


**PUBLIC TESTIMONY SIGN-UP SHEET FOR
AGENDA ITEM C-3 GOA Rockfish**

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2 ✓	STEVE DRAGE 6	ALASKA DRAGGERS ASSOC
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4 ✓	Stephen Tonfen 6	Groundwell Fish. Movement
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6 ✓	Julie Benny 6	AGDB
7 ✓	Halter Mcarty/John Windon 3	Island Seafoods
8 ✓	Susan Robinson 3	Fishermen's Finest
9 ✓	Teressa Kandianin 3	Kodiak Fish Co
10 ✓	Shawn Dochtermann 6	Alaska Jig Association
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver 
Executive Director

DATE: May 24, 2005

SUBJECT: Central Gulf of Alaska Rockfish Demonstration Program

ESTIMATED TIME 6 HOURS

ACTION REQUIRED

Final review of the analysis.

BACKGROUND

Section 802 of Title VIII of the Consolidated Appropriations Act of 2004 directed the Secretary of Commerce to develop a rockfish demonstration program for the Central Gulf of Alaska rockfish fisheries in consultation with the Council. At its April and June 2004 meetings, the Council responded to the directive of the legislation, public testimony, and an industry stakeholder proposal, by adopting for analysis a set of alternatives and elements that could be used to select an alternative to establish the demonstration program. At its October 2004, December 2004, and February 2005 meetings, the Council further defined the alternatives including options for sideboards of pilot program participants (a copy of the current motion is attached as Item C-3(a)). At its April 2005 meeting, the Council conducted an initial review of a draft RIR/EA/IRFA. At that meeting, the Scientific and Statistical Committee, Advisory Panel, and Council recommended revision of the document and release of the document for final review, subject to those revisions, and scheduled this item for final action at this meeting.

Staff has revised the analysis consistent with the comments of the SSC, AP, and Council. A copy of the analysis was included in a Council mailing during the week of May 18th. The executive summary of the analysis attached as Item C-3(b).

As a supplemental part of the analysis of the main program alternatives, staff prepared an analysis of options for the allocation of shortraker and roughey rockfish to participants in the pilot program. The Council included several options for different allocations for these species in its alternatives. A copy of this supplemental analysis is attached as Item C-3(c).

**Central Gulf of Alaska Rockfish Pilot Program
Alternatives, Elements and Options**

The Council recommends the following elements and options for the CGOA Rockfish Pilot program be included for analysis:

Catcher Vessel Alternatives

- 1) Status Quo
- 2) Cooperative program with license limitation program for processors
- 3) Cooperative program with cooperative/processor associations

Catcher Processor Alternatives

- 1) Status Quo
- 2) Cooperative Program
- 3) Sector Allocation

Alternatives 2 and 3 are defined by the following elements and options. Differences in the elements and options between the two alternatives and across the two sectors are noted.

1 Set-asides

Prior to allocation of catch history to the sectors, NMFS shall set aside:

- 1.1 ICA: An Incidental Catch Allocation (ICA) of POP, Northern rockfish and pelagic shelf rockfish to meet the incidental catch needs of fisheries not included in the pilot program
- 1.2 Entry Level Fishery: A percentage of POP, Northern rockfish and pelagic shelf rockfish for catcher vessels not eligible to participate in the program, as mandated in the Congressional language. For the duration of this program, the annual set aside will be 5% of each of these target rockfish species.
 - o Allocations shall be apportioned between trawl and non-trawl gear:
50/50
The trawl sector's 50 percent allocation by weight (based on the aggregate TAC for Pacific Ocean perch, Northern and pelagic shelf rockfish) shall first be Pacific Ocean perch.
 - o Unharvested allocations to either sector shall be available to both sectors at the end of the third quarter.
 - o Prosecution of the entry level fishery will be supported by general allocations of PSC to the gear type not allocated under 3.3.1.3 and the general allocations of secondary species not allocated under 3.3.1.2

2 Entry-Level Fishery

2.1 Catcher Vessel Participation:

Vessels that can participate in the Entry Level fishery are those vessels that did not qualify for the CGOA rockfish pilot program.

2.2 Processor Participation:

Processors who purchase and process the entry level rockfish quota must be non-qualified processors.

2.3 Fishery participation:

Before the beginning of each fishing year an application must be filed with NMFS by the interested vessel that includes a statement from a non-qualified processor confirming an available market.

2.4 NMFS will determine:

- NMFS will provide for an entry level fishery.
Equal shares distributions to the vessel applicants in the trawl sector
Limited access competitive fishery in the non-trawl sector
- Entry permits are non-transferable and must be fished by the named vessel

3 Sector Allocations

3.1 Sector Definitions

Trawl catcher vessel

Trawl catcher processor

A trawl catcher-processor is a trawl vessel that has a CP LLP license and that processes its catch on board.

3.2 Rationalized Areas

- History is allocated for the CGOA only (NMFS statistical areas 620 and 630)

3.3 Sector Allocations

- Catch history is determined by the sector qualified catch in pounds as a proportion of the total qualified catch in pounds.
- Sector allocation is based on individual qualified vessel histories with the drop-2 provision at the vessel level.
- The eligibility for entry into the program is one targeted landing of POP, Northern rockfish or PSR caught in CGOA during the qualifying period.
- The CP catch history will be based on WPR data.

3.3.1 Each sector is allocated catch history based on:

The sum of all catch history of vessels in that sector for which it earned a valid, permanent, fully transferable CGOA LLP endorsement, for the years 1996-2002 drop two.

Suboption: include history of vessels which hold a valid interim endorsement on implementation of the program

3.3.1.1 Target species:

- Qualified target species history is allocated based on retained catch (excluding meal)
- History will be allocated to each sector for POP, Northern rockfish and PSR caught in CGOA based on retained catch during the open season
- Different years may be used for determining the history of each of the three rockfish species.
- Full retention of the target rockfish species required

3.3.1.2 Secondary species:

- Secondary species history is allocated based on retained catch over retained catch while targeting the primary rockfish species listed above.
- History will be allocated to each sector for sablefish, shortraker/rougheye rockfish, thornyheads and Pacific cod.
Participants must retain all allocated secondary species and stop fishing when cap is reached.
- All non-allocated secondary species will be managed by MRA, as in the current regime. This includes Arrowtooth flounder, deep water flatfish, shallow water flatfish, flathead sole, rex sole, pollock, other species, Atka mackerel and other rockfish.
- Except as otherwise provided below, secondary species allocations will be based on: Percentage of catch by sector of the secondary species within the rockfish target fisheries divided by the total number of years in the qualifying period. The calculated percentage is multiplied by the secondary species quota for that fishery year and allocated to each sector in the pilot program. (retained catch over retained catch)
Allocations of Pacific cod as a secondary species will be at the following rate of harvest history:
100 percent
For the offshore sector, Pacific cod history will be managed by MRA of 4 percent.
Allocations of shortraker and rougheye as a secondary species will be at the following rate of harvest history:
75 to 100 percent

Options for management of shortraker and rougheye for the catcher vessel sector:

Option 1: The shortraker/rougheye allocation for the catcher vessel sector will be based on the total catch of the sector during the target rockfish fishery over total catch of all sectors which yields the highest annual percentage during the qualifying years. The shortraker/rougheye hard cap for the catcher vessel target rockfish fishery will be calculated based on the aggregate shortraker/rougheye TAC and then divided:

- A) 50 percent shortraker and 50 percent rougheye
- B) 60 percent shortraker and 40 percent rougheye

Option 2: Manage catcher vessel shortraker and rougheye using an MRA between 0.7 percent (average use) and 1.1 percent (highest annual use)

(The analysis shall include a discussion of other fisheries that take shortraker and rougheye incidentally and what the impacts to those fisheries might be of allocating amounts of shortraker and rougheye to the rockfish trawl fisheries that may not leave enough TAC to accommodate historical harvests in other fisheries (i.e., it appears that historical catch in other fisheries exceeds what the 2005 amount available would be after trawl rockfish allocations are subtracted from the TAC).)

3.3.1.3 Prohibited species (halibut mortality):

- Allocation to the pilot program will be based on historic average usage, calculated by dividing the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the years '96-'02 by the number of years (7). This allocation will be divided between sectors based on:

The relative amount of target rockfish species allocated to each sector (e.g., total qualified catch).

4 Allocation from Sector to Vessel

4.1 Within each sector, history will be assigned to LLP holders with CGOA endorsement that qualify for a sector under the 'sector allocations' above. The allocations will be to the current owner of the LLP of the vessel which earned the history.

4.2 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.)

4.3 Target species:

Each LLP holder will receive an allocation of history equivalent to their proportion of the total of the sector qualifying history.

4.4 Secondary species:

Each LLP holder will receive an allocation of sector history proportional to their allocation of target rockfish history

4.5 PSC (halibut mortality)

- Each LLP holder will receive an allocation of halibut mortality equivalent to their proportion of the sector rockfish history

4.6 Allocations of secondary species:

May be fished independently of the primary species allocations.

5 Co-op provisions

5.1 Duration of cooperative agreements is 2 years.

5.2 For all sectors

- The co-op membership agreement and the Contract will be filed with the RAM Division. The Contract must contain a fishing plan for the harvest of all co-op fish.
- Co-op members shall internally allocate and manage the co-op's allocation per the Contract.
- Subject to any harvesting caps that may be adopted, allocated history may be transferred and consolidated within the co-op to the extent permitted under the Contract.
- The Contract must have a monitoring program. 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 rockfish species, secondary species and PSC mortality, as may be adjusted by inter-co-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement.
- Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement.
- Co-ops will report annually to the Council as per AFA.
- The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.

The Council recommends a season start date of March 1 and a closing date of November 15.

5.3 CP sector:

For Alternative 2:

History is allocated to the current owner of the LLP of the vessel that earned the history.

- Owners may fish their allocation independently if the LLP has a CGOA endorsement, or may enter into a cooperative arrangement with other owners.
- More than one co-op may form within the sector
- Any number of eligible LLPs may form a co-op
- Allocations may be transferred between co-ops of at least:
two LLPs

For Alternative 3:

History is allocated to the current owner of the LLP of the vessel that earned the history.

- More than one co-op may form within the sector
- Allocations may be transferred between co-ops of at least:
two LLPs
- Harvesters may elect not to join a co-op, and continue to fish in an LLP/Open Access fishery. The LLP's historic share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative.

5.4 CV sector:

For Alternative 2:

- Voluntary co-ops may form between eligible harvesters.
- All cooperative harvests under this program must be delivered to eligible processors.
- Harvesters may elect not to join a co-op, and continue to fish in an LLP/Open Access fishery. The LLP's share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative and must be delivered to one of the qualified processors.
- An eligible processor is a processing facility that has purchased 250 MT of aggregate Pacific Ocean Perch, Northern Rockfish, and Pelagic Shelf rockfish harvest per year, for 4 years, from 1996 to 2000. Eligible processors will be issued a license under this program. Licenses are not transferable.

Suboption: An eligible processor is a processing facility with a substantial investment of depreciated capital assets:

Option A) \$1,000,000 or more

Option B) \$5,000,000 or more, and

that has purchased 250 MT of aggregate Pacific Ocean Perch, Northern Rockfish, and Pelagic Shelf rockfish in any of the qualifying years.

- If a processing facility has closed down and another processing facility has acquired that processing history through purchase, for the purpose of determining processor eligibility the history belongs to the facility that purchased that history. That history can only be credited to another facility in the community that it was generated in for purposes of establishing eligibility under this program.
- The harvesters that enter into a co-op membership agreement shall be the members of the co-op.
- A pre-season Contract between eligible, willing harvesters is a pre-requisite to a cooperative receiving an annual allocation.
- Co-op membership agreements will specify that processor affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.
- Catcher vessel cooperatives are required to have at least 4 eligible LLPs
- Co-ops may engage in inter-cooperative transfers of annual allocations to other cooperatives.
- No processor associations required by co-ops.

For Alternative 3:

- Voluntary co-ops may form between eligible harvesters in association with processors.
- Catcher vessel co-ops must be associated with an eligible processor.
- An eligible processor is a processing facility that has purchased 250 MT of aggregate Pacific Ocean Perch, Northern Rockfish, and Pelagic Shelf rockfish harvest per year, for 4 years, from 1996 to 2000.
- A harvester is eligible to join a cooperative in association with the processing facility to which the harvester delivered the most pounds of the three rockfish species combined during the year's 1996 – 2000 drop 1 year (processor chooses the year to drop, same year for all LLPs). If an LLP holder has no deliveries to a qualified processor, the LLP holder may join a coop with any one of the qualified processors, but their membership would not be considered in determining whether the threshold is met for co-op formation.
- Harvesters may elect not to join a co-op, and continue to fish in an LLP/Open Access fishery. The LLP's share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative and must be delivered to one of the qualified processors.
- If a processing facility has closed down and another processing facility has acquired that processing history through purchase, the history belongs to the facility that purchased that history. That history must remain in the community that it was generated in.
- The harvesters that enter into a co-op membership agreement shall be the members of the co-op. The processor will be an associate of the cooperative but will not be a cooperative member.
- A pre-season Contract between eligible, willing harvesters in association with a processor is a pre-requisite to a cooperative receiving an annual allocation.
- Co-op membership agreements will specify that processor affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.
- Processors are limited to 1 co-op per plant.
- Catcher vessel cooperatives are required to have at least:
75 percent of the eligible historical shares for each co-op associated with its processor.
- Co-ops may engage in inter-cooperative transfers of annual allocations to other cooperatives with agreement of the associated qualified processor.

5.5 Sector Transfer provisions

CP annual allocations may be transferred to CV cooperatives. CV annual allocations may not be transferred to CP cooperatives.

All transfers of annual allocations would be temporary and history would revert to the original LLP at the beginning of the next year.

A person holding an LLP that is eligible for this program may transfer that LLP. That transfer will effectively transfer all history associated with the LLP and any privilege to participate in this program that might be derived from the LLP.

6 Co-op harvest use caps

6.1 CVs:

No person may hold or use more than 5% of the CV historic shares, using the individual and collective rule (with grandfather provision).

Control of harvest share by a CV co-op shall be capped at:
30% of aggregate POP, Northern Rockfish and PSR for the CV sector

6.2 CPs:

No person may hold or use more than 20% of the CP historic shares, using the individual and collective rule (with grandfather provision).

Control of harvest share by a CP shall be capped at:
60% of aggregate POP, Northern Rockfish and PSR for the CP sector
Eligible CPs will be grandfathered at the current level

7 Shoreside processor use caps

Shoreside processors shall be capped at the entity level.

No processor shall process more than:

30% of aggregate POP, Northern Rockfish and PSR for the CV sector
Eligible Processors will be grandfathered.

The year 2002 will be used as a base (or index) year for applying the aggregate caps.

8 Program Review

Program review the first and second year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters, processors and communities. Conservation benefits of the program would also be assessed.

As part of its annual review, the Council should consider the effects of "opting-out" of the CP rockfish program. Specifically, if the Council finds that the opt-out provision is used to consolidate rockfish catch while avoiding rockfish program sideboards, then the Council should take immediate action to provide a disincentive for future abuses by allocating "opt-out" fish to the fishery not the sector.

9 Sideboards

9.1 General Provisions

There are no exemptions from sideboards, except for a partial exemption for CP vessels which opt out of the pilot program or join cooperatives.

- a. For fisheries that close on TAC in the GOA, the qualified vessels in each sector (trawl CV and trawl CP) would be limited, in aggregate, in the month of July to the historic average total catch of those vessels in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish.
- b. For flatfish fisheries in the GOA that close because of halibut bycatch, the qualified vessels in each sector (trawl CV and trawl CP) would be limited, in the aggregate, in the month of July to the historic average

halibut mortality taken by those vessels in the target flatfish fisheries in the month of July by deep and shallow complex.

- c. In the event that one or more target rockfish fisheries are not open, sideboard restrictions will not apply for those target allocations.

- IFQ halibut and sablefish are exempt from sideboard provisions

9.2 CP Specific Sideboard Provisions

CP vessels may decide to opt out of the CGOA pilot program on an annual basis. These CP vessels may not target POP, Northern rockfish or Pelagic Shelf rockfish in the CGOA in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries. They will be sideboarded at the sector level in the GOA as described in 9.1.

The history of CP vessels which opt out will remain with the sector.

CPs that opt out of the rockfish pilot program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering other GOA fisheries in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least two of the qualifying years. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WY). The following weekend dates will be used for determining participation in a target fishery:

1996 – July 6
1997 – July 5
1998 – July 4
1999 – July 10
2000 – July 15
2001 – July 7
2002 – July 6

Opting out is an annual decision. CP vessels which choose to opt out must so notify NMFS. The decision to opt out should not in any way alter the status of their catch history for future rationalization programs.

For the CP sector, the pilot program fishery participants must either:

- 1) start fishing in the target rockfish fisheries at the same time as the opening of the CGOA rockfish limited access fisheries (in July) and harvest 90% of their CGOA rockfish allocation prior to entering any other BSAI or GOA non-pollock groundfish fishery, or
- 2) standdown for two weeks from the opening of the CGOA rockfish limited access fishery prior to participating in any other BSAI or GOA non-pollock groundfish fishery.

A vessel which has met either standdown requirement can then move into the BSAI or GOA open access fisheries subject to the sector level limitations in the GOA in 9.1.

To the extent permitted by the motion, history may be leased between vessels. Each person that transfers its history to another CP or CV must still refrain from operating in any other BSAI or GOA non-pollock groundfish fishery until the earlier of:

- 1) 90% of all of the CGOA rockfish allocation on the stacked vessel is harvested in the CGOA, provided fishing of the allocation began on or after the opening of the CGOA rockfish limited access fishery
- 2) two weeks from the opening of the CGOA rockfish limited access fishery prior to participating in any other BSAI or GOA non-pollock groundfish fishery.

Members of a cooperative will be subject to all limitations and restrictions described in 9.1 and 9.2 except that cooperative members shall not be subject to any standdown in the GOA groundfish fisheries. The standdown provision in the BSAI groundfish fisheries will apply to cooperative members.

In addition to the other limitations and restrictions described above, each cooperative will be limited in the aggregate:

- a. for fisheries that close on TAC in the GOA in the month of July, to the historic average total catch of the cooperative members in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish, and
- b. for flatfish fisheries in the GOA that close because of halibut bycatch in the month of July, to the historic average halibut mortality taken by cooperative members in the target flatfish fisheries in the month of July by deep and shallow complex.

For Alternative 3:

The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). For vessels that account for less than 5 percent of the allocated CP history in the Pacific Ocean perch fishery that participate in the limited access rockfish fishery, there are no additional intra-sector sideboards. For vessels that account for greater than or equal to 5 percent of the allocated CP history in the Pacific Ocean fishery that participate in the limited access rockfish fishery, GOA and BSAI standdowns are in place until 90 percent of the limited access Pacific Ocean perch quota is achieved.

9.3 CV Specific Sideboard Provisions

- The qualifying vessels in the trawl CV sector cannot participate in the directed yellowfin sole, other flatfish (flathead, etc) or Pacific Ocean perch fisheries in the BSAI in the month of July.
- Qualifying vessels in the trawl CV sector would be limited, in aggregate, in the month of July, to the historic average total catch of those vessels in the BSAI Pacific cod fishery in July during the qualification years 1996 to 2002.
- AFA CVs qualified under this program are subject to the restraints of AFA sideboards and their coop agreement, and not subject to additional sideboards under this program.

In the event this program has a duration of more than 2 years, the Council will reconsider the issue of use/ownership caps for companies and vessels.

Executive Summary

Section 802 of the Consolidated Appropriations Act of 2004, the U.S. Congress included a directive to the Secretary of Commerce to establish, in consultation with the North Pacific Fishery Management Council (the Council), a pilot program for management of three rockfish fisheries in the Central Gulf of Alaska (the Central Gulf rockfish fisheries). At the February 2004 Council meeting, National Marine Fisheries Service (NOAA Fisheries) presented a brief discussion paper requesting Council input in the development of the pilot program. Based on this request and public testimony, the Council requested industry stakeholders to prepare and submit proposed alternatives for establishing the program to the Council at its April 2004 meeting. Industry representatives presented a proposal at that meeting that defined an alternative for management of the fisheries under the pilot program. Using the industry proposal and public input and staff discussion papers, the Council developed alternatives for the pilot program management of the rockfish fisheries at its June 2004, October 2004, December 2004, and February 2005 meetings. Because of the different characteristics of the catcher vessel fleet and the catcher processor fleets, the Council has developed different, but closely related alternatives for these two sectors.

The Alternatives

To address its problem statement the Council has adopted two pilot program alternatives for the catcher vessel sector and two pilot program alternatives for the catcher processor sector for analysis, in addition to the status quo. Options would create separate sectors for trawl catcher processors, trawl catcher vessels, and non-trawl catcher vessels. Under this construction, the different gear types in the catcher vessel sector would be governed by the same management program, but they would be managed as separate sectors.

For the catcher processor sector, one pilot program alternative would allow harvesters to form cooperatives, which would receive annual harvest share allocations based on the qualified harvest histories of their members. Alternatively, a catcher processor license holder would receive an annual allocation based on the history associated with the license that could be fished independently. The second catcher processor pilot program alternative would make an allocation to the sector based on the histories of catcher processors in the CGOA rockfish fisheries. Eligible catcher processors would be permitted to fish that allocation in a cooperative or fish in a limited access fishery, which would receive the allocation of all eligible catcher processors that do not join a cooperative.

For the catcher vessel sector, one pilot program alternative would allow each harvester to join a cooperative in association with the processor to which it delivered the most pounds of CGOA rockfish during the processor qualifying period. Cooperatives would receive an annual harvest share allocation based on the qualified harvest history of its members. Although no specific processor delivery requirement is created by this cooperative/processor relationship, since cooperative formation depends on the processor association, some delivery arrangement is likely to be incorporated into that relationship. The second catcher vessel pilot program alternative would allow harvesters to form cooperatives, which again would receive allocations based on members' qualified harvest histories. These cooperatives would be required to deliver their landings to processors that met threshold landing requirements during the processing qualifying years. Under both of these alternatives, harvesters that choose not to join a cooperative would be permitted to fish in a competitive fishery that receives an allocation based on the harvest histories of non-members of cooperatives.

Under all of the pilot program alternatives, set asides of CGOA rockfish would be made for an entry level fishery and to support incidental harvests in other directed fisheries.

The pilot program alternatives are derived from a common set of elements with differences that reflect the different operations of the two fleets.

Management of the Fisheries

Under its current management, the rockfish fisheries are conducted as a limited access race for fish. Managers must first manage the LLP, under which license holders must declare their intention to use a license on a vessel with the NOAA Fisheries. Non-trawl fishing in the rockfish fisheries begins on January 1st. The trawl season typically opens in early July and ongoing catch is monitored by managers with the closing timed to coincide with harvest of the TAC. Observer coverage varies with vessel size. In general, vessels that are 125 feet or longer LOA are required to have 100 percent observer coverage. Vessels under 125 feet and 60 feet or greater in length are required to have 30 percent observer coverage. Vessels under 60 feet have no observer requirement.

Under the catcher processor alternatives, management of the fisheries would change substantially. Under all of the pilot program alternatives, cooperatives would be permitted to fish their allocations during an extended (but limited) season. This season extension and the exclusive allocations could require substantial monitoring increases on vessels that fish cooperative allocations. Management of allocations will require that all catch under the program be monitored. To meet this end, a protocol will need to be developed for the participants in the program to notify NOAA Fisheries when fishing will be conducted under pilot program. For catcher processors, notices will be required prior to initiating a trip to ensure adequate observer deployment. All fishing during the trip would be presumed to be under the program, but fishing outside of the program could take place given prior notice to allow observers onboard to make adjustments in coverage to suit the fishing activity. The specific notification requirements will be developed to accommodate operational needs of participants and management, monitoring, and enforcement needs of NOAA Fisheries. NOAA Fisheries would establish minimum standards for the catcher processor fleet, specifically two observers (with each haul observed), flow scales, a sampling station with a motion-compensated platform scale (to verify accuracy of the flow scale), and an individual catch monitoring plan that would be consistent with existing standards in other fisheries. Information gathered onboard vessels would be used to validate catch accounting by inseason management. Management of the limited access fishery would differ substantially from the management of cooperatives. This fishery would continue to be prosecuted early in July, with managers monitoring harvests and timing the closing of the fishery to coincide with harvest of the sector TAC. Observer coverage would continue to be maintained at its current level for this fleet to ensure adequate information for managing harvests and monitoring the fleet. In addition to managing aspects of the rockfish target fishery, NOAA Fisheries would need to approve and monitor and manage sideboards. Any participant who intends to, or does, participate in any of these fisheries prior to commencing fishing in July must have adequate observer coverage on board the vessel so that all catch harvested during a sideboarded fishery will be assessed against the overall sector harvest limit. NOAA Fisheries must monitor any applicable standdowns in the BSAI and Gulf of Alaska non-pollock groundfish fisheries. NOAA Fisheries also must manage and monitor cooperative sideboards, which could be used to limit each cooperative to its historic catch in each of the July Gulf of Alaska groundfish fisheries other than target rockfish, in place of the standdowns. To use a cooperative sideboard, in lieu of standdowns, members of a cooperative will be required to submit to NOAA Fisheries a cooperative management plan that demonstrates that the cooperative will actively and adequately monitor harvests of members to ensure compliance with the harvest limitations of the cooperative sideboard.

Under the catcher vessel cooperative with limited processor entry alternative, catcher vessels would have the option of joining a cooperative (which would fish an allocation based on the history of its members) or fishing in a limited access fishery (which would receive an allocation based on the history of all non-members). The two types of allocations would require two different management approaches.

As under the catcher processor alternatives, implementation of the program will require that NOAA Fisheries determine the pool of eligible persons for the catcher vessel sector, the sector allocation and the individual histories of eligible persons. In addition, processor eligibility would be determined, based on processing histories. Cooperative agreements will be filed with NOAA Fisheries every two years, which must be reviewed for adequacy (including monitoring plan). NOAA Fisheries will be required to make annual catch allocations to cooperatives (based on member histories) and to the limited access fishery.

As under the catcher processor alternatives, cooperative allocations under the catcher vessel alternatives would be fished during the extended season. Fishing of exclusive allocations during an extended season will require a substantial increase in monitoring above the current levels, but because catch is processed on-shore management changes would differ from those for catcher processors. Management of allocations will require that increased catch monitoring under the program, as well. As a precursor to this monitoring, participants will need to make announced rockfish pilot program trips, to distinguish rockfish pilot program fishing from participation in other fisheries and allow deployment of adequate observer coverage. All fishing in a trip under the program would be exclusively under the program. Using this system of exclusive trips would also facilitate shoreside monitoring of offloads and account of catch against allocations. Beyond these requirements, NOAA Fisheries intends to develop monitoring programs to ensure adequate but efficient monitoring. NOAA Fisheries intends to develop monitoring appropriate to the fishing activities of the participants. While NMFS expects that most catcher vessel catch accounting will take place shoreside, monitoring for compliance with discard and retention requirements, and sampling to determine the quantity and composition of discards will be necessary components of this program. Monitoring allocations of halibut PSC will be problematic because NMFS would not be able to use a vessel specific rate for unobserved trips or for unobserved hauls on observed trips. It is possible that some form of fleetwide rate would have to be developed. Because of the paucity of data early in the season, NOAA Fisheries would probably be required to use an aggregate rate based on data from the prior year.

To manage and monitor catcher vessels sideboards, the NOAA Fisheries would require that vessels that are subject to the sideboard to make a declaration prior to fishing in any sideboarded fishery during July. Any participant who intends to, or does, participate in any of these fisheries prior to commencing fishing in July must have adequate observer coverage on board the vessel so that all catch harvested during a sideboarded fishery will be assessed against the overall sector harvest limit. NOAA Fisheries would not provide an individual allocation of sideboard fisheries, but will establish a sector allocation.

Participants in the entry level trawl fishery would be subject to management similar to management of the catcher vessels in the main program. Limited access fisheries for new non-trawl entrants and persons that choose not to participate in cooperatives would be managed in a manner similar to current management.

Participation and fishing practices

Maintaining current management is likely to result in the continuation of existing fishing practices and patterns. In the current fishery, the non-trawl fishermen take very little of the TAC between the opening on the non-trawl fishery in January and the opening of the trawl fishery in July. Trawl fishermen race for catch of rockfish when the trawl season opens in July. Typically, Pacific Ocean perch are caught first, followed by northern rockfish and pelagic shelf rockfish. In the past, catcher processors have caught more rockfish than catcher vessels. In recent years, however, the portion of the TACs caught by catcher vessels

has increased and surpassed the catch of catcher processors. The quality of fish harvested likely suffers from the race for fish. Rockfish are considered relatively difficult to handle because of their spines and scales. These characteristics are said to make it more difficult to maintain quality when racing to maximize catch.

Trawl catcher processors must not only harvest fish rapidly, but also must process that fish rapidly, to maintain quality and accommodate additional catch. Discards can occur if the fish is not processed quickly enough to maintain its quality. Rockfish are generally considered more difficult to handle and process than species such as pollock and Pacific cod because of their spines and scales. With the current short seasons, most LLP holders not already participating in the rockfish fisheries are unlikely to perceive substantial gain from entering the fisheries. As a result, modest (if any) increase in participation should be expected if current management is maintained.

Historic harvests of CGOA rockfish are used to make allocations, under the pilot program alternatives so distribution of CGOA rockfish allocations both to and within the different sectors will be similar to the historic distribution of harvests during the qualifying years. The number of persons receiving allocations is approximately twice the average annual participation in the fisheries, showing that some participants have moved in and out of the fisheries over time. Within each cooperative, it may be anticipated that each member would receive revenues based on the allocation that the person brings to the cooperative, with participants that fish shares of others receiving compensation for their fishing expenses. Fishing within a cooperative, however, could be far more concentrated than the underlying allocations. Although the program is intended to rationalize the rockfish fishery, it is important to recognize the value of secondary species harvests. Historically, all of the secondary species have generated more revenues per pound for participants than the target rockfish. All of the pilot program alternatives permit persons to harvest secondary species allocations independent of the harvest of rockfish allocations. Given the value of the secondary species allocations and the harvest flexibility, participants can be expected to harvest their entire allocations of secondary species. Depending on incidental catch rates, it is likely that some cooperatives will choose to reserve a portion of the allocation of each secondary species until all of the target rockfish is harvested, after which all remaining secondary species allocations are harvested.

Under the catcher processor alternatives, members of the sectors could decide to consolidate their rockfish allocations to realize efficiencies in the rockfish fisheries and other fisheries. A cooperative that uses relatively few members to harvest its annual allocation could potentially minimize observer and monitoring equipment costs. Cooperatives that are able to manage their own sideboards would be permitted to harvest its allocation over the longer season, freeing its members to enter other fisheries in the beginning of July (without a standdown). This ability to enter other fisheries should lead to cooperatives harvesting their allocations either earlier or later than the traditional July opening, to free their members to compete in other fisheries that open early in July. The cooperative, however, would only be permitted to harvest its historic share from those other fisheries, limiting any potential impact on others. Although cooperatives that manage their own sideboards can be expected to harvest their allocations outside of the traditional early July season, the exact timing of their CGOA rockfish fishing will likely depend on the operational needs of cooperative members and their fishing success. Low catch rates of rockfish or high rates of incidental catch of secondary species or halibut could also lead a cooperative to change its timing of rockfish targeting. Some longtime participants in the fishery suggest that rockfish aggregations are at their greatest in the summer months. If participants observe relatively high aggregations (and catch rates) in summer months, it is likely that their harvests will be concentrated in the summer regardless of whether the season is extended into the spring and fall. Catcher processors may have less incentive to fish outside of the summer months than catcher vessels, as most produce only frozen head and gut and whole products and are less likely to attempt to serve fresh fish markets that may be more accessible to the shore-based fleet.

Participation and fishing practices of the catcher vessel sector are likely to change substantially from the status quo. Annual participation records show that between 30 and 35 catcher vessels participated in the fisheries each of the qualifying years. The number of persons receiving allocations is estimated at 47, more than 10 persons greater than average annual participation. The number of persons fishing under either catcher vessel alternative is likely to be fewer than the number of allocations and could be fewer than the participation levels of recent years. Consolidation within cooperatives will be the greatest contributor to the reduction in participation. Since cooperative formation requirements are relatively minimal under the processor limited entry alternative (four qualified participants), it is likely that most persons eligible for the catcher vessel sector will join cooperatives. To save on observer coverage and operational costs, it is likely that most cooperatives will consolidate harvests to some extent. Cooperatives are likely to distribute revenues based on the allocation that the person brings to the cooperative, with fishing vessels compensated for their expenses. Under an extended season, cooperative fishing is likely to take place outside of the traditional early July season. As with the catcher processor cooperatives, timing of fishing CGOA rockfish allocations will depend on the particular operational needs of members, market opportunities, and fishing success. While success in the fishery cannot be predicted, rockfish targeting should be expected to be concentrated during periods of the year when high catch rates of rockfish and low catch rates of secondary species and halibut occur. Fishing outside the season could provide an opportunity for some participants to try to serve markets (including a possible fresh market) that have been historically impossible to access because of the timing of the season. In addition, slowing of the race for fish will allow harvesters to focus more on improving quality of their landings. If higher quality production generates higher revenues, participants can be expected to adopt fishing techniques that improve quality, such as reducing total catch in each tow and improved icing of catch. Fishing costs could rise, but only for a more than commensurate rise in revenues.

Under the processor license limitation alternative, fishermen will have the flexibility to make deliveries to any qualified processor. Since six processors qualify (see below), cooperatives are likely to solicit competition for landings during the extended season. Patterns of deliveries cannot be predicted, but it is likely that cooperatives could deliver to more than one processor to take advantage of different market opportunities.

The catcher vessel limited access fishery will be managed in the same manner as the catcher processor limited access fishery described above. Participants can be expected to race for catch during the short season, with managers closing the fishery when they estimate that the limited access TAC has been caught. Secondary species MRAs will be reduced from current levels to limit total catch of the secondary species to the allocated amount. These reduced MRAs for valuable secondary species are likely to act as a substantial deterrent to participation in the limited access fishery. A further deterrent will arise from the 20 percent reduction of all allocations to the limited access fishery. Since cooperative formation simply requires four members and since all cooperatives are required to accept membership of any person eligible for the cooperative subject to the same terms and conditions governing other members, it is unlikely that anyone will choose to fish in the limited access fishery.

Fishing participation and patterns are likely to be similar under the catcher vessel alternative with processor associations. Cooperatives, however, will be associated with a single processor. Given the processor involvement, it is likely that each cooperative will have limited latitude to pursue markets for their landings beyond the single associated processor. The implications of these rules for the temporal distribution of fishing (and landings) cannot be predicted. Planning of fishing activity, however, will likely be more coordinated with the associated processor, which could limit the ability of harvesters to pursue the best market opportunities by changing timing of fishing. Each cooperative is likely to pattern its fishing to serve the markets pursued by its associated processor. The cooperative formation rule, together with the limitations on cooperative eligibility and the requirement of a processor association, could have some

impact on whether some participants choose to join a cooperative. Specifically, since each participant will be eligible for a single cooperative that must associate with a particular processor and cooperative formation requires 75 percent of the history eligible for a cooperative, the holders of that supermajority of history and the processor are likely to control the terms of the cooperative agreement. While both the cooperative and the processor will realize some benefit from more inclusive membership, it is possible that a cooperative agreement that suits the supermajority and the processor may not be agreeable to some minority participants. Cooperative membership, however, is likely to be favored by most participants in the program because of the reduced MRAs and 20 percent reduction in allocations to the limited entry fishery.

Effects on processing practices

Processing participation and practices are likely to be similar to current participation and practices, if the status quo is maintained. Catcher processors in the rockfish fisheries currently produce mostly whole and head and gut products. Shore-based processors race to process landings in an attempt to maintain market share and to maintain a minimum quality for products. Quality, however, suffers because of the rapid rate of harvest and processing, which leads to the production of relatively lower value and lower quality products.

Processing by catcher processors under the catcher processor pilot program alternatives is likely to remain similar to the current processing by this sector. Most vessels in the sector are equipped for producing a few simple products (frozen whole and head and gut fish). Because of size limitations, it is unlikely that any of these vessels will change plant configurations to process higher-valued, more processed products. Under this alternative, only processors that have processed at least 250 metric tons of aggregate CGOA rockfish per year for four years between 1996 and 2000 will be permitted to receive deliveries of rockfish harvested under the main program.¹ Six processors meet this qualification criteria, all of which are based in Kodiak.

Processing of shore-based plants under the pilot program alternatives can be expected to change from the status quo. Share allocations to cooperatives should provide cooperatives with the ability to improve quality of landings. These quality improvements should provide processors with the ability to pursue higher revenue products. Under the processor license limitation alternative, the structure of the market for landings should be competitive, inducing some processors to aggressively pursue product improvements to attract additional landings. Although competition should exist in the market for landings, harvesters are likely to time landings to accommodate processing schedules, which processors should reward in turn with higher ex vessel prices. This timing of landings could be critical to processors meeting some market demands, particularly if a fresh market were to develop. Under the alternative with processor associations, it is possible that some processing differences could arise. Harvesters have no choice of cooperatives to join, but will be eligible for a single cooperative associated with a specific processor. As a consequence, processors are unlikely to compete for landings on a regular basis, but only in developing the terms of the cooperative agreement, which is subject to the processor's approval. This limit on the competition for landings from the fishery could reduce competition among processors for markets for their outputs. While some processors may aggressively pursue any available markets, it is possible that others will show less interest in extracting maximum revenues from rockfish landings, particularly if their processing of those landings could interfere with their operations in other fisheries. So, processing under this alternative should resemble that of the previous alternative, however, fewer products could be produced for challenging high revenue markets, as some processors may not perceive the need to compete as aggressively for landings due to the limited markets available to harvesters.

¹ A suboption in the current motion would qualify any processor that processed in excess of 250 metric tons in any one year between 1996 and 2002 provided that the owner also invested in excess of a minimum threshold amount in the plant. Confidentiality limitations prevent the disclosure of whether any processor meets this qualification.

Catcher processor efficiency

Production efficiency² of the catcher processor sector under the status quo is limited to some degree by the race for fish under the current LLP fishery. Catcher processors are compelled to race for rockfish harvests with other catcher processors, as well as catcher vessels participating in the fisheries during the few weeks they are open each year. Although catcher processors process their catch quickly, relative to catcher vessels, quality of harvests likely suffer to some extent, as participants adopt fishing techniques to maximize catch rates, which may lead to diminished quality and dissipation of a portion of the resource rents.

Under the pilot program alternatives, the catcher processor sector is likely to realize some gains in production efficiency capturing greater rents from the fishery. The primary efficiency gains in the catcher processor sector under this alternative will result from participants slowing the pace of fishing and processing. In the slower fishery, participants are likely to be able to reduce expenditures on inputs to some degree (possibly scaling down crews slightly) and increasing outputs slightly (with less loss due to diminished quality).

Catcher vessel efficiency

Production efficiency of catcher vessels under the status quo is also limited by the short, race for fish that has arisen under LLP management. Catcher vessel efficiency is particularly vulnerable under the current management because catcher vessel efforts that maximize the share of the TAC also substantially diminish quality of landings. Returns to catcher vessels under the existing management have been limited both by the quality of their landings and the compressed time period in which those landings must be made. During the current seasons, most processors have needed to process landings quickly to keep pace with the landings. These conditions have dampened competition for landings among the participating processors to some extent. The extent to which resource rents are captured and division of those rents under this alternative is not known. In a fishery that is prosecuted over a very short season (as the rockfish fisheries are) a substantial portion of the rents are likely to be dissipated.

The catcher vessel pilot program alternatives are likely to improve catcher vessel efficiency over status quo management. Since participants will be able to gain exclusive share allocations by joining cooperatives, a harvester's share of the fishery will generally be unaffected by catch rates. Participants, instead, will refocus their efforts toward harvesting allocations in a manner that improves technical efficiency – reducing inputs and increasing the quality of rockfish deliveries. Most participants may be expected to choose to sacrifice some cost efficiencies (i.e., use more inputs such as fuel) to improve quality of deliveries and receive a greater price for landings. This trade off may increase costs, but should result in improvements in technical efficiency and overall efficiency of catcher vessels because of the higher price that would be paid for these landings.

Under the alternative with processor limited entry, harvesters should be able to generate additional competition for landings among the licensed processors under this alternative. Since qualified processors have processed in excess of 90 percent of all historic landings during the two to three week season, processors that have been unable to compete for additional landings because of capacity constraints during the brief season are likely to have the ability to process substantially greater quantities of rockfish, if

² In the simplest terms, production efficiency is the difference between production revenues and production costs. Production efficiency is a measure of the effectiveness of a producer in using inputs to produce one or more outputs, focusing on the relationship between the quantity and quality of outputs produced and the quantity and quality of the various inputs (e.g., fuel, vessels, and labor) used for that production.

landings can be timed to take advantage of available processing capacity. Catcher vessel participants are likely to have the greatest negotiating leverage in the ex vessel market under this alternative, because of the extended season and the limited restriction on the processing market relative to the alternative with processor associations. Overall, the ability to coordinate harvest activity and remove vessels from the fleet without loss of harvest share, together with a relative improvement in bargain strength arising from the relatively weak processor protection of the limit on processor entry should result in substantial improvements in harvest sector efficiency over the status quo.

Under the alternative with processor associations, operations of the catcher vessel sector should be similar to those under the processor limited entry alternative. Catcher vessel efficiencies, however, are likely to be less under this alternative because of the shift of negotiating leverage to processors from the rigid cooperative/processor associations.

Shore-based processing efficiency

Under the current management, fishermen race for catch, landing that catch with processors shortly after it is harvested. Because of the race for fish, fishermen take less care in handling their catch and extended the length of trips slightly, decreasing the quality of landings. Processors also race to process the glut of landings from fishermen that are trying to maximize their shares of the total catch. Efficiency in the processing sector suffers, as lower valued products of poorer quality are produced and as crews must be scaled up for a short period of time to accommodate the rapid pace of landings during the brief season.

Under the pilot program alternatives, fishing will be slowed as cooperative receive exclusive allocations. Technical efficiency in processing should improve as processors are better able to schedule crews to process landings. Efficiency should also improve as processors improve product quality and produce more high quality products that cannot be produced under the current management because of the relatively low quality of landings and the need to process those landings rapidly. Catcher vessel participants are likely to use cooperatives to coordinate landings contributing to efficiency gains in the processing sector.

Processors may experience little improvement in their overall efficiency under the processor limited entry alternative because of their weak negotiating position in the market for landings. Although entry is limited under this alternative, the capacity of qualified processors far exceeds that necessary to process landings in a slowed fishery with an extended season. Processors, however, should obtain normal profits from their processing, but any less efficient processors unable to realize normal profits may be expected to drop out of the rockfish fishery.

The alternative with processor associations provides processors with a substantial advantage in the market for landings through its processor/cooperative associations. Since each qualified catcher vessel participant will have to join a cooperative in association with a specific processor, fishermen will have little negotiating leverage with respect to their landings. Potential negotiating leverage for the fishermen arises from withholding all rockfish landings or their deliveries in other fisheries. Fishermen's leverage from withholding rockfish landings is limited because the outside opportunity is the limited access fishery, which is likely to be substantially less efficient. The outcome should be that processor efficiency improves substantially with the reduction in processing costs and product improvements (some arising from improved quality of landings). Processors are likely to capture most of the increase in rents under this alternative, improving overall processing efficiency.

Overall production efficiency

Overall production efficiency in the CGOA rockfish fisheries is likely to remain at its current level, if the status quo management is continued. For catcher processors, quality of products is relatively high as catch is processed quickly onboard. These vessels are likely to continue producing exclusively whole and head and gut products, as is the current practice. For the shore-based sector, quality of landings and processed products are likely to suffer under a race for fish. In addition, the race for fish is likely to limit the ability of shore-based processors to produce higher valued products.

Overall production efficiency is likely to increase slightly under the catcher processor pilot program alternatives as catcher processors are able to make some quality improvements with the ending of the race for fish under the current management. Product form (whole and head and gut) are likely to remain the same under this alternative due to operational limitations. Some efficiencies could be realized through the consolidation of catch on fewer vessels, but vessels will not be retired because rockfish is a minor part of each vessel's annual activity.

Overall production efficiency should improve substantially under the catcher vessel pilot program alternatives. Quality of rockfish landings should improve as the race for fish is ended. Processors should also be able to better handle landings producing higher quality and higher valued products. Both sectors should realize some gains in efficiency through better scheduling of their activities. Costs should be reduced as participants in both sectors are able to determine inputs to reduce costs of production without concern over losing their share in the fishery, if production is slowed. Efficiency gains under the alternative with processor associations, however, could be less than under the other catcher vessel alternative as the strict cooperative/processor association could reduce the incentive for some processors to aggressively pursue markets for rockfish landings.

Effects on consumers

Under the status quo, consumers are likely to be supplied with products from the rockfish fisheries that resemble those currently produced under status quo management. Catcher processors are likely to continue to produce high quality frozen head and gut and whole fish, most of which is sold into Asian markets. Production from catcher vessel catch is likely to suffer from poor handling. Landings are likely to be made into primarily head and gut and whole fish. Most of the catcher vessel production is sent to Asia, much of which returns after reprocessing. Some catch is made into fillets at the primary processing plant, but the ability to make quality fillets is limited because of the quality of the landings and the time pressures arising from the race for fish.

Production of the catcher processor sector is likely to be similar to current production under the pilot program alternatives. Some quality improvement could occur, but these vessels already produce high quality products because their catch is processed onboard soon after it is harvested. Any improvements in consumer benefits arising from improved quality are likely to be realized by Asian consumers, as most of the production from this sector is sold into that market.

Substantial changes are likely to occur in the production of catcher vessel harvests to the benefit of consumers. Catcher vessel landings are likely to be of higher quality under both of the catcher vessel pilot program alternatives. Processors are also likely to slow lines allowing them to produce fillets, instead of the less processed whole and head and gut products currently produced. This should limit the amount of reprocessing of products abroad for importation to U.S. markets. Some processors are likely to attempt to serve domestic fresh markets, which would also benefit U.S. consumers. Most of the benefits of production improvements in the fisheries are likely to be realized by U.S. consumers.

Management Costs

Under the status quo management, costs of management should remain at their current level. Under the pilot program alternatives, NOAA Fisheries will incur additional costs of determining eligibility and making allocations of history to participants under the program. Cooperative agreements will be reviewed by the agency. Annual allocations must be made to cooperatives (and to either a limited access fishery or individuals, if any persons eligible for the program choose not to join a cooperative). NOAA Fisheries will be required to conduct catch accounting for the different allocations and monitor the allocations using observer data. The costs to NOAA Fisheries are likely to exceed the current costs of managing the rockfish fisheries under the LLP, which are in large part coordinated with management costs of several fisheries (and therefore are dispersed across several fisheries). Enforcement costs are also likely to rise under the pilot program, as enforcement personnel will be required to oversee activities over a longer period. In addition, individual accountability for catch of cooperative allocations requires additional enforcement resources. In addition to costs that will be borne by NOAA Fisheries, participants in the fishery are likely to have some additional costs. To date, NOAA Fisheries has maintained that to fully monitor total catch on a catcher processor requires the use of flow scales and sampling stations with every haul observed. Added costs of observers are difficult to predict under the program. A requirement that all catch under the program be observed is likely to result in some added observer coverage for vessels harvesting fish under the program. The extent of the additional coverage, however, is difficult to predict because participants may coordinate fishing under the program to focus observer coverage to reduce costs. Observer costs for catcher vessels, which are borne by the fleet, are likely to increase for the catcher vessel sector to provide adequate information concerning fishing activity under the program. The extent of these additional costs is not known, and depends on the specific monitoring program developed by NOAA Fisheries and the fishing practices of participants. To reduce observer costs (and operational costs), it is likely that some rockfish harvesting will be consolidated within (and possibly across) cooperatives.

Environmental benefits

Improvements in environmental conditions are valued by the public at large. For example, preservation of endangered species is often considered to have significant value to the public. In the current fisheries, catch of all species of interest are limited either by TAC or by PSC limits. Managers monitor harvests inseason, closing the fisheries when the total allowable catch is estimated to be taken. Managers have become quite adept in their estimates, and have generally succeeded in maintaining catch below TAC. Occasionally, TACs are exceeded, but overages have not exceeded overfishing limits or threatened stocks. Public non-use benefits derived from the management of health stocks of these species are likely to be maintained, if the current management is perpetuated. Under the pilot program alternatives, catch of all species of interest will continue to be limited by TAC or PSC limits. These limits should be effectively maintained through the monitoring and management program, perpetuating the current non-use public benefit derived from maintenance of healthy stocks.

Net benefits to the Nation

If the current management of the rockfish fisheries is continued, net benefits to the Nation are likely to remain at their current level. For catcher processors, quality of the whole and head and gut production is relatively high. Few consumer benefits from this production are realized in the U.S., as most fish is sold into foreign markets. For the shore-based sector, quality of landings and value of processed products suffer decreasing production efficiency. Consumer benefits of these harvests are diminished by the quality and product value. In addition, a substantial portion of any consumer benefits is not realized by U.S. consumers, as much of the production is sold into foreign markets. Costs of monitoring and management

are relatively low, as catch is monitored at the fleet level. Non-use benefits to the public are decreased to some extent by waste and bycatch.

Net benefits to the Nation will be affected by a few different factors under the catcher processor pilot program alternatives. Production efficiency should increase slightly, as some participants realize moderate improvements in quality of production. Few, if any, benefits of production improvements will be realized by U.S. consumers, as this fleet is likely to continue to serve international markets. Costs of management, monitoring, and enforcement will increase to administer and oversee the cooperative allocations. Some vessels may be required to purchase additional monitoring equipment.

A few different factors will affect net benefits to the Nation under the catcher vessel pilot program alternatives. Slowing the rate for fishing and extending the season should lead to substantial increases in production efficiency, as participants in both sectors improve quality and higher value products are produced. These production improvements should lead to benefits for U.S. consumers, as this fleet is likely maintain or increase production for domestic markets. In addition, greater production is likely to occur domestically, as fewer primary products are shipped abroad for reprocessing. Increased administration and oversight necessary for cooperative allocations and an extended season will result in an increase in costs of management, monitoring, and enforcement. Participants may also require additional observer coverage. Some additional benefits to the Nation could arise through reduction in bycatch, since the program requires full retention of several species. Since discard rates of these species are relatively low in the current fishery, these benefits are likely not substantial. Overall gains in net benefits to the Nation, however, could be lower under the alternative with processor associations than under the alternative without those associations, if processors perceive less need to compete in product markets because of the relatively tight linkage of the processor associations under this alternative. Whether competition in product markets is dampened depends on the specific situation of the processors and fishermen that deliver to the processor (including factors such as the markets the processor serves, the extent of involvement of the processor and fishermen in other fisheries, and the cost of developing participation in new and challenging markets).

Target rockfish stocks

Current management of the fisheries and fishing patterns should continue under the status quo. Rockfish are conservatively managed under in the current fishery, with from the limited access fishery harvests limited by TAC. Under this management a TAC can be exceeded, if managers have difficulty projecting when the fleet will have completed harvest of the TAC. Allowable biological catch limits are rarely, if ever exceeded, and it can be expected that overfishing limits will not be exceeded.

The pilot program alternatives should have no negative impact on stocks of target rockfish populations. These species will continue to be managed by conservatively set TACs. Cooperative allocations in the fisheries should effectively limit catch to the TACs. More precise management of the TACs should be possible under the change in management, as individuals within a cooperative will be responsible for any overage. Some potential benefit could arise, if participants distribute catch over larger areas or time periods, reducing any potential local depletion that could occur under the current management, in which effort is concentrated as a result of participants attempting to maximize their catch. Any beneficial effect from greater distribution of catch spatially is likely to be limited, if participants perceive a benefit to concentrating catch to reduce costs or increase revenues. For catcher vessels, concentration of catch in close proximity to processors could improve quality of landings, as needed to serve some high valued markets. For catcher processors, concentration of catch spatially and temporally could reduce costs, if consistent high catch rates are observed at particular times and locations. In conclusion, no negative impacts to rockfish stocks are expected from any of the pilot program alternatives.

Allocated secondary species and prohibited species catch

Under the status quo management, catch of secondary species (Pacific cod, sablefish, shortraker, rougheye, and thornyheads) in the target rockfish fishery will continue to be limited by MRA and by TACs that limit overall catch from all fisheries. Although catch of these species is substantial, each of these species is managed under conservative TACs. In addition, separate TACs for shortraker and rougheye will be established in 2005 to ensure the integrity of their independent stocks. Halibut is managed as PSC in the CGOA rockfish fisheries. Catch of halibut is required to be discarded and is accounted for against the deep-water complex PSC allocation. Although halibut PSC has occasionally required the closure of the target rockfish fisheries, the fishery does not have negative effects on halibut stocks.

Similar to the target rockfish stocks, no negative effects on secondary species stocks are expected to occur under the pilot program alternatives. Catch of these species will be limited by cooperative allocations, which are more restrictive than the current MRAs. In addition, discards are not permitted for these species under the pilot program. Management of these allocations should contribute to more precise management of stocks under the program. Overall harvests will continue to be limited by TACs that apply to total catch from all fisheries. The pilot program alternatives will be prosecuted with cooperative allocations of halibut mortality. These allocations will constrain halibut bycatch and will prohibit participants in the program from fishing in excess of their halibut allocations. Although some fishing could take place out of the traditional July season (when halibut bycatch has been observed to be low), mortality will be constrained by the allocations of halibut mortality. The allocations of halibut are based on historic halibut mortality usage in the fisheries and will not allow overall halibut mortality in Central Gulf of Alaska fisheries to exceed historic levels. As a result, the pilot program alternatives should have no negative impact on halibut stocks.

Unallocated prohibited species catch

In the current rockfish fishery, prohibited species harvests are not at levels that raise concern. Fishing patterns are not expected to differ under any of the alternatives (including the status quo and the pilot program alternatives) in a manner that will affect prohibited species catch. Consequently, no adverse effects on prohibited species catch are expected under any of the alternatives.

Other unallocated species

Fishing patterns are not expected to differ under any of the alternatives (including the status quo and the pilot program alternatives) in a manner that will affect catch of unallocated species. Consequently, no adverse effects on prohibited species catch are expected under any of the alternatives.

Benthic habitat and essential fish habitat

Maintaining the current management will perpetuate current fishing practices and concentrate fishing for rockfish temporally and spatially. Current fishing, however, has minimal and temporary effects on benthic habitat and essential fish habitat. These effects are likely to continue, if current management is maintained. Under the pilot program alternatives rockfish fishing could be distributed over a longer season and may disperse spatially, as a result of the removal of time constraints by the cooperative allocations. Overall, the rockfish fisheries are likely to continue to have minimal and temporary effects on habitat. No negative impacts to habitat are likely under the pilot program alternatives.

Endangered or threatened species

None of the alternatives are expected to have negative impacts on endangered or threatened species beyond those identified in previous consultations under section 7 of the Endangered Species Act. Some spatial and temporal dispersion of rockfish catch could occur under the pilot program alternatives. This change in the distribution of catch is expected to be minor and is not expected to have any affect on any endangered or threatened species.

Forage fish

Catch of forage fish is expected to be unaffected by any of the alternatives. Consequently, no impacts on forage fish are expected under any of the alternatives.

Marine mammals and seabirds

Direct and indirect interactions between marine mammals or seabirds and harvests from the rockfish fisheries are not expected to differ under any of the alternatives, as total catch is expected to be the same under all of the alternatives and the distribution of catch is not expected to differ in a way that will affect interactions.

The ecosystem

Although some temporal and spatial dispersion of catch in the rockfish fisheries could occur under the pilot program alternatives, none of the alternatives are expected to have a negative effect on the Gulf of Alaska marine ecosystem.

Environmental justice

Under the pilot program alternatives, some consolidation of fishing activity could occur in the rockfish fisheries. This consolidation could affect income for participants on vessels that no longer participate in the rockfish fishery. This consolidation is unlikely to result in the removal of vessels from all fisheries and could lead to some of the vessels that leave the rockfish fisheries increasing their activities in other fisheries (to the extent permitted by sideboard limitations and cooperative agreements). As a result, the impacts to vessel owners and crewmembers are may not be negative, even if rockfish fishing activity decreases. In addition, the degree to which any impacts will affect minority or low-income vessel owners or crewmembers cannot be determined because demographics of vessel owners and crewmembers are not available.

Shore-based processing crews could be affected under the pilot program alternatives, although most effects are likely to benefit these workers. The pilot program alternatives are likely to result in the distribution of landings over a longer period of time, particularly when shore plants are not processing catch from other fisheries. This distribution of landings could result in a loss of some seasonal positions, but will also result in greater stability for crews that are year round processing workers. Both seasonal and fulltime positions are disproportionately held by persons with low incomes and minorities.

Analysis of Shortraker/Rougheye Incidental Catch

Introduction

To complete the development of the rockfish pilot program, the Council must decide the method for allocating (or otherwise managing) secondary species, specifically shortraker rockfish and rougheye rockfish. This discussion paper reviews and supplements the data and analyses the Council has considered concerning the allocation of these species over the past several months. The future allocation of shortraker and shortraker rockfish is complicated, in part, because secondary allocations under the program are made on the basis of historical catches by sector of the combined catch of shortraker/rougheye. Prior to 2005, shortraker and rougheye rockfish were managed in the Central Gulf under an aggregate TAC. Under this management, historical catch levels of the individual species are not well known due to the species aggregation. In December 2004, the Council established separate TACs for the two species, following the recommendations of the SSC and the Gulf of Alaska plan team. Due to the separate TACs for the two species introduced in the 2005 fishery, future allocations will need to be made on an individual species basis.

For 2004, the aggregate shortraker/rougheye TAC for the CGOA was 656 metric tons. The 2005 TAC for shortraker rockfish in the CGOA was set at 324 metric tons and the 2005 CGOA TAC for rougheye rockfish was set at 557 metric tons.

Although several fisheries have incidental catch of shortraker and rougheye rockfish, no directed fishery for these species is prosecuted. Shortraker and rougheye, however, are valuable species and are commonly retained in the rockfish fishery. In addition, some intentional catch of the species likely occurs, as permitted by the current MRA management. Some participants in the rockfish fishery likely have come to depend on revenues from this catch. In determining the allocations for the rockfish program participants, the Council must consider both the historic interests of different fisheries on the species for revenues and the potential for the allocations of shortraker or the remaining TAC available to fisheries outside of the pilot program to constrain target fishing activity.

Background and Decisions to Date

In February 2005, the Council selected an allocation formula for secondary species, including shortraker and rougheye, based on the catch history during the qualifying period of 1996-2002. According to the method selected, the annual allocation of shortraker/rougheye would be 5.91 percent of the CGOA TAC to the CV sector and 59.87 percent of the CGOA TAC to the CP sector.

The formula for calculation of secondary allocations selected by the Council at the February meeting would base sector allocations on the average percentage of the catch taken by a sector (the "standard" method) expressed as:

$$\text{sector allocation} = \left(\frac{\sum_{1996}^{2002} \text{annual percent catch}}{\text{number of years in the 1996 - 2002 period}} \right)$$

where,

- (1) the numerator is the sum of the annual average percentage of retained catch of the secondary species by the sector for the period 1996-2002 taken while targeting rockfish within the CGOA; and
- (2) the denominator in the equation is the total number of years in the target period (7)

During the AP deliberations on the rockfish pilot program, additional information was requested of staff to show the sector total catch, including discards, of secondary species (see Supplemental Table AP-1 and AP-2, February 2005 in the appendix). After considering this information and AP and Council deliberations on the issue, an option was added for analysis to allocate shortraker/rougheye to catcher vessels based on total catch of the sector in the target rockfish fishery over the total CGOA catch for all sectors which yields the highest annual percentage during the qualifying years (the "highest year usage option").

During AP and Council deliberations at the April 2005 meeting, concerns were raised that the allocation of shortraker rockfish may be insufficient to support complete catch of the target rockfish allocations. Among the data considered by the Council was a summary table (see Supplemental Table - Shortraker/Rougheye CGOA Catch by Sector, 1996-2002 in the appendix) showing the total sector catch of shortraker/rougheye (including discards) for the catcher vessel and catcher processor sectors. This table also includes the estimation of the "highest year usage option" under which the catcher vessel sector would be allocated 9.36 percent of the CGOA TAC (as compared with 5.91 percent under the standard method). Applying this rate to the 2005 TAC, the catcher vessel sector would be allocated 30.32 mt. of shortraker rockfish (9.36 percent times the 2005 TAC of 324 mt. within the CGOA). If the shortraker proportion of the combined incidental catch of shortraker/rougheye is assumed to be 57 percent (as suggested by the GOA plan team), incidental catch of shortraker would have exceeded the allocated amount in only one out of the seven qualifying years.

The Council also advanced for analysis the following alternative options that could be used to address any possible shortfall of shortraker to the catcher vessel sector:

Option 1: The shortraker/rougheye hard cap will be calculated based on the aggregate shortraker/rougheye TAC and then divided:

- A) 50 percent shortraker and 50 percent rougheye
- B) 60 percent shortraker and 40 percent rougheye

Option 2: Manage catcher vessel shortraker and rougheye using and MRA between 0.7 percent (average use) and 1.1 percent (highest annual use).

In addition at the April meeting, concern was expressed that the allocations to the rockfish program could deplete the shortraker TAC to an extent that other fisheries could be constrained by shortraker incidental catch. To address that potential concern, the Council added for analysis, the following provision concerning **allocation of shortraker and rougheye to the catcher processor sector:**

Allocations of shortraker and rougheye as a secondary species will be at the following rate of history:

75 to 100 percent

The potential impacts of these options are examined below.

Biological and Catch Issues

Rockfish comprising the target and secondary species for the rockfish pilot program are generally long-lived, slow growing species. As noted in comments by the Scientific and Statistical Committee (SSC) in 2003 while reviewing the annual Stock Assessment and Fishery Evaluation Reports (SAFE) for that year, there are major gaps in basic biological knowledge for most rockfish species that complicate management for these species.

Much of the biological information used in the management of shortraker and rougheye come from the NMFS biannual survey (which was a triannual survey prior to 2001) in the Gulf of Alaska. Other information comes from the longline survey that is completed annually to help assess relative population numbers and relative population weights. A review of the various SAFE reports and minutes from the plan team meetings reveals no consensus on management parameters for shortraker and rougheye. In November 2004, for example, four alternative approaches to ABC estimation for shortraker and rougheye were presented for the Council to choose among, indicating a wide variety of opinions on the best approach. The November 2004 SAFE discussion of shortraker/rougheye rockfish (Clausen, 2004) suggests that the trawl survey indicates rougheye rockfish almost always has a larger biomass than shortraker rockfish and therefore is a larger proportion of the ABC of the species aggregate. However, the NMFS groundfish observer program has indicated that a majority of the shortraker/rougheye catch appears to be shortraker. In the SAFE report, the possibility is raised that shortraker may be disproportionately caught within the shortraker/rougheye group. Commercial fishermen may fish along rocky slopes using 'rockhopper' trawl gear, whereas the survey stations may avoid the roughest bottom and the slope. This possible difference in areas fished has led some to question the accuracy of the relative biomass estimates for these two species.

In addition to concerns over the biomass estimates, some concerns have also been expressed concerning the estimated catch composition of shortraker and rougheye. At the February meeting, staff presented a summary of observer data concerning incidental bycatch of Pacific cod, sablefish, thornyhead, shortraker, rougheye and the combined shortraker/rougheye aggregation. In general, these data indicated relatively low incidental catch rates of all secondary species. The data also indicated that shortraker was 92 percent of the combined shortraker/rougheye incidental catch in the observed hauls targeting CGOA rockfish. However, staff subsequently discovered an error with the data file used to calculate the February bycatch tables. The data problem has been corrected, and the revised tables are included at the end of this report (Appendix Tables 5, 6 and 7). Based on the revised data, the shortraker proportion of incidental catch of shortraker and rougheye) in observed hauls targeting rockfish is 46.42 percent (see Appendix Table 7).

The Gulf Plan Team and SSC have also considered the issue of catch composition of shortraker/rougheye incidental catch. In the December 2004 SAFE report, the summary section for shortraker/rougheye included an appendix that discussed the proportion of shortraker in the commercial harvest (Clausen et. al., 2004). A copy of this appendix is included at the end of this report. In the SAFE appendix, various proportions for shortraker as a proportion of shortraker/rougheye are presented, including a historical series by gear type. The report

concludes that the average for the years 2000, 2001 and 2002 (57 percent shortraker) is the best available data for estimating the composition of incidental catch of the two species. In all estimations in this document, we use the factor of 57/43 shortraker to rougheye reported in the 2004 SAFE document as noted below.

Reviewing the revised incidental catch tables (Appendix Tables 5,6, and 7), bycatch rates for most species (including shortraker and rougheye) are relatively low for all three targets examined. The incidental catch rate for shortraker rockfish is less than 1 percent for the observed target rockfish tows and less than 2 percent of the observed target sablefish sets in the longline fishery.

Management Issues Relating to Shortraker and Rougheye

To allocate the overall CGOA TACs for shortraker and rougheye rockfish under the rockfish pilot program, NOAA Fisheries will make allocations of each species to the two rockfish trawl sectors. The allocations will be hard caps, so a cooperative will be prevented from catching its target rockfish allocation once its secondary allocation has been caught. Participants will have an incentive to make most efficient use of their shortraker and rougheye allocations. Likely strategies are to sequentially focus on species that have the lowest bycatch rates moving to species with higher bycatch to ensure the highest probability of catching the entire allocation without fully catching the secondary species allocation.

Impacts on Other CGOA and Gulf of Alaska Fisheries

At its April 2005 meeting, the Council asked staff to describe the potential impacts of the rockfish pilot program allocations on other fisheries that typically catch shortraker and rougheye rockfish. Tables 1(a) and 1(b) show the primary fisheries that catch shortraker and rougheye in the GOA: the trawl fishery targeting flatfish, the trawl fishery targeting rockfish, and the longline fishery targeting sablefish.

Under current management, incidental catch of shortraker and rougheye rockfish in the Central Gulf is limited by an MRA limit of 15 percent of total weight of the target species catch. Under the MRA specifications (NOAA 2005), bycatch of rockfish is under a single aggregate category called 'aggregated rockfish' which includes shortraker, rougheye and other rockfish. Whether the catch of shortraker and rougheye is retained or discarded, it counts against the TAC for the respective species. Participants in the IFQ fisheries are required to retain all shortraker and rougheye rockfish, unless discarding is required by the MRA or another regulation.

If NOAA Fisheries managers' inseason monitoring reveals that the catch of shortraker or rougheye were likely to approach or exceed the TAC for the respective species, they would likely place the species of concern on prohibited species catch status (PSC), under which all catch of the species is required to be discarded. If monitoring reveals that the overfishing level for a species is likely to be reached, NOAA Fisheries managers would close fisheries of concern in the Gulf. Since the overfishing level for both shortraker and rougheye are set at a Gulfwide level, NOAA Fisheries would focus on fisheries Gulfwide and not restrict potential closures to the CGOA. Typically, when taking an action of this sort, NOAA Fisheries sequentially closes fisheries beginning with those limited access fisheries that have the highest incidental catch rates for the species of concern. In the case of shortraker or rockfish under current management, the first fishery targeted would likely be the trawl fisheries for rockfish and/or the trawl fisheries for flatfish. In the past, NOAA Fisheries has avoided closures of IFQ fisheries, but, if the situation warranted action, the next fishery to be closed to protect shortraker or rougheye would be the

longline fishery for sablefish. Under the pilot program, the Central Gulf rockfish fishery would likely not close (or would close as a last resort), since the limitations of the shortraker and rougheye rockfish allocations should adequately protect overharvest of the species by participants in the program.

Total Catch by Fishery

To gain a perspective on the total use of shortraker and rougheye rockfish by the different fisheries, total catch of both species, including retained catch and discards, by fishery from 1996 through 2004 are shown in Tables 1(a) and 1(b), for trawl and hook and line fisheries, respectively. As can be observed, most of the catch is not designated by species, but included in the aggregate category of shortraker/rougheye. On the far right column of Table 1, the percentage figure refers to the total percent use for each fishery over the entire period. For example, the pollock trawl fishery utilized 2.28 percent of the total catch of shortraker/rougheye during the 1996-2004 period.

Table 1(a): Trawl Catch of Shortraker/Rougheye in the CGOA 1996-2004
(units in metric tons including retained catch and discards)

target species	shortraker	rougheye	shortraker/rougheye	total	percent ²
pollock	12.14	10.20	138.19	160.53	2.28%
Pacific cod	22.99	12.21	119.92	155.12	2.21%
rockfish	498.35	525.63	3,266.68	4,290.66	61.03%
flatfish ¹	166.63	158.13	658.76	983.52	13.99%
sablefish	0.14	0.00	1.50	1.64	0.02%
Other	0.88	0.48	0.44	1.80	0.03%
Total	701.13	706.65	4,185.49	5,593.27	79.56%

¹ The flatfish category includes: deepwater flatfish; other flatfish; shallow water flatfish; flathead sole; rock sole; greenland turbot; arrowtooth flounder; rex sole; and yellowfin sole

² This column is the percentage share of the total catch for all gear, i.e. 7030.44 mt.

As can be noted from the tables, three fisheries account for the largest share of the shortraker/rougheye catch. The rockfish trawl fishery accounts for 61.03 percent of the total catch. The second largest fishery, in terms of shortraker/rougheye use, is the longline fishery targeting on sablefish, with 16.15 percent of the total catch, followed by the trawl flatfish fishery, with 13.99 percent of the total catch.

The data in Table 1(a) and 1(b) are aggregated for the entire period, 1996 through 2004. To investigate the trend in shortraker/rougheye use over this period, the individual years of catch are displayed for the three fisheries that catch the most shortraker and rougheye in Figure 1. The use trends for trawl flatfish and longline sablefish fisheries are relatively consistent through the period. The use pattern for the trawl rockfish fishery fluctuates widely from year to year, possibly reflecting different levels of intentional catch.

Table 2 provides detail on the respective level of retained catch and discarded catch of shortraker for the data presented in Table 1. Over the period from 1996 through 2004, 74.28 percent of the catch was retained and 27.72 percent was discarded. Notably, the historic catches on average exceed the 2005 TAC of 881 metric tons.

Table 1(b): Hook & Line Catch of Shortraker/Rougheye in the CGOA 1996-2004³
 (units in metric tons including retained catch and discards)

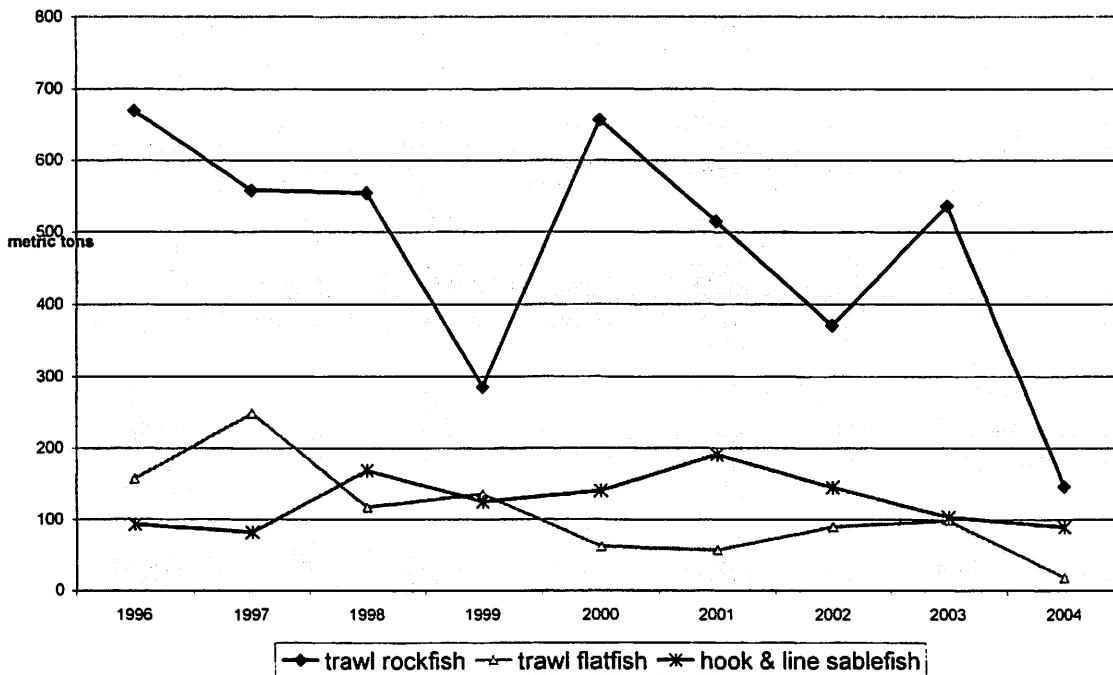
target species	shortraker	rougheye	shortraker/rougheye	total	percent ²
pollock	0.00	0.00	0.00	0.00	0.00%
Pacific cod	27.00	6.99	158.74	192.73	2.74%
rockfish	36.80	17.50	11.92	66.22	0.94%
flatfish ¹	0.00	0.00	0.00	0.00	0.00%
sablefish	212.71	130.02	793.02	1,135.75	16.15%
Other	2.56	0.20	39.08	41.84	0.60%
Total	279.07	154.71	1,002.76	1,436.54	20.44%

¹ The flatfish category includes: deepwater flatfish; other flatfish; shallow water flatfish; flathead sole; rock sole; greenland turbot; arrowtooth flounder; rex sole; and yellowfin sole

² This column is the percentage share of the total catch for all gear, i.e. 7030.44 mt.

³ The catch for hook & line gear includes a very small amount of catch by one or two jig vessels that cannot be released due to confidentiality concerns.

Figure 1: Total Shortraker/Rougheye Harvest in the CGOA 1996-2004 by Target and Gear
 (harvest in metric tons including discards)



**Table 2: Total and Annual Average
Shortraker/Rougheye Catch 1996-2004¹**
(units in metric tons)

Total			
Species	retained	discard	total
Rougheye	893.26	87.3	980.56
Shortraker	833.37	28.23	861.59
sr/re	3495.15	1693.11	5188.26
Total	5221.78	1808.64	7030.41
Annual Average			
Species	retained	discard	total
Rougheye	127.61	12.47	140.08
Shortraker	119.05	4.03	123.08
sr/re	499.31	241.87	741.18
Total	745.97	258.38	1004.34

Source: NMFS blend data, 2005.

¹ including discards (see table 1)

To examine the potential impacts of the secondary allocations of shortraker and rougheye on other fisheries, as requested by the Council, data from Table 1, along with the estimate of the proportion of shortraker in the combined shortraker/rougheye catch (57 percent), can be used to estimate the total use of shortraker for the different fisheries. These estimates are then compared to the available TAC, by applying the 2005 TAC for shortraker (324 metric tons) and rougheye (557 metric tons) assuming the allocations of both species to the rockfish fisheries. Table 3 shows the estimated annual usage of shortraker by fisheries including the rockfish trawl fisheries. The table shows that if historic catch of shortraker is maintained, the TAC would be exceeded by approximately 175 metric tons. The calculation also shows that these fisheries combined are estimated to use approximately 879 metric tons of shortraker and rougheye. The table also shows that the estimated historic catch, excluding catch in the target rockfish fishery is approximately 195 metric tons.

Table 4 shows the estimated shortraker usage and shortfall assuming the proposed allocations in the pilot program. As the table shows, under the standard proposed allocations a substantial shortfall is estimated to occur, if other fisheries maintain their annual average usage of shortraker. The estimated shortfall is exacerbated slightly, if catcher vessel allocations are made under the "highest year option". The shortfall is reduced (but not overcome), if catcher processors receive a reduced allocation. In considering the estimated shortfalls, one must bear in mind that the estimated historic usage by the rockfish trawl fishery is be approximately 305 metric tons, an amount substantially greater than the combined allocation to the two rockfish sectors under any of the allocation options.¹

In considering the impacts of the shortraker and rougheye allocations and separate TACs on both the rockfish fishery and other fisheries, no information exists for evaluating the potential of participants in any fishery to modify their fishing practices to reduce incidental catch of shortraker. Flexibility to take action for bycatch avoidance is likely greatest in the fisheries that receive exclusive shares (IFQs or cooperative allocations). Proponents of IFQ and cooperative

¹ See Table 6 for a summary of shortraker allocations.

programs often identify potential bycatch reduction arising from this flexibility as a primary benefit of those programs.

Table 3.
Estimated annual shortraker catch in the Central Gulf
in metric tons (1996-2004).

Gear	Target fishery	Annual average (shortraker and rougheye)	Estimated shortraker catch (assuming 57 percent shortraker)
Trawl	pollock	20.1	11.4
	Pacific cod	19.4	11.1
	rockfish	536.3	305.7
	flatfish ¹	122.9	70.1
	sablefish	0.2	0.1
	other	0.2	0.1
	total	699.2	398.5
Hook and line	Pacific cod	24.1	13.7
	rockfish	8.3	4.7
	sablefish	142.0	80.9
	other	5.2	3.0
	total	179.6	102.4
Total (both sectors)		878.7	500.9
Total excluding trawl target rockfish catch		195.2	

¹ The flatfish category includes: deepwater flatfish; other flatfish; shallow water flatfish; flathead sole; rock sole; greenland turbot; arrowtooth flounder; rex sole; and yellowfin sole

Table 4.
Estimated Central Gulf shortraker usage and shortfall assuming annual average usage and various catcher vessel and catcher processor rockfish fishery allocations (in metric tons).

Catcher processor allocation	Standard	Catcher vessel allocation				
		Total shortraker usage	Shortraker shortfall	Highest year option	Total shortraker usage	Shortraker shortfall
Full allocation	194	408.3	84.3	30.3	419.5	95.5
75 percent	145.5	359.8	35.8		371.0	47.0

Effect of new (April 2005) Council options

As noted above, in April 2005, the Council added two options for allocation of shortraker rockfish and rougheye rockfish under the pilot program. The options and their potential effects on other fisheries are briefly discussed below.

Option 1: The shorttraker/rougheye hard cap will be calculated based on the aggregate shorttraker/rougheye TAC and then divided:

- C) 50 percent shorttraker and 50 percent rougheye**
- D) 60 percent shorttraker and 40 percent rougheye**

The effect of C) would be to allocate 50 percent of the combined shorttraker/rougheye TAC as shorttraker to the CV sector. This would result in a shorttraker allocation of 26.0 metric tons (5.91 percent of 881 metric tons) based on 2005 TACs,² an increase in the catcher vessel allocation of approximately 7 metric tons from the amounts shown in Table 4.

The effect of D) would be to allocate 60 percent of the combined shorttraker/rougheye TAC as shorttraker to the CV sector. This would result in a shorttraker allocation of 31.2 metric tons (5.91 percent of 881 metric tons) based on 2005 TACs,³ an increase of approximately 12 metric tons from the amount shown in Table 4.

The shorttraker allocations under both options would exceed or equal average annual total catch of the sector shown in Supplemental Table - Shorttraker/Rougheye CGOA Catch by Sector, 1996-2002 – in the appendix to this discussion.

The Council also added the following new options under which shorttraker/rougheye catch by the CV fleet would be based on a revised MRA, with options ranging from 0.7 to 1.1 percent of directed rockfish catch in the CGOA. The following option would define this MRA:

Option 2: Manage catcher vessel shorttraker and rougheye using and MRA between 0.7 percent (average use) and 1.1 percent (highest annual use).

Analyzing the effects of an MRA on total catch is at best imprecise. An MRA in and of itself may create no incentive to avoid incidental catch, since discarding is permitted above the retainable amount. Table 5 shows the estimated MRA given the incidental catch allowance for other fisheries and the allocation of the estimated allocation of the remaining TAC to the catcher vessel sector from the analysis. For the purpose of analysis, using the 2005 CGOA TACs for the three target rockfish species (Pacific ocean perch, northern rockfish and pelagic shelf rockfish) for the higher MRA limit of 1.1 percent, shorttraker/rougheye retention by the CV fleet would be limited to 49.6 metric tons. For the lower MRA limit of 0.7 percent, maximum permitted retention of shorttraker/rougheye by the CV fleet would be 31.5 metric tons.

Since the proposed MRA does not distinguish shorttraker from rougheye, the catch composition would determine the amount of shorttraker retained under the MRA. In any case, exceeding the MRA would not limit catcher vessel participants' catch of target rockfish, but merely require discarding of shorttraker and rougheye. Given the uncertainty concerning catches from the catcher vessel rockfish fisheries, determining the impacts of the use of an MRA for managing shorttraker and rougheye on the other fisheries is uncertain.

² If the "highest year option and the 50/50 shorttraker/rougheye allocation are both applied, the resulting shorttraker allocation would be 41.23 mt. ($9.36\% \times 881 \text{ mt.} \times 50\% = 41.23 \text{ mt.}$) based on 2005 TACs.

³ If the "highest year option and the 60/40 shorttraker/rougheye allocation are both applied, the resulting shorttraker allocation would be 49.47 mt. ($9.36\% \times 881 \text{ mt.} \times 60\% = 49.47 \text{ mt.}$) based on 2005 TACs.

Table 5
Possible retention of shortraker/Rougheye rockfish under proposed MRAs

Rockfish Target Species	2005 CGOA TAC (mt.)	Catcher vessel allocation
Pacific ocean perch	8,535.00	4058.5
Northern Rockfish	4,283.00	2495.51
Pelagic Shelf Rockfish	3,067.00	1351.48
Total	15,885.00	7905.49
MRA of 1.1 percent of rockfish target		49.6
MRA of 0.7 percent of rockfish target		31.5

Note: 2005 TAC level assumed to be catch level

Table 6 shows the estimated historic total catch of shortraker in the rockfish target fishery (assuming 57 percent of all shortraker/rougheye catch is shortraker) and summarizes the allocation options for the different sectors based on the 2005 CGOA shortraker TAC. The table suggests that none of the allocation options for the catcher processor sector will match or exceed its average historic total catch. Only the standard catcher vessel allocation option would result in an allocation less than the historic average total catch of that sector. In addition, the three options that elevate the shortraker allocations all approximately match or exceed estimated shortraker catch of the sector in all but one year (a year in which shortraker catch of the sector was more than double the average).

Given that the two sectors have very similar allocations of target CGOA rockfish (i.e., Pacific Ocean perch, northern rockfish, and pelagic shelf rockfish), it is likely that the allocation to the catcher vessel fleet is a better reflection of incidental catch rates in the target rockfish fishery. The catcher processor historic catch of shortraker and rougheye likely reflect some intentional catch of these species, as product prices for shortraker and rougheye are more than double the product prices for target rockfish (see Tables 17 and 18 in the analysis).

Table 6
Estimated shortraker catch and allocations to CGOA rockfish sectors
(in metric tons).

		catcher processors	catcher vessels
	1996	331.3	50.2
	1997	308.2	10.0
	1998	297.5	24.0
Yearly total catch	1999	136.3	26.2
	2000	350.6	23.4
	2001	282.9	10.5
	2002	198.1	13.1
	Average	272.1	22.5
Standard allocation estimates		194.0	19.1
Catcher processor suboption	75 percent allocation	145.5	-
	highest year option	-	30.3
Catcher vessel suboptions	50/50 sr/re	-	26.0
	60/40 sr/re	-	31.2

References:

Clausen, David. Gulf of Alaska Shortraker/Rougheye and Other Slope Rockfish. Chapter 9, Appendix A of the Stock Assessment and Fishery Evaluation Report for the Groundfish Resources of the Gulf of Alaska, compiled by the Plan Team for the Gulf of Alaska Groundfish Fisheries of the Gulf of Alaska, North Pacific Fishery Management Council, November 2004.

Clausen, David et. al. Gulf of Alaska Shortraker/Rougheye and Other Slope Rockfish. Chapter 9, Appendix B of the Stock Assessment and Fishery Evaluation Report for the Groundfish Resources of the Gulf of Alaska, compiled by the Plan Team for the Gulf of Alaska Groundfish Fisheries of the Gulf of Alaska, North Pacific Fishery Management Council, November 2004.

NMFS. Table 10 to Part 679 Gulf of Alaska Retainable Percentages. Available at www.fakr.noaa.gov/rr/tables/tab10/pdf.

Appendix Tables & Materials for Shortraker/Rougheye Discussion Paper

Appendix Table 1 – from the February 2005 Council meeting

Supplementary Table AP-1: Rockfish Pilot Program - CGOA Total Sector Catches by Species

Appendix Table 2- from the February 2005 Council meeting

Supplementary Table AP-2: Rockfish Pilot Program - CGOA Total Sector Catches by Species

Appendix Table 3 – from the April 2005 Council meeting

Table 4: CGOA Catch of Shortraker/Rougheye Rockfish for the CV Sector 1996-2000

Appendix Table 4 – from the April 2005 Council meeting

Supplemental Table - Shortraker/Rougheye CGOA Catch by Sector, 1996-2002

Appendix Table 5 – from the February 2005 meeting

Table 1: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Hook & Line Sets with Pacific Cod as the Targeted Species: 1996-2002

Appendix Table 6 – from the February 2005 meeting

Table 2: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Hook & Line Sets with Sablefish as the Targeted Species: 1996-2002

Appendix Table 7 – from the February 2005 meeting

Table 3: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Trawl Hauls with Rockfish as the Targeted Species: 1996-2002

Appendix 9A – Alternative ABCs for Shortraker/Rougheye Rockfish in the Gulf of Alaska.

From the November 2004 GOA SAFE document (13 pages)

Supplementary Table AP-1: Rockfish Pilot Program - CGOA Total Sector Harvests by Species
by Year for the Catcher-Processor Sector, 1996-2002 (harvest in metric tons)

Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
Pacific cod	1996	CP	108.68	47,564.79
Pacific cod	1997	CP	175.87	43,668.89
Pacific cod	1998	CP	214.52	41,424.46
Pacific cod	1999	CP	338.49	44,442.30
Pacific cod	2000	CP	57.39	32,180.10
Pacific cod	2001	CP	49.81	27,313.66
Pacific cod	2002	CP	95.92	25,057.27
total 1996-2002			1,040.67	261,651.47
Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
sablefish	1996	CP	483.90	6,772.28
sablefish	1997	CP	538.24	6,233.63
sablefish	1998	CP	446.30	5,876.70
sablefish	1999	CP	293.21	5,874.07
sablefish	2000	CP	298.01	6,168.32
sablefish	2001	CP	303.74	5,443.70
sablefish	2002	CP	697.84	6,179.71
total 1996-2002			3,061.23	42,548.41
Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
shortraker/rougheye	1996	CP	581.29	941.27
shortraker/rougheye	1997	CP	540.66	932.66
shortraker/rougheye	1998	CP	522.00	869.85
shortraker/rougheye	1999	CP	239.10	579.89
shortraker/rougheye	2000	CP	615.00	883.70
shortraker/rougheye	2001	CP	496.36	998.16
shortraker/rougheye	2002	CP	347.55	631.61
total 1996-2002			3,341.95	5,837.13
Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
thornyheads	1996	CP	101.95	595.35
thornyheads	1997	CP	153.75	716.30
thornyheads	1998	CP	137.95	571.63
thornyheads	1999	CP	110.36	579.86
thornyheads	2000	CP	163.16	548.44
thornyheads	2001	CP	147.23	516.24
thornyheads	2002	CP	142.62	505.05
total 1996-2002			957.01	4,032.87

Source: 1996-2002 NMFS blend data

Supplementary Table AP-2: Rockfish Pilot Program - CGOA Total Sector Harvests by Species
by Year for the Catcher Vessel Sector, 1996-2002 (harvest in metric tons)

Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
Pacific cod	1996	CV	225.77	47,564.79
Pacific cod	1997	CV	156.86	43,668.89
Pacific cod	1998	CV	432.76	41,424.46
Pacific cod	1999	CV	926.74	44,442.30
Pacific cod	2000	CV	1,332.90	32,180.10
Pacific cod	2001	CV	1,035.54	27,313.66
Pacific cod	2002	CV	1,466.77	25,057.27
total 1996-2002			5,577.34	261,651.47
Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
sablefish	1996	CV	607.77	6,772.28
sablefish	1997	CV	293.96	6,233.63
sablefish	1998	CV	309.40	5,876.70
sablefish	1999	CV	544.43	5,874.07
sablefish	2000	CV	555.54	6,168.32
sablefish	2001	CV	457.97	5,443.70
sablefish	2002	CV	511.16	6,179.71
total 1996-2002			3,280.22	42,548.41
Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)
shortraker/rougheye	1996	CV	88.08	941.27
shortraker/rougheye	1997	CV	17.48	932.66
shortraker/rougheye	1998	CV	42.08	869.85
shortraker/rougheye	1999	CV	45.99	579.89
shortraker/rougheye	2000	CV	41.06	883.70
shortraker/rougheye	2001	CV	18.38	998.16
shortraker/rougheye	2002	CV	22.94	631.61
total 1996-2002			276.00	5,837.13
Species	Year	Sector	Sector Sum(mt.)	Total CGOA Harvest (mt.)
thornyheads	1996	CV	82.65	595.35
thornyheads	1997	CV	41.78	716.30
thornyheads	1998	CV	67.12	571.63
thornyheads	1999	CV	84.17	579.86
thornyheads	2000	CV	89.00	548.44
thornyheads	2001	CV	52.75	516.24
thornyheads	2002	CV	46.08	505.05
total 1996-2002			463.54	4,032.87

Source: 1996-2002 NMFS blend data

Table presented at the April meeting:

Table 4: CGOA Harvest of Shortraker/Rougheye Rockfish for the CV Sector 1996-2000

Species	Year	Sector	Sector Sum (mt.)	Total CGOA Harvest (mt.)	Percent sector/total
shortraker/rougheye	1996	CV	88.08	941.27	9.36%
shortraker/rougheye	1997	CV	17.48	932.66	1.87%
shortraker/rougheye	1998	CV	42.08	869.85	4.84%
shortraker/rougheye	1999	CV	45.99	579.89	7.93%
shortraker/rougheye	2000	CV	41.06	883.70	4.65%
shortraker/rougheye	2001	CV	18.38	998.16	1.84%
shortraker/rougheye	2002	CV	22.94	631.61	3.63%
total 1996-2002			276.00	5,837.13	4.73%

Source: 1996-2002 NMFS blend data

Supplemental Table - Shortraker/Rougheye CGOA Harvest by Sector, 1996-2002

Species	Year	Sector	Sector Sum (mt.)	Sector	Sector Sum (mt.)	Other (mt.)	Total CGOA (mt.)	TAC (mt.)
shortraker/rougheye	1996	CP	581.29	CV	88.08	271.90	941.27	1,210
shortraker/rougheye	1997	CP	540.66	CV	17.48	374.52	932.66	970
shortraker/rougheye	1998	CP	522.00	CV	42.08	305.77	869.85	970
shortraker/rougheye	1999	CP	239.10	CV	45.99	294.80	579.89	970
shortraker/rougheye	2000	CP	615.00	CV	41.06	227.64	883.70	930
shortraker/rougheye	2001	CP	496.36	CV	18.38	483.42	998.16	930
shortraker/rougheye	2002	CP	347.55	CV	22.94	261.13	631.61	840
total 1996-2002			3,341.95		276.00	2,219.18	5,837.13	6,820
<i>Source: 1996-2002 NMFS Blend Data for harvest levels; NMFS Annual Harvest Summaries for TAC's.</i>								
2005 CGOA TAC for shortraker			324 mt.	9.36 % x 324 mt. =30.32 mt.				
2005 CGOA TAC for rougheye			557 mt.					
total			881 mt.					

Table 1: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Hook & Line Sets with Pacific Cod as the Targeted Species: 1996-2002

Incidental catch species	Longline sets with Central Gulf Pacific cod target	Hauls with bycatch species	Weight of incidental catch species	Weight of Central Gulf Pacific cod	25th Percentile	50th Percentile	75th Percentile	85th Percentile	95th Percentile	100th Percentile
Pacific Cod	507	507	1,984,614	1,984,614	1	1	1	1	1	1
Sablefish	507	70	15,097	155,146	0	0	0	0	0.1386324	0.8812155
Thornyhead	507	7	207	11,552	0	0	0	0	0	0.1095972
Shortraker	507	16	366	125,765	0	0	0	0	0	0.3701964
Rougheye	507	10	180	12,903	0	0	0	0	0	0.0882742
Shortraker/Rougheye (1)	507	1	*	1,101	0	0	0	0	0	*

Source: 1996-2003 GOA Observer data, with data calculations by NPFMC.

(1) where shortraker rockfish and rougheye rockfish were combined in the observer data

Table 2: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Hook & Line Sets with Sablefish as the Targeted Species: 1996-2002

Incidental catch species	Longline sets with Central Gulf sablefish target	Sets with bycatch species	Weight of incidental catch species	Weight of Central Gulf sablefish	25th Percentile	50th Percentile	75th Percentile	85th Percentile	95th Percentile	100th Percentile
Pacific Cod	2350	140	12,591	206,877	0	0	0	0	0.0085599	0.9619496
Sablefish	2350	2350	4,394,352	4,394,352	1	1	1	1	1	1
Thornyhead	2350	2202	168,090	4,251,711	0.0126187	0.0308037	0.0609804	0.0838902	0.1452489	0.5368937
Shorthead	2350	624	47,300	1,227,754	0	0	0.0028377	0.0141428	0.0785955	0.823041
Rougheye	2350	459	15,877	846,033	0	0	0	0.0033429	0.0254521	0.6111716
Shorthead/Rougheye (1)	2350	189	28,248	384,970	0	0	0	0	0.0143314	0.9444172

Source: 1996-2003 GOA Observer data, with data calculations by NPFMC.

(1) where shorthead rockfish and rougheye rockfish were combined in the observer data

Table 3: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Trawl Hauls with Rockfish as the Targeted Species: 1996-2002

Incidental catch species	Trawl hauls with Central Gulf rockfish targets	Hauls with bycatch species	Weight of incidental catch species	Weight of Central Gulf rockfish	25th Percentile	50th Percentile	75th Percentile	85th Percentile	95th Percentile	100th Percentile
CGOA rockfish	2756	2756	41,519,208	41,519,208	1	1	1	1	1	1
Pacific Cod	2756	1364	742,872	17,791,489	0	0	0.0322703	0.0639561	0.1711875	0.9855091
Sablefish	2756	1102	1,123,400	15,111,336	0	0	0.028388	0.0827129	0.2707176	0.9547639
Thornyhead	2756	638	309,699	13,153,414	0	0	0	0.0065823	0.0521304	0.8769523
Shortraker	2756	232	337,940	4,524,135	0	0	0	0	0.0259231	0.9253202
Rougheye	2756	371	389,981	7,698,578	0	0	0	0	0.0312887	0.8811273
Shortraker/Rougheye ⁽¹⁾	2756	14	33,008	527,828	0	0	0	0	0	0.1679843

Source: 1996-2003 GOA Observer data, with data calculations by NPFMC.

Central Gulf rockfish includes Pacific Ocean perch, northern rockfish and pelagic shelf rockfish.

(1) where shortraker rockfish and rougheye rockfish were combined in the observer data

**ALASKA JIG ASSOCIATION
KODIAK, ALASKA**

June 5, 2005

Stephanie Madsen, Chair
North Pacific Fishery Management Council
Anchorage, AK 99501

Re: Agenda Item C-3 Gulf Rockfish Demonstration Project – Final Action

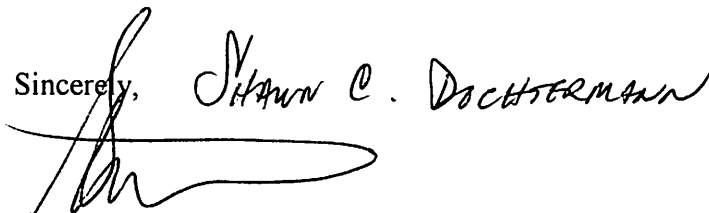
Dear Chairman Madsen and Members of the Council,

It has come to our attention that the Gulf rockfish demonstration project may contain a requirement that all vessels, including the small boat fixed gear sector, carry VMS devices in order to participate in the fishery. We recognize that fishery managers are moving more and more toward VMS as a monitoring tool. However, we feel that a more deliberate process is needed for how this tool will be applied across all fisheries and gear sectors before adopting the requirement today for small boats in this rockfish fishery. We would like to be part of that discussion.

With regard to the rockfish pilot project, jig vessels are eligible for 2.5% of the rockfish quota for entry level participation. A requirement for VMS to access this small amount of the fishery would be a significant barrier to our vessels being able to participate. The cost is extremely high given the scale of our operations and the amount of the TAC that we will harvest is an extremely small portion of the total fishery. We request that the North Pacific Fishery Management Council not adopt a VMS requirement for the small boats in the rockfish program now.

Thank you for your consideration of our request.

Sincerely,

 Shawn E. Dichter

Board Member

Global Seafoods Kodiak, L.L.C.



NPFMC Meetings June, 2005

Rockfish Pilot Program- Council Meeting

Good morning/afternoon. My name is Sergey Morozov and I am the General Manager of the Global Seafoods plant in Kodiak.

At the last meeting I described to you a company that is a relative newcomer to the town of Kodiak- a company that has invested millions of dollars to renovate a derelict processing plant with the expectation and **right** to the **opportunity** to earn a return on that investment. Borne out of necessity, as well as opportunity, Global has consistently been an innovator. Can anyone name another Kodiak processor that has in recent years landed, processed and marketed a greater number of species of fish from the Gulf?

Because it is excluded from the right to process rockfish under the current legislation, Global is the only processor in Kodiak whose right to the opportunity to earn a return on its investment has been taken away. More directly, unless this legislation is changed, it will be the demise of the company. Thankfully, though, this process, mandated by Congress, has allowed us to provide meaningful input to protect our rights. The results of that input are manifested in the current motion in a suboption (with options A and B) that would qualify additional processors. There are no additional processors in Kodiak affected by this legislation except Global.

If the recently added term: "*depreciated capital assets*" means the original cost of in-service capital assets, excluding land- for the record and to waive any concern for confidentiality on our part- either option A or B would qualify Global for a processor license. If the meaning is something materially different, then it should be further defined.

As such, please adopt Option A and include Global. It is the right thing to do.

I want to close by stating that vested interests in Kodiak have been working to exclude us from the Gulf. (We have documents!) No one speaks for Global but Global. The obvious intent of our competitors by giving testimony against the adoption of either option A or B is to grab a bigger share of a resource that inherently does not belong to any of us.

Adopt Option A and include Global.

Thank you for your time.

Qualified CP

OPT IN

- CGOA rockfish, secondary species & PSC allocated to sector
- Sideboarded in BSAI: standdown rule applies
- Limited to history of qualified CPS for non-allocated species in the GOA in July

OPT OUT*

- No allocation
- No BSAI sideboards
- Limited to history of qualified CPs for non-allocated species in the GOA in July

*Opt-out vessels may not enter GOA fisheries which they have not been in for at least 2 of the qualifying years.

DO NOT COOP

COOP

- Coop receives allocation of aggregate history of rockfish, secondary species and PSC
- Limited to the coop's sideboard allocation of other GOA species in the GOA in the month of July (AFA style coop)
- Coop may lease allocation shoreside
- Coop may fish allocated species any time of year

~~ALTERNATIVE 2: INDIVIDUAL ALLOCATION~~

ALTERNATIVE 3: SECTOR ALLOCATION**

~~DO NOT LEASE~~

- Fish rockfish (July 1 start)
- Sideboarded in BSAI (standdown)
- Sideboarded to aggregate CP history in GOA during July

~~LEASE~~

- Lease rockfish allocation
- Must wait until your leased rockfish is harvested, as well as the rockfish quota of the lessee, is harvested before being able to fish in BSAI or on CP aggregate sector history in GOA during July (with the standdown being the earlier of 90% of both vessels rockfish quota or 2 weeks)

- Fishery starts in July
- Fish on non-coop portion of CP history
- Race for allocated species (no individual allocation)
- Cannot lease (no individual allocation)

**Vessels with $\geq 5\%$ of the POP history are sideboarded in GOA until 90% of POP quota is taken.

*Loni Swenson
D-3*

Jim Richardson
c-3

Analysis of Incidental Bycatch in CGOA Halibut Hook & Line Fishery

The Council requested that staff complete an analysis of bycatch in the hook & line fishery in the CGOA as part of the review of the rockfish pilot program. This analysis is in response to that request.

Bycatch in the trawl fishery targeting rockfish; the hook & line fishery targeting Pacific cod; and the hook & line fishery targeting sablefish was previously analyzed using data from the groundfish observer program. However, this approach was not possible for the directed halibut fishery, since that fishery does not participate in the groundfish observer program.

To address the bycatch in the directed halibut fishery in the CGOA, data from the International Pacific Halibut Commission (IPHC) stock assessment surveys were utilized. The period included for the IPHC survey data is 1998 through 2004. This period is not an exact match for the data analyzed for the species/fisheries discussed above; however these were the only data available for this analysis. In earlier years, the IPHC survey utilized methodology and sampling sites that are not compatible with those used from 1998 to the present.

The IPHC stock survey data included all sets taken within (IPHC) management areas 3A and 3B. It was necessary to select subset of the area 3A and 3B survey data corresponding to management areas 620 and 630 that comprise the CGOA. This subset was selected utilizing the latitude and longitude positions of the each survey set to include or exclude it. The resulting data include only those survey points within the CGOA.

The IPHC survey data is primarily focused on the number of fish harvested, whereas the analysis of bycatch also needs weights for fish harvested. The IPHC makes an estimation of the weight of halibut landed in the survey samples, based on length/weight tables. The weight estimate for halibut was translated into kilograms, since the IPHC estimates weight in pounds. For the other species (Pacific cod, sablefish, thornyhead rockfish, shortraker rockfish and roughey rockfish), harvest weights were calculated using average weights based on the 2003 groundfish observer data. The average weight factors for the bycatch species are:

Pacific cod	3.12785 kilograms
sablefish	2.97366 kilograms
thornyhead rockfish	0.91827 kilograms
shortraker rockfish	3.47705 kilograms
roughey rockfish	1.84118 kilograms

The results of the analysis of bycatch in the directed longline halibut fishery in the CGOA are summarized in Table 1. The incidental bycatch for each species is calculated as an individual ratio for each set over the entire 1998-2004 period. The ratio is based on the number of estimated kilograms of each secondary species divided by the estimated kilograms of targeted halibut on the hooks sampled in the IPHC survey. The methodology employed by the IPHC is to set eight skates of gear at a time with 100 hooks/skate. When the longline is pulled, the survey enumerates the catch on the first 20 hooks of each skate.

A quick evaluation of the incidence of bycatch by species in the CGOA halibut longline fishery can be obtained by comparing the second and third columns and also the fourth and fifth columns in Table 1. Column 3 in the table, labeled 'CGOA sets with halibut observed' shows the total number of sets observed over the 1998-2004 period. Column 4 labeled 'sets with bycatch

species' shows the number of sets where the bycatch species listed in the respective rows of the table was found to be present in the sample. For example, looking at the columns two and three in Table 1, there were 1,836 sets where Pacific cod was observed to be part of the catch, out of a total of 3,994 sets. Similarly, 1,241 sets showed the presence of sablefish, 39 sets the presence of thornyhead rockfish, 81 sets showed the presence of shortraker rockfish and 53 sets showed some presence of roughey rockfish.

Columns four and five of Table 1 show the respective total catch (in kilograms) for halibut and the respective bycatch species, over the entire 1998-2004 period. This comparison shows extremely low levels of thornyhead, shortraker and roughey rockfish harvested.

The columns on the right side of Table 1 show the bycatch ratios (kilograms of bycatch species/kilograms of halibut) for each set, presented by percentile intervals (25th, 50th, 75th, 85th and 95th). Only Pacific cod and sablefish show any bycatch at less than the 75th percentile level. The Pacific cod harvest at the 75th percentile was a ratio of 0.020910, or 2.0910 percent of the halibut harvest by weight. The same results are shown for the bycatch species - sablefish, thornyhead rockfish, shortraker rockfish and roughey rockfish.

Table 1: Percentiles of Set Specific Ratios of Bycatch Species/Target Species for CGOA Hook & Line Sets
with Halibut as the Targeted Species: 1998-2004 (*combined*)

By Catch Species	CGOA sets with halibut observed	sets with bycatch species	weight of targeted halibut(kg)	weight of bycatch species (kg)	25th Percentile	50th Percentile	75th Percentile	85th Percentile	95th Percentile
Pacific Cod	3,994	1,836	3,540,160	49,673	0.00000	0.00000	.020910	.045126	.106397
Sablefish	3,994	1,241	3,540,160	34,497	0.00000	0.00000	0.008062	0.03249	0.12443
Thornyhead	3,994	39	3,540,160	50	0.00000	0.00000	0.00000	0.00000	0.00000
Shortraker	3,994	81	3,540,160	619	0.00000	0.00000	0.00000	0.00000	0.00000
Rougheye	3,994	53	3,540,160	192	0.00000	0.00000	0.00000	0.00000	0.00000

Source: International Pacific Halibut Commission, Stock Assessment Survey, 1998-2004 for IPHC areas 3A and 3B.
Data analysis by NPFMC staff.

Groundfish Forum

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May 25, 2005

Ms. Stephanie Madsen, Chairman
North Pacific Fishery Management Council
605 West 4th Ave.
Anchorage, AK 99501
FAX: 907-271-2817

RE: Agenda Item C-3, GOA Rockfish Demonstration Project

Dear Madam Chair,

This letter is on behalf of the members of Groundfish Forum, representing over 90% of the capacity of the non-AFA trawl catcher-processor sector in the BSAI. Our members participate in both the BSAI and GOA trawl fisheries, and many of them qualify for the CGOA Rockfish Demonstration Project which you will be taking final action on at this meeting. We are writing you with comments on the proposed package and with a preferred alternative for the catcher-processor sector.

Shortraker and rougheye rockfish allocation

NMFS has recently chosen to separate shortraker and rougheye rockfish for management purposes. Because of this, and because of recent survey results, it appears that there will not be enough Shortraker rockfish available to both allocate the full history to vessels in the pilot program and fund incidental catch needs of other fisheries. In this situation, the needs of all fisheries must be considered. Shortraker and rougheye rockfish are a significant part of the catcher-processor history in this program, just as Pacific cod is a significant part of the catcher-vessel history. While the true incidental needs of other fisheries must be accommodated, the allocation formula should not provide increased opportunities to harvest these species to sectors which have not done so in the past. In short, catcher-processor history should be maintained as much as possible without pre-empting fisheries which have true incidental catch needs.

Coop duration

Section 5.1 states that the duration of cooperative agreements is two years. While this may be an advantage for the shoreside sector in providing stability to processors, it is unnecessary for the catcher-processor sector. We ask the Council to replace this section as shown below:

- Section 5.1 Duration of cooperative agreements
 - 5.1.1 For catcher-vessel cooperatives, the duration is two years
 - 5.1.2 For catcher-processor cooperatives, the duration is one year

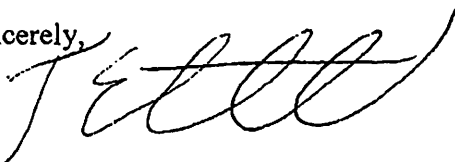
Catcher-processor preferred alternative

We agree with the catcher-vessel sector's approach to cooperative formation, and believe that Alternative 3 for the Catcher Processors (sector allocation with coops) provides the best framework for this program. This alternative gives vessels a wide range of options and flexibility, while maintaining a mechanism for transfer of history at the coop level. We ask the Council to confirm this alternative for our sector.

All parties have worked very hard to develop this pilot program, to help stabilize the community of Kodiak while full Gulf of Alaska rationalization is underway. We have explored many different options and worked out carefully balanced compromises in an attempt to expedite the implementation of the program while maintaining the health of all of the sectors involved. We encourage the Council to move this program forward with the considerations noted above (maintaining as much as possible of the catcher-processor shortraker and rougheye rockfish history, setting the duration of CP coops at one year, and selecting Alternative 3 for the CP sector program).

Thank you for the opportunity to comment.

Sincerely,



T. Edward Luttrell
Executive Director