

Status of Rulemaking Actions

Status of FMP Amendments

January 21, 2003

FMP Amendment Status: <u>Actions Since December 2002 Council Meeting</u>	Date of Council Action	Start Regional Review	Transmittal Date of action to NMFS HQ for Review	Proposed FMP Amendment Notice of Availability Published	Proposed Rule Published in Federal Register	Final Rule Published in Federal Register
Amends. 61/61/13/8: AFA management of co-ops and sideboards <u>Amends. approved on February 27, 2002</u>	June 1999 June 2000 Sep. 2000	PR - 2/15/02 FR - 7/5/02	PR - Nov. 13, 2001 FR - Sept 27, 2002	Nov. 27, 2001 66 FR 59225 <u>Comment period ends January 28, 2002</u>	<u>Dec. 17, 2001</u> <u>66 FR 65028</u> <u>Comment period ends January 31, 2002</u>	NOA of final EIS published 03/01/02 (67 FR 9448) Dec. 30, 2002 67 FR 79692
Amend. 69 BSAI: AFA 1, inshore co-op contracts with CVs outside co-op (Decision date 10/3/02)	June 2001	PR - 4/5/02 FR - 11/13/02	PR - June 2, 2002 FR - Dec 30, 2002	July 5, 2002 67 FR 44794 <u>Comment period ends September 3, 2002</u>	August 23, 2002 67 FR 54610 <u>Comment period ends October 7, 2002</u>	
Amend. 71 BSAI: CDQ administrative changes	June 2002					
Amend. 72/64: IFQ Vessel Clearance and Recordkeeping and Reporting changes Decision date 1/24/03	Apr. 2002	5/13/02	PR - October 14, 2002	Oct. 29, 2002 67 FR 65941 <u>Comment period ends December 27, 2002</u>	Jan. 24, 2003	
Amendment 75 (BS) - Increased retention/ increased utilization - PR	Oct. 2002	PR - 12/3/02				

Status of Regulatory Amendments

January 21, 2003

Regulatory Amendment Status: <u>Actions Since December 2002 Council Meeting</u>	Date of Council Action	Start Regional Review of Rule	Transmittal Date of Rule to NMFS Headquarters	Proposed Rule Published in Federal Register	Final Rule Published in Federal Register
Groundfish Regulations					
2003 Proposed BSAI Groundfish Harvest Specifications	October 2002	PR - 10/12/02	PR - November 5, 2002	Dec. 12, 2002 67 FR 76362 Comment period through 1/13/03	
2003 Proposed GOA Groundfish Harvest Specifications	October 2002	PR - 10/11/02	PR - November 5, 2002	Dec. 12, 2002 67 FR 76344 Comment period through 1/13/02	
2003 Interim BSAI Groundfish Harvest Specifications	October 2002	FR - 10/11/02	November 12, 2002		Dec. 26, 2002 67 FR 78739
2003 Interim GOA Groundfish Harvest Specifications	October 2002	FR - 10/11/02	November 12, 2002		Dec. 26, 2002 67 FR 78733
2003 Final BSAI Groundfish Harvest Specifications	December 2002	Dec 18, 2002	Jan 23, 2003		
2003 Final GOA Groundfish Harvest Specifications	December 2002	Dec 20, 2002	Jan 23, 2003		
Steller sea lion protection measures for 2002 and beyond	October 2001	PR - 01/31/02 FR - 10/15/02	PR - May 14, 2002 FR - November 21, 2002	Sept. 4, 2002 67 FR 56692 <u>Comment period ends Oct. 4, 2002</u>	Jan. 2, 2003 68 FR 608
Revision of at-sea observer communication system requirements	Feb 2000	PR - 11/30/01 Final rule in prep	PR - Feb 21, 2002	July 25, 2002 67 FR 48604 <u>Comment period ends Aug. 26, 2002</u>	
Observer omnibus rule	June 2000	PR - 2/16/01 FR - 9/25/02	PR - November 2, 2001 FR - October 30, 2002	April 2, 2002 67 FR 15517 <u>Comment period ends May 1, 2002</u>	Jan. 7, 2003 68 FR 715
Observer Program extension through 2007	April 2002	PR 6/3/02 FR - 10/23/02	PR - June 28, 2002 FR - November 5, 2002	Sept 16, 2002 67 FR 58452 <u>Comment period ends Oct. 11, 2002</u>	Dec. 6, 2002 67 FR 72595
DSR full retention and donation rule	June 1999	PR - 3/29/02			
Caton Island/Cape Barnabas - Removal of Pacific cod pot fishing restrictions	October 2002	PR - 10/16/02	PR - January 8, 2003		

Regulatory Amendment Status: <u>Actions Since December 2002 Council Meeting</u>	Date of Council Action	Start Regional Review of Rule	Transmittal Date of Rule to NMFS Headquarters	Proposed Rule Published in <u>Federal Register</u>	Final Rule Published in <u>Federal Register</u>
Revision to pollock roe retention standards	February 1999 See NMFS letter dated Jan 30, 2002	PR - 10/24/02	PR - Jan 8, 2003		
Revised seabird avoidance measures	December 2001	PR- 8/26/02	PR - December 11, 2002		
Cape Sarichef Experimental Trawl Closure	Oct. 2002	PR - 11/13/02	PR - December 18, 2002	January 23, 2003	
Halibut Regulations					
Halibut charter boat GHL	February 2000: December 2000	PR - 2/26/01 FR in preparation	PR - October 11, 2001	January 28, 2002 67 FR 3867 End of comment period Feb. 27, 2002	
Halibut charter boat IFQ	April 2001; October 2001	<i>Waiting receipt of draft analysis</i>			
Halibut Subsistence fishing provisions	October 2000	PR - 3/22/02 FR - 1/17/03	PR - May 30, 2002	Aug. 26, 2002 67 FR 54767 Comment period ends Sept. 25, 2002	
Halibut 4D/4E CDQ issues: trip limits	October 1998 December 2001	PR - 5/13/02 FR - 11/25/02	PR - Aug. 30, 2002 FR - Jan. 15, 2003	October 15, 2002 67 FR 63600 <u>Comment period ends Nov. 14, 2002</u>	
Community Quota Share	April 2002	Ongoing preparation of PR			
Crab Regulations					
Crab LLP license and vessel buyback program	Congress December 2000	<i>rulemaking and analysis developed at HQ.</i>		December 12, 2002 67 FR 76329 EOC Jan 27, 2003 30-day extension of comment period is anticipated	
Notices					
Bycatch rate standards notice for 1 st half of 2003			Notice - 11/27/02		Dec. 18, 2002 67 FR 77439
IFQ cost recovery fee notice		11/20/02	Notice - 11/22/02		Dec. 16, 2002 67 FR 76998

National Marine Fisheries Service
Alaska Region
Inseason Management Highlights

January 21, 2003

Andrew Smoker
Senior Inseason Manager

Bering Sea and Aleutian Islands.

Pollock

No 2003 trawl observer data were available at 'press time'.

In 2003 the Chinook Salmon Limit decreases to 33,000 animals, from the 2002 limit of 37,000 animals. In 2002, the pollock fishery took 32,370 chinook with a directed fishery catch of 1,289,564 mt. About 2/3 of the catch of chinook occurred in the A season and the remainder in the B. The 2003 pollock directed fishing allowance is 1,295,594 mt.

Catcher/processors

Based on 2002 data, as many as fifteen catcher/processors (c/ps) are expected as a fleet to average 3,500 mt per day through February 28. The average for 2002 from March 1 through March 31 when the offshore fishery ended was about 1,700 mt per day.

In 2002, for the first 71 days of the fishery shoreside catch showed a similar trend as the at sea c/ps, averaging about 4,300 mt delivered from January 20 through February 28 and averaging 2,700 mt from March 1 through March 31.

The mothership pattern in the 2002 fishery was for two of the three motherships to start with the initiation of the fishery and the third to join by February 1. About 90% of the mothership directed fishing allowance was taken by February 28 with the remainder being taken through March 18.

Flatfish

In 2002, the first seasonal trawl rock sole fishery began January 20 with about a dozen c/ps and increased to 18 c/ps by the end of the fishery on March 1 when 174 mt of halibut mortality was taken in the last week. For much of the fishery, halibut mortality was relatively moderate, averaged about 7 mt per day for the first few weeks and peaked at about 30 mt per day at the end of the season. The first seasonal rock sole/other flatfish/flathead sole fishery took about 35,000 mt of groundfish. Red king crab bycatch was generally higher across many trawl targets in 2002. Zone 1 closed to rock sole/other flatfish/flathead sole on February 22.

Atka mackerel

Eight c/ps registered for the harvest limitation area (HLA) fisheries in 543 and 542. The HLA fisheries begin on January 24, 48 hours after the closure of the area 541/ Bering Sea subarea fishery. The last HLA fishery closes February 5. In 2002 the remaining A

season TAC in 542 was taken by February 11. The 2002 543 'outside' HLA fishery closed on the basis of the season on April 15 rather than catch in the fishery.

Pacific cod

The hook-and-line, pot and jig fisheries started January 1. Trawl fisheries began January 20.

Thirty freezer/longliners c/ps have checked into the Pacific cod fishery. Catches in general have been fairly strong but not as high as the 2002 fishery. According to the observer data, the catch in 2003 of 9,800 mt through the third week (as of January 18) is 86% of the 2002 catch of 10,900 (by 28 c/ps) through roughly same period.

Less than 200 mt of cod has been delivered shoreside by pot, jig or hook-and-line gear.

Trawl Pacific cod fisheries are getting underway soon. The mixed flatfish fleet generally targets cod as an alternative to flatfish when the crab bycatch rates are high in the rock sole target. However, the majority of the trawl fleet that will later target Pacific cod are focused on pollock at this time of the A season.

'Other Species'

The 'other species' category (which includes skates, sculpins, sharks and octopus) will close to directed fishing with the filing of the final specifications which is expected in early February.

Gulf of Alaska

Western GOA Pacific cod

The inshore fishery for Pacific cod in the Western GOA has taken about 900 mt through January 11. A third of that catch is credited to shore deliveries, the remainder from at-sea c/ps that are part of the inshore component. The offshore fishery has taken just over 100 mt.

The 2003 A season TAC for the inshore component is 8,343 mt under the final specifications. Based on the last two years catch data, the fishery should close in the third week of February.

Central Pacific cod

As of January 18 inshore deliveries total 1,063 mt and offshore catch is less than 200 mt. The inshore catch is comprised of 40% pot gear and the remainder hook-and-line, the offshore catch is entirely hook-and-line.

In 2002, the A season fishery for inshore Pacific cod closed on March 9, taking about 15,000 mt. The 2002 fishery was atypical in that in the middle of February it was basically shut down for a week due to weather and the normal pattern of accelerating catch was not re-established until early March.

The 2003 A season TAC under the final specifications for the inshore component is 12,343 mt. Assuming that the 2003 catch is consistent from week to week, the fishery is expected to close in mid February, 3 weeks prior to the 2002 fishery closure.

Pollock

The pollock fisheries in areas 610, 620 & 630 opened January 20 although as of this writing trawl vessels are expected to target Pacific cod until a price for pollock is settled on. Based on previous catch history inseason expects the area 610 fishery to last about 3 days, currently weather is keeping some of the fleet from fishing. We will continue to monitor the fishery out of our Dutch Harbor office to determine if catch rates are consistent with past experience. In the Central GOA the small TAC in area 630 was available to the fleet January 20 and closed January 21 given the lack of effort we will reopen the fishery once the fleet becomes active. The area 620 fishery will be monitored on an inseason basis.

January 2003

David Benton, Chairman
North Pacific Fishery Management Council
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501-2252

Annual Report: IFQ Cost Recovery Program

2002 IFQ Fishing Season

Dear Mr. Benton:

In a Notice published in the Federal Register in December 2002, the Secretary announced that the 2002 IFQ fee percentage has been set at **2.0 percent**. This is the same percentage that was set for the 2001 IFQ season. Under the IFQ Cost Recovery regulations, IFQ permit holders who used their permits to record landings of halibut or sablefish during this year's IFQ fishery are obligated to pay that percentage of their total ex-vessel receipts from the sale of their halibut or sablefish.

Below, we recap the 2001 payment performance (monies collected during 2002), discuss the basis for the 2002 fee, and summarize payment options for IFQ fishermen.

2001 Payment Performance

At the end of the 2001 season, the fee was established at 2.0% of the ex-vessel value of IFQ halibut and sablefish (this was up 0.2% from the 2000 fee of 1.8%). The fee percentage was premised on a total ex-vessel value calculated at \$167,368,175 and total program expenditures of \$3,430,357.

In December 2001, bills were sent to 2,430 IFQ permit holders who had recorded landings. Of those, 1,797 had recorded only halibut landings, 101 had recorded only sablefish landings, and 532 had recorded both halibut and sablefish landings.

By the end of Fiscal Year 2002 (September 30, 2002), 2,427 persons had paid the fee; only 3 were referred to the U.S. Treasury Department for collection.

Total receipts fell \$124,000 below identified expenditures. There were three reasons for this, including:

- the 2001 fee percentage rate was rounded down, so total billings were slightly less than total costs;

- some IFQ permit holders paid less than they were billed, choosing to pay based on their “actual” ex-vessel receipts instead of the “standard” ex-vessel values computed by RAM; and,
- post-season administrative adjustments to landings records resulted in minor changes to amounts due.

This is the second year in which the payment rate has exceeded 99.9%. Although no one enjoys paying the fee, the IFQ fleet seems to have accepted the requirement and has been very cooperative.

The 2002 Fee Calculation

As noted above, the fee for 2002 remains at 2.0%. This figure was derived from: 1) the total “ex-vessel” value of the halibut and sablefish fisheries; 2) the total costs of managing and enforcing the IFQ program (as measured by actual expenditures during FY 2001); 3) the balance in the Limited Access System Administrative Fund (last year’s overpayment, if any); and, 4) the anticipated non-payment rate. These are discussed below.

Ex-Vessel Value of the IFQ Fisheries

Because the fee obligation is premised on a percentage of the ex-vessel value of the IFQ fisheries, it has been necessary to calculate those values. We are aware that ex-vessel prices vary from port to port, and with the time of year.

Accordingly, during October and early November, IFQ Registered Buyers that received IFQ halibut or sablefish as shore-side processors submitted information on how much IFQ halibut and sablefish they received and how much they paid to IFQ holders; the information was reported by species, by port, and by month. Once collected, the data were used to derive the mean (average) ex-vessel value for both species, each port, and each month. Following this calculation, the amount of IFQ product delivered to each port, by month, was multiplied by the value. Overall, the calculations show that the total “standard” ex-vessel value of the two fisheries was as follows:

Halibut	\$124,381,225
<u>Sablefish</u>	<u>27,013,285</u>
Total	\$180,276,723

Management and Enforcement Costs

The other part of the process of determining the fee is calculation of the costs associated with managing and enforcing the IFQ program. Note that these costs are the incremental costs (i.e., those costs that would not have been incurred but for the IFQ program). To ascertain those costs, in early September, RAM calculated its own IFQ-associated costs and solicited like information from the following non-RAM entities:

NMFS/AKR Sustainable Fisheries Division
 NMFS/AKR Office of Law Enforcement
 North Pacific Fishery Management Council
 International Pacific Halibut Commission

The table below sets out the responses that we received and which have been included in this year's cost recovery fee calculation.

Cost Category	RAM	Enforcement	Sustainable Fisheries	Halibut Commission	Total
Personnel Costs	869,127	1,193,200	56,022	112,263	2,230,612
Travel	28,464	81,300	0	10,331	120,095
Transportation	982	7,900	0	0	8,882
Printing	30,062	0	0	0	30,062
Contracts/Training	58,785	267,000	0	10,563	336,348
Supplies	10,503	44,700	2,760	2,925	60,888
Equipment	5,560	75,600	0	0	81,160
Rent/Utils/O'head	439,242	209,700	6,210	8,886	664,038
Other	0	-21,100	0	2,843	-18,257
TOTAL	1,442,724	1,858,300	64,992	147,811	3,513,827

Notes to table:

- "Personnel Costs" include COLA and all benefits
- "Travel" includes per diem payments
- "Transportation" includes shipment of items (i.e., transaction terminals)
- "Rent/Utils/O'head" includes actual cost of space and utilities and appropriate share of common space and services

Fee Percent Calculation

Calculating the fee percentage is accomplished using the following formula:

$$[100 \times (DPC-AB)/V]/(1-NPR)$$

This is not as formidable as it may seem! It simply means that the Direct Program Costs (DPC) of management and enforcement, less the amount that was over-collected from last year, or the Account Balance (AB), multiplied times 100, is then divided by the fisheries Value (V) and is further divided by the anticipated Payment Rate (calculated by subtracting the Non-Payment Rate from 1, or, as set out in the formula, "1-NPR"). The result (rounded to the nearest 0.1 percent) is the fee percentage. Here are the numbers:

<u>Factor</u>	<u>Value</u>	<u>Activity</u>
Cost (DPC):	3,513,827	minus
Overpayment (AB):	0	times 100, and divided by
Fisheries Value (V):	180,276,723	divided by
Payment Rate (1- NPR):	0.9995	equals
	1.950104673	rounded to nearest 0.1% yields

Rate for 2002 IFQ Season: 2.0%

Paying the Fee

As noted above, RAM has prepared statements (bills) for every IFQ permit holder whose permit was used to record IFQ landings during 2002. The statements display the species, date, and IFQ pounds landed and the standard ex-vessel price that applies to each landing. These are then summed and the resulting total is the permit holder's fee liability (i.e., the amount of the "bill" that should be paid). Payments are due by no later than January 31, 2003.

Permit Holder's Options

An IFQ permit holder may simply pay the amount that is billed. Alternatively, if s/he believes that the "standard" ex-vessel value does not accurately reflect her/his actual receipts, s/he may opt to apply the 2.0 percent to those actual receipts; if s/he opts to do so, however, s/he must be prepared to show the actual receipts from sales of fish.

Payment Options for 2002

Over the last two years, we have developed the system to accept payment by a variety of means. These now include:

- Payment on-line with Credit Card;
- Payment on-line with Check;
- Payment by telephone with Credit Card; or,
- Payment by mail with Check, Money Order, or Credit Card

Use of Funds

Twenty-five percent of all fee payments will be deposited in the U.S. Treasury and made available for the Congress to appropriate in support of the North Pacific (IFQ) Loan Program. The other 75 percent is deposited in the "Limited Access System Administrative Fund" (LASAF) and is available to the Secretary to offset the costs of managing and enforcing the program.

It is instructive to note that the fee is not expected to result in any real increase in budgets or expenditures; it will simply offset funds that would otherwise have been appropriated (with the exception of IPHC expenditures, for which there is no direct appropriation). Therefore, there is no particular budgetary "advantage" to be gained by inflating the management and enforcement costs.

Conclusion

We have been pleased with the level of cooperation we have received from the IFQ fleet and from Registered Buyers. As last year's participation rate indicates, the vast majority of IFQ fishermen have accepted the program requirements and have willingly paid. We have no reason to expect a lesser level of cooperation during 2003 and beyond.

Please let us know if you have any questions.

Sincerely,

Philip J. Smith
Program Administrator
Restricted Access Management

PSmith; 1/2/03

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IFQ Cost Recovery Program Annual Report

**Summary of 2001 Activities;
Description of 2002 Program**

**Report to the
North Pacific Fishery Management Council**

**Restricted Access Management
Alaska Region, NMFS**

January 2003 :: Seattle, Washington

Background Information

- **IFQ Fee is mandated by Magnuson-Stevens Act**
- **Purpose is to recover actual costs (expenditures) incurred in managing and enforcing the program; however,**
- **Fees may not exceed 3% of the ex-vessel value of IFQ halibut or sablefish**
- **Fees collected are used to**
 - **recover costs of management and enforcement (75%)**
 - **make funds available for Congress to appropriate to support the North Pacific (IFQ) Loan Program (25%)**

Year 2001 Program Summary

- **At the end of the 2001 IFQ season, the fee was established at 2% of the ex-vessel value**
 - **as premised on identified program expenditures of \$3,430,357 and total ex-vessel value of \$167,368,175**
- **2,430 persons (IFQ permit holders) were billed**
 - **including 1,797 with only halibut IFQ landings**
 - **and 101 with only sablefish IFQ landings**
 - **and 532 with both halibut and sablefish IFQ landings**

Year 2001 (continued)

- **By end of Fiscal Year 2002 (September 30, 2002), 2427 (99.9%) of those with fee obligations had paid**
- **Three persons (owing \$1,640) were referred to U.S. Treasury for collection**
- **Total receipts were \$124,000 less than total costs; reasons for this include:**
 - **the 2001 fee percentage was rounded down, so the total of all billings was slightly less than costs**
 - **some paid on “actual” ex-vessel value**
 - **some post-season administrative adjustments resulted in small changes to amounts due**

Determining the 2002 Costs - 1

- **RAM sought FY02 cost information from those who submitted during FY01, including**
 - **Pacific Halibut Commission**
 - **NMFS Office of Law Enforcement**
 - **NMFS Sustainable Fisheries Division**
 - **Restricted Access Management**
- **Responses included**

Determining the 2002 Costs - 2

- **Pacific Halibut Commission** **\$ 147,811**
- **NMFS Law Enforcement** **1,858,300**
- **NMFS Sustainable Fisheries** **64,992**
- **NMFS/RAM** **1,442,724**

TOTAL COSTS: **\$ 3,513,827**

Determining the 2002 Value - 1

- **Registered Buyers provided price data**
 - by species, by port, and by month
- **RAM compiled data to determine “standard” IFQ value**
- **Value published by port, group of ports, or “all Alaska”**
 - depends on number of observations (confidentiality)
- **Value for species/port/month of landing multiplied times pounds yields total value**

Determining the 2002 Value - 2

- Halibut pounds 57,900,705
- Halibut value \$ 124,381,225
- Sablefish pounds 27,013,285
- Sablefish value \$ 55,895,498

TOTAL VALUE: \$180,276,723

Formula for Calculating the Fee Percentage

$$[100 \times (DPC-AB) / V] / (1-NPR)$$

- ❖ **DPC = “Direct Program Costs”**
- ❖ **AB = “Account Balance” (overpaid)**
- ❖ **V = Total Ex-Vessel “Value” of IFQ fish**
- ❖ **1-NPR = Estimated “Payment Rate”**

Calculating the 2002 Fee Percent

Costs (DPC) of \$3,513,827
Less amount overpaid (AB) of \$0
Multiplied times 100,
Divided by Value (V) of \$180,276,723
Divided by Payment Rate (1-NPR) of .9995,
Equals: 1.950104673, (and rounded)

= 2.0%

Collecting the 2002 Fees

- **Each IFQ Permit Holder received a statement (bill) in late November; the billing**
 - contained information on pounds, ports, and month of Permit Holders IFQ landings
 - applied 2.0% fee calculation to “standard” value
 - and showed total amount due to NMFS by 1/31/03
- **Permit Holder has choice:**
 - s/he may pay based on “Standard” value as set out on the statement; or,
 - s/he may pay based on “actual” value of IFQ sales (if s/he so chooses, actual value must be proven)

Payment Options

- **RAM has developed different options for payment, including:**
 - **Payment on-line with credit card**
 - **Payment on-line with check**
 - **Payment by telephone with credit card**
 - **Payment by mail with check or credit card**

Allocation of the 2002 Funds

- **25% to be deposited in US Treasury**
 - **may be appropriated by Congress to support the North Pacific (IFQ) Loan Program**
- **75% to be deposited in the “Limited Access System Administrative Fund” (LASAF)**
 - **available to the Secretary to offset future costs of managing and enforcing the IFQ program**
- **Note that no more than 75% of the costs will ever be recovered**
- **Not “new money” -- income from fees will simply offset equivalent annual appropriations**

Accountability/Reporting

- **Regulations require publication of Annual Report on Cost Recovery Program**
 - report on 2001 Program will be included in 2003 “Report to the IFQ Fleet”
- **Report will be detailed, and will (at a minimum) include information on**
 - number of IFQ permit holders who paid (and who did not pay) and total amount paid (and due)
 - number of permit holders choosing “actual” values
 - amount deposited to Treasury for Loan program
 - other relevant information on program performance

Questions/Comments

**Questions and comments about the IFQ
Cost Recovery Program are welcome,
and should be directed to
NMFS/RAM**

1-800-304-4846

www.fakr.noaa.gov