligible processor licenses

Processor licenses can be sold, leased, or transferred.

Option 1. Within the same community

Option 2. Within the same region

3.1.2.4 Processing Use caps by closed class processor type (trawl, fixed or trawl and fixed (low or large), by CGOA and WGOA regulatory areas:

Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest closed class processor

Option 2. Processing use caps for small closed class processors

i. 1000 to 2000 MT

ii. 2000 to 3000 MT

(Note: There is no limit on the amount of fish either a small or large closed class processor can buy from the open B share classed fish)

3.1.2.5 Processing Caps may apply at:

~~Option 1. the facility level~~

Option 2. the entity level

(Motion passed 17/0)

3.1.2.6 Closed class license ownership restrictions on processors

Option 1. No restrictions

Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses.

Option 3. Large closed class processors cannot hold small closed class processors licenses.

4 Cooperative Provisions

4.1 Cooperative type (voluntary or mandatory)

For low producing fixed gear catcher vessel shares, cooperative membership will be voluntary (i.e., harvest shares (IFQ) will be allocated to non-members)

For catcher/processor, trawl catcher vessel and high producing fixed gear catcher vessel shares, cooperative membership will be mandatory (i.e., harvest shares will be allocated only to cooperatives)

4.2 Cooperative formation

4.2.1 Co-ops can be formed between holders of harvest shares or history of:

C/P

CV trawl

high producing fixed gear catcher vessels

low producing fixed gear catcher vessels

- iv. All CV in the same area (WGOA and CGOA & WY combined)

Each group of share/history holders of a defined class that may form cooperatives is defined as a "sector."

4.2.1.1 Coop/processor affiliations

Option 1. No association required between processors and coops

~~Option 2. CV cooperatives must be associated with~~

~~a) a processing facility~~

~~b) a processing company (*Motion passed 16/0*)~~

For trawl catcher vessel share cooperatives, the associated processor must be a closed class processor to which the share holder's shares are linked.

If processor association is required:

For high producing fixed gear catcher vessel cooperatives the associated processor must be:

- b) a qualified processor (if closed processor class is selected)

For low producing fixed gear catcher vessel cooperatives the associated processor must be:

- a) a licensed processor

Suboption 1. Processors can associate with more than one co-op

Suboption 2. Processors are limited to 1 co-op per plant for each sector.

Processor affiliated vessels may join coops.

Note: A processor association will not be required for a C/P cooperative.

4.2.2 Cooperatives are required to have at least:

Option 1. No minimum for CV sector

For the CP sector:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-100 percent of the harvest shares (or catch history) of its sector (may choose different percentages for different sectors)
- Option 3. 50-100% of shareholder entities belonging to its sector. Council may choose different percentages for different sector.
- ~~Option 4. 50-75 percent of the harvest shares (or catch history) of the eligible harvest share (or catch history) for each coop associated with its processor~~

(Motion passed 17/0)

Note: Requirements may differ across sectors (or for CV and CP cooperatives)

4.2.3 Duration of cooperative agreements:

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

4.2.4 Allocation Prerequisites

Allocations to CV co-ops will only be made under the following conditions:

Required Co-op agreement elements:

Harvesters and processors are both concerned that rationalization will diminish their current respective bargaining positions. Therefore, a pre-season co-op agreement between eligible, willing harvesters and an eligible, and willing processor is a pre-requisite. The co-op agreement must contain a fishing plan for the harvest of all co-op fish.

4.3 Rules Governing Cooperatives

4.3.1 Annual Allocations

Annual allocations of cooperative members would be issued to the cooperative.

- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by inter-coop transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement. Processor affiliates cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- A cooperative must accept membership of any eligible persons subject to the same terms and conditions as other members.

4.4 Ownership and Use Caps and Underages

4.4.1 Set co-op use caps at 25 to 100% of total TAC by species (must choose 100 percent for a "true" sector cooperative)

4.4.2 Coop use caps for harvest shares on any given vessel shall be:

- Option 1. Set at the same level as the individual vessel level.

Option 2. 3 times individual vessel use cap.

Option 3. No use caps

- To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.
- Underage limits would be applied in the aggregate at the co-op level

4.5 Movement between cooperatives

4.5.1 Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. No movement in the first two years

4.5.2 License Transfers Among Processors (applies only if closed class of processors)

For trawl catcher vessel share cooperatives:

- Option 1. any cooperative association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction on departing the cooperative, as would have been made in the absence of the transfer.
- Option 2. any cooperatives associated with the license will be free to associate with any qualified processor. Harvest share/history holders in the cooperative will be free to move among cooperatives without share/history reduction.

For fixed gear catcher vessel share cooperatives with processor associations

any cooperatives associated with the license will be free to associate with any qualified processor. Harvest share/history holders in the cooperative will be free to move among cooperatives without share/history reduction.

4.6 Non-Members of Cooperatives (applies only if mandatory cooperatives)

- 4.6.1 Catcher processor, trawl catcher vessel and high producing fixed gear catcher vessel harvest share/history holders that do not choose to join a co-op may fish in open access, provided NMFS determines that the non-cooperative allocation is sufficient to conduct an open access fishery. The open access fishery will be comprised of all shares of harvesters that are not cooperative members of the same sector (i.e., area, vessel type (CV or C/P), and/or gear). NMFS will have the discretion to determine the distribution of secondary and PSC among primary species open access fisheries from shares of harvesters holding secondary and PSC shares for multiple primary fisheries.

The AP suggests that elements and options concerning halibut/sablefish ITQs and provisions relating to the SEO area be reorganized into Section 5 and Section 6. Following is an outline of elements and options that have not been suggested but were not discussed or approved by the Advisory Panel due to a lack of time.

5- Provisions relating to the IFQ halibut/sablefish fishery.

5.1 Management areas:

Applies to Sablefish areas SE, WY, CG, WG. Applies to halibut areas 2C, 3A, 3B, 4A.

5.2 Primary species include: P.cod, Greenland turbot, POP,

A) QS will be issued to the halibut/sablefish owner at the time of landing while harvesting halibut or sablefish IFQ during the qualifying period. Any QS/IFQ issues for these secondary species will not be subject to regionalization, mandatory coop, closed class processor, or processor linkage provisions of GOA rationalization.

5.3 Secondary species include RE/SR, Thornyheads, Pelagic, Other Slope, Northern, Dusky, and Other rockfish. Allocation to the halibut/sablefish IFQ fishery shall be determined by:

- A) Sablefish: Allocation based on 75th percentile of observed bycatch rates, by area (the rate which 75% of observed sets did not exceed)
- B) Halibut: Allocation based on 75th percentile of bycatch rates experienced in IPHC surveys by area (the rate which 75% of survey sets did not exceed)

5.3.1 Management provisions for secondary species

- A) Management of RE/SR, Thornyheads, Pelagic, Other Slope, Northern, Dusky, and Other rockfish shall be

Option 1: Managed in aggregate on an area basis using current MRA regulations.

Option 2: Allocated to individual sablefish or halibut QS owners proportional to their QS holdings. Secondary species QS can only be permanently transferred with the underlying parent QS, but IFQ may be leased across vessel categories and species within the halibut and sablefish IFQ program.

Suboption 1: Allow an individual to choose, on an annual basis, individual allocations or to participate in the common pool.

Suboption 2: Allow a 7 day grace period after an overage occurs for the owner to lease sufficient Secondary species QS to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overage and fines.

- B) An estimate of non commercial use of secondary species will be made based on observer and IPHC data. Non commercial use of secondary species for gurry bait will not require QS/IFQ.

Further, the AP requests the council task the IFQ implementation team with reviewing these options once the observer and IPHC data becomes available

6: Provisions relating to the SEO Area.

6.1 SEO is exempt from GOA rationalization program except for the management of RE/SR, Thornyheads, and Other Slope as secondary species

6.2 Management provisions for secondary species

A) Any QS/IFQ issued for these secondary species will not be subject to regionalization, mandatory coop, closed class processor, or processor linkage provisions of GOA rationalization

B) Management of RE/SR, Thornyheads, and Other Slope rockfish shall be

Option 1: Managed in aggregate on an area basis using current MRA regulations.

Option 2: Allocated to the vessel owner or qualified lease holder at time of landing during the qualifying period based on retained catch. Secondary species QS can only be permanently transferred to an individual with 150 days of sea time in a us fishery.

Secondary species QS may be leased.

Suboption 1: Allow an individual to choose, on an annual basis, individual allocations or to participate in the common pool.

Suboption 2: Allow a 7 day grace period after an overage occurs for the owner to lease sufficient Secondary species QS to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overage and fines.

C) Non commercial use of secondary species for gurry bait will not require QS/IFQ.

Motion passed 18/0.

TRAILING AMENDMENTS

The Council intent is for these trailing amendments to be implemented simultaneously with the main rationalization program.

1.Fee and Loan Program

2.Skipper/Crew Share Program issues

3.Remaining issues of CIFT program

The AP also recommends that the Council apply all the above changes to Alternative 3 except for the following sections:

3.1.1.3 Penalties for moving between linked processors:

3.1.1.3 For trawl catcher vessels:

Penalties for moving between linked processors

- Option 1. No share reduction for moving between processor year to year
- Option 2. Share reductions of 10-20% each time a harvester moves to a different linked processor for:
 - i. 1 year
 - ii. 2 years
 - iii. 4 years
 The share reduction shall be redistributed to:
 - i. The shareholders in association with that processor that the shareholder left (if it continues to exist).
 - ii. To all cooperatives in the sector on a pro rata basis. (applies if mandatory cooperatives)
- Option 3. Penalty to move depends on the amount of open access B share fish. Vessel leaves A share for one year.

Suboption 1: Penalty applies to both A and B shares.

Suboption 2: Full penalty applies to 1 move. subsequent moves are penalized at 1/2 of that rate. *Motion Passed 14/4*

Closed A share class	Open B share class	Penalty on total amount of A and B shares	Ratio of penalty on A shares to B shares
90%	10%	10%	9:1 (9%)
80%	20%	20%	4:1 (16%)
70%	30%	30%	7:3 (21%)
60%	40%	40%	3:2 (24%)
50%	50%	50%	1:1 (25%)

Option 4. One year penalty in open access.

Option 5. No penalty. Movement allowed only upon agreement between Coop members and affiliated processor.

Option 4. One year penalty in open access. Harvester's shares must move as a block with all shares subject to the one-year open access penalty. No open access penalty required if an agreement between coop members and the affiliated processor could be struck. *Motion passed 15/0*

4.2.1.1 Option 3, delete suboption 2: ~~Processors are limited to 1 coop per plant for each sector~~
Motion passed 14/4

4.2.2 CV Cooperatives are required to have at least:

Option 1. 4 distinct and separate harvesters (using the 10% threshold rule) and "one boat one vote"

CP Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule) and "one boat one vote"
- Option 2. 50-100% of shareholder entities belonging to its sector. Council may choose different percentages for different sector.

Motion passed 16/0

Salmon and Crab bycatch measures

The AP recommends that the alternatives on p.5 of the Salmon and Crab Bycatch Measures for GOA Groundfish Fisheries paper not be adopted at this time and that the analysis be expanded to include, to the extent practical, a discussion of the following:

A comparison of salmon bycatch with hatchery salmon releases (in Alaska, Japan and Canada) and regional salmon run strength and catch of foreign origin salmon.

Red king crab and Bairdi bycatch data relative to population estimates for all gear types.
(Motion passed 12-5-1)

Use of observer data. The discussion would include a table of the % of observed catch by region by season and methods of extrapolation for unobserved vessels (smaller long line fleet), conversion of observer data to identify catch in State waters, and any known problems with the use of observer data.

Other fisheries in which salmon and crab bycatch occurs — ie. pot codfish and pollock bottom trawl.

The reasons for the high bycatch of the "other salmon" category between 1993-95 and provide salmon bycatch data by month by area.

Description of gear specific salmon and crab mortality rates.

Bairdi bycatch in the pacific cod pot fishery - extrapolate as needed to provide numbers for state waters fishery.

Inclusion in the draft alternatives of a BSAI style bycatch pool hotspot management alternative, an alternative that provides for red king crab bycatch protections and an "other salmon" bycatch protections alternative.

Changes in the regulatory requirements for observer coverage in the pot cod fishery.

Discussion of how crab and salmon bycatch limits integrate with Gulf Rationalization.

Motion Passes 10-7

Modified AP GOA Groundfish Rationalization Alternatives

Because of the number, diversity, and complexity of the fisheries in the GOA, no single alternative below will be appropriate for all fisheries. Mixing and matching should be expected by sector upon further analysis.

Alternative 1	Alternative 2								Alternative 3	
No Action	Harvester IFQ, Closed class, linkage, coop								Sector Allocations with closed class of processors and processor linkage	
	Shares allocated to Individuals								Harvest shares allocated to individuals within sectors	
	Catcher Processors	Trawl CV		Fixed Gear CV				Sectors: CV Trawl, CV Longline, CV Pot, CP Trawl, CP Longline, CP Pot		
				High Producing Vessels		Low Producing Vessels				
	Voluntary Coop								Mandatory Coop	
	or	No Processor Delivery Restrictions	Closed Class X%	Linkage X%	No Processor Delivery Restrictions	Closed Class X%	Linkage X%	Open Delivery (fished as IFQs)	CP Provisions	CV Provisions
			or	or		or	or	or	No Processor Provisions	Closed class of processors, annual harvest allocations (IFQ), linked to processor, penalty to move between processors
	Fished as Individual Fishing Quotas								or, those that do not join coops	
Fished as Individual Fishing Quotas	Fished as Individual Fishing Quotas		Fished as Individual Fishing Quotas				Fish open access with PSC reductions	Fish open access with PSC reductions		