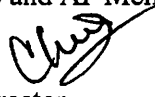


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver   
Executive Director

ESTIMATED TIME 2 HOURS
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DATE: September 24, 2004

SUBJECT: IR/IU

**ACTION REQUIRED**

Receive staff discussion papers - Overview of Amendment 80, Pacific cod area split, and impacts of Amendment 80 on BSAI parallel fisheries, and take action as necessary

**BACKGROUND**

In December 2003, the Council identified for analysis a suite of components and options for sector allocations of BSAI non-pollock groundfish and PSC (Amendment 80a) and a cooperative program for the Non-AFA trawl catcher processor sector (Amendment 80b). Since that time, the Council has continued to revise and refine these components and options based on staff discussion papers and public comment. A copy of the most recent version of the components and options for Amendment 80 is included in the Overview of Amendment 80 discussion paper, attached as Item C-4(a). Also included in this discussion paper is a short description of the alternatives, analytical methodology, and table of contents.

The Council also directed staff during the June 2004 meeting to revise a discussion paper that examines ways for splitting BSAI Pacific cod by subarea to include more year combinations for analysis of the historical harvest option (Option 1 of the discussion paper), attached as Item C-4(b).

Finally, staff has included a discussion paper that examines the impacts of Amendment 80 on the BSAI parallel fisheries. A copy of this discussion paper is attached as Item C-4(c).

Currently, the amendment is scheduled for initial review in February 2005, followed by final action in April 2005.

## Overview of Amendment 80 Analysis

### I. Introduction

The purpose of Amendment 80 is to allocate BSAI groundfish and PSC limits to 10 sectors operating in the BSAI and to develop a cooperative structure for the non-AFA trawl catcher processor sector. This action is expected to slow the "race for fish," reduce bycatch and its associated mortalities, and mitigate the costs incurred by non-AFA trawl catcher processors associated with management programs that improve conservation and reduce bycatch.

Initially, Amendment 80 was envisioned as a PSC cooperative for the non-AFA trawl catcher processor sector. In February 2003, the Council modified Amendment 80 to include a multispecies cooperative. The purpose of this change was to allow cooperative participants to improve their retention to the extent practicable. In April 2003, the Council determined that sector allocations would be a necessary precursor to developing a non-AFA trawl catcher processor sector cooperative program, so Amendment 80 was modified to include allocations of groundfish and PSC to 10 different sectors operating in the BSAI. Sector allocations would increase the success of the cooperative by preventing non-cooperative vessels with little or no history in the non-AFA trawl catcher processor sector from harvesting a sizable portion of the TAC typically caught by that sector. These allocations will also protect the other sectors in much the same manner by limiting eligibility to a sector allocation. The potential for other sectors to be impacted by the allocation to the non-AFA trawl catcher processor sectors was enough that the Council decided that allocations to all sectors were warranted. The Council also recognized that sector allocations could provide an opportunity to continue the rationalization of the BSAI groundfish.

Since the April 2003, the Council has continued to refine the components and options for Amendment 80. Since that time, the analytical team has been preparing the EA/RIR/IRFA for Amendment 80, which is currently scheduled for initial review in February 2005 followed by final action in April 2005.

### II. Problem Statement

*The Council's primary concern is to maintain a healthy marine ecosystem to ensure the long-term conservation and abundance of the groundfish and crab resources. To this end, the Council is committed to reducing bycatch, minimizing waste, and improving utilization of fish resources to the extent practicable in order to provide the maximum benefit to present generations of fishermen, associated fishing industry sectors, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. The Council also recognizes that the fishing industry is made up of participants who have a vested interest in the continued improvement in the long-term conservation of the groundfish resources, but at times could be burdened with additional costs associated with management programs that improve conservation or reduce bycatch. The problem facing the Council is two fold. First, is to develop programs to slow the race for fish, and reduce bycatch and its associated mortalities, while maintaining a healthy harvesting and processing industry, recognizing long term investments in the fisheries, and promoting safety, efficiency, and further rationalization in all sectors. Second, is to fashion a management program that would mitigate the cost, to some degree, for those participants burdened with additional costs associated with management programs that improve conservation and reduce bycatch, while also continuing to reduce discards of groundfish and crab to practicable and acceptable levels.*

### **III. Alternatives Considered**

This section presents the alternatives, components, and options for the proposed action. There are two separate but related actions associated with this amendment. The first action, Amendment 80a, would allocate BSAI groundfish and PSC limits to ten defined sectors that operate in the BSAI. Alternatives and components for this action are presented below. The second action, Amendment 80b, would develop a cooperative program for the non-AFA trawl catcher processor sector. Alternatives and components for this action are presented below.

#### **Amendment 80a - Allocating BSAI Groundfish/PSC to Fleet Sectors**

Based on various combinations of the components and options for sector allocations of BSAI groundfish and PSC limits, three alternatives were identified. Alternative 1 would continue the current management of groundfish and PSC limits in the BSAI. Alternative 2 allocates all BSAI groundfish, except pollock and fixed-gear sablefish, and PSC limits to 10 defined sectors that operate in the BSAI. Alternative 3 allocates only primary target species and PSC limits to 10 defined sectors operating in the BSAI.

#### **Alternative 1: No Action**

Under this alternative, current management of groundfish and PSC limits in the BSAI would remain in effect. A management measure pending Secretary of Commerce (SOC) approval is the GRS. For the purposes of this analysis, it is assumed that Amendment 79 will be approved and will become part of the status quo management as of 2006. Amendment 79 will phase in a minimum retention standard for the non-AFA trawl catcher processors over 125 feet over a four-year period starting in 2005 at 65 percent and culminating in 2008 at 85 percent. Since approval by the Council in June 2003, Amendment 79 has not been submitted to the SOC for approval and will likely be delayed until 2006.

#### **Alternative 2: Allocate all Groundfish**

This alternative would allocate all BSAI groundfish except AFA pollock, fixed-gear sablefish, and BSAI groundfish that have a TAC so small that they limit the harvest of species general taken in the directed fisheries. Allocations of BSAI groundfish and Pacific cod TAC to sectors will be equal to that sector's average of the annual harvest percentages during the 1995 to 2002 period. The annual harvest percentages are defined as retained catch of the sector divided by retained catch of all sectors. CDQ allocations for each of the groundfish species, except pollock and fixed-gear sablefish, would remain at 7.5 percent. This alternative would allocate the groundfish catch history of the nine catcher processors that were retired on December 31, 1998 (AFA 9) to the 20 catcher processors listed in section 208 (e) of the American Fisheries Act (AFA).

In order to be eligible to participate in a sector fishery, each participant will have to be a license holder with all of the proper area, gear, vessel type, and vessel length endorsement and have made at least one landing during the years 1995 to 2002.

Species of groundfish that is not allocated to the sectors, defined as non-target species, would be managed using an incidental catch allowance (ICA) with soft caps. Under an ICA with soft caps, once a sector has harvested its entire allotted species ICA, NMFS would place the species on PSC status and the species could no longer be retained by that sector.

Allocation of PSC to sectors would be based on the historic apportionment for each fishery group and historic PSC usage by the sector.

The alternative would include a threshold reserve program for only yellowfin sole. This program would establish threshold of 175,000 mt for the yellowfin sole fishery, and any TACs over that threshold will be allocated to the trawl sectors in the following proportions: 50 percent to catcher vessels and 50 percent to catcher processors. Within the catcher vessel sectors, 47 percent would be allocated to the AFA participants and 3 percent to non-AFA participants. Within the catcher processor sector, 12.5 percent would be allocated to AFA participants and 37.5 percent would be allocated to the non-AFA participants. Transfers of PSC would be allowed between members of the same cooperative and cooperatives within the same sector for the purposes of harvesting the threshold reserve. The alternative would also include a rollover provision for projected unharvested yellowfin sole threshold reserve. The rollover program would be similar to the Pacific cod rollover program in that after September 1 sectors could voluntarily relinquish their unharvested threshold reserve in order to reallocated to another sector that is projected to harvest all of their allocation before the end of the season. October 15 would serve as a hard date where inseason managers could reallocate projected unharvested yellowfin sole reserve to other sectors. The yellowfin sole would first rollover quota to the sector most similar to the relinquishing sector, followed by the next most similar sector. For example, yellowfin sole relinquished from the non-AFA trawl catcher vessel sector would flow to the AFA trawl catcher vessel before flowing to the non-AFA trawl catcher processors sector. The alternative would also require cooperatives to include in their annual fishing planning to NMFS a section on how the cooperative would utilize any additional yellowfin sole rollover quota.

The table below shows further details on the components, options, and suboptions selected for Alternative 2.

**Table 1. Components, options, and suboptions for Alternative 2 of Amendment 80a.**

Component	Option	Description
1	1.1	Allocate all groundfish except pollock
1	1.1.1	Exclude certain species to prevent allocations too small for sectors to harvest Use ICAs for all non-target species ( <i>non-allocated species</i> ) and manage using soft caps ( <i>bycatch and PSC status</i> )
2	2.2	
3	3.1	7.5% CDQ allocation
4	4.1	Allocate the percentage of the TAC that is equal to the sector's average of the annual harvest percentages during the specified years.
5	5.2	Sector catch history years are 1995-2002 (include AFA-9 catch history)
6	6.1	For purposes of apportionments, annual catch percentages will be defined using total catch of the sector over total catch by all sectors Pacific cod shall be allocated in the same method used to allocate the other groundfish species. Pacific cod rollovers between sectors shall be administered using regulations at the time of final Council action.
7	7.1	<60' fixed gear CV (pot and H&L) sector and jig sector combined allocation from TAC of 3%
7	7.1.1	PSC allocated to CDQ program as PSQ reserves (except herring) in proportion to the CDQ allocation
8	8.4	
9	9.1.2	Apportion PSC to each fishery group in proportion to the historic fishery group's apportionment using the most recent five years Apportion PSC allotments made to fishery groups to sectors in proportion to the PSC usage by the sector for the years used to determine the groundfish sector allocation with no reduction in apportionments from calculated level.
9	9.2.2	
10	10.1.2	Threshold reserve program for yellowfin sole.

Table 1, Continued

10	10.3c	Threshold for the yellowfin sole fishery will be 175,000 mt.
10	10.4.2	Allocation of yellowfin sole threshold reserve will be 50% to trawl catcher vessels and 50% to trawl catcher processor vessels
10	10.4.2i	Allocations within the catcher vessel sector will be 47% to AFA vessels and 3% to non-AFA vessels. Allocation within the catcher processor sector will be 12.5% to AFA and 37.5% to non-AFA vessels.
10	10.5.2	PSC may be transferred between members of the same cooperatives and between cooperatives in the same sector.
10	10.6.2	Include a rollover provision for unharvested yellowfin sole threshold reserve quota to other trawl sectors that are projected to harvest their initial allocation before the end of the fishing season.
11	11.2	Years for determine eligibility to participate in a sector will be 1995-2002
12	12.1	The vessel must have at least one landing in the years noted in Option 11.2 to be eligible to participate for a given sector.

**Alternative 3: Allocate Only Primary Target Groundfish**

This alternative would only allocate primary target groundfish species (Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, and AI Pacific Ocean perch). Allocations of these target species to the sectors, with the except of Pacific cod, will be equal to that sector’s average of the annual harvest percentages during the 1998 to 2002 period. The annual harvest percentage is defined as total catch of the sector divided by total catch of all sectors. Pacific cod would be allocated based on the current regulations as modified by Amendment 77, with an additional split of the trawl catcher processors allocation between AFA and non-AFA vessels. Of the 23.5 percent of the Pacific cod allocated to the trawl catcher processor sectors, 18.3 percent will be allocated to the non-AFA trawl catcher processor and 5.2 percent will be allocated to the AFA trawl catcher processor sector. CDQ allocations for each of the groundfish species, except pollock and fixed-gear sablefish, would be 10 percent. Groundfish catch history of the nine catcher processors that were retire on December 31, 1998 (AFA 9) would not be allocated to the 20 catcher processors listed in section 208 (e) of the American Fisheries Act (AFA).

In order to be eligible to participate in a sector fishery, each participant will have to be a license holder with all of the proper area, gear, vessel type, and vessel length endorsement and have landed at least 250 mt during the years 1998 to 2002. For <60’ hook and line/pot catcher sector and jig sector would be exempt from minimum landings requirements, but participants would still be required to have an LLP with proper endorsements in order to participate in the sector fishery. For those pot and hook-and-line vessels greater than or equal to 60’, participation in the directed Pacific cod fishery would be determined based on Amendment 67. In addition to having the proper area and gear endorsement, they must also have a Pacific cod endorsement.

Species of groundfish not allocated to sectors, defined as non-target species, would be managed using an incidental catch allowance (ICA) with hard caps. Under an ICA with hard caps, once a sector has harvested its entire allotted species ICA, that species would be closed. That includes both the directed fishery for that species and the fisheries where that species is taken as incidental catch.

PSC would be allocated based on the proportion of PSC harvest attributed to the fishery group and the proportion of target species harvested in the fishery group.

The alternative would include a threshold reserve program for rock sole, yellowfin sole, flathead sole, and Alaska Plaice. The program would establish threshold based on average retained catch during the years

1998 to 2002. Any TAC over these thresholds would be allocated to the trawl sectors in the following percentage: 25 percent to catcher vessels and 75 percent to catcher processors. Within the catcher vessel sectors, 20 percent would be allocated to the AFA and 5 percent to non-AFA. Transfers of PSC between members of the same cooperative and cooperatives within the same sector for the purposes of harvesting the threshold reserve would not be allowed. The alternative would not have a rollover provision for projected unharvested yellowfin sole threshold reserve.

The table below shows further details on the components, options, and suboptions selected for Alternative 3.

**Table 2. Components, options, and suboptions for Alternative 3 of Amendment 80a.**

Component	Option	Description
1	1.2	Allocate only Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, and AI Pacific ocean perch.
1	1.2.1	For sectors that do not participate in the allocated fisheries would not receive an allocation.
2	2.3	Use ICAs for all non-target ( <i>non-allocated</i> ) species and manage using hard caps ( <i>bycatch, PSC and eventually fishery closures</i> )
3	3.2	10% CDQ allocation
4	4.1	Allocate the percentage of the TAC that is equal to the sector's average of the annual harvest percentages during the specified years.
5	5.4	Sector catch history years are 1998-2002 (exclude AFA-9 catch history)
5	5.4.1	Exclude AFA-9 catch history
6	6.2	For purposes of apportionments, annual catch percentages will be defined using retained catch of the sector over retained catch by all sectors
7	7.2	Pacific cod shall be allocated based on the apportions in regulation as modified by Amendment 77 with an additional split of the trawl CP apportion. Non-AFA trawl CP will be allocated 18.3% and AFA trawl CPs will be allocated 5.2%. Pcod rollovers between sectors shall administered using regulations at the time of final Council action.
8	8.1	PSC allocated to CDQ program as PSQ reserves (except herring) will be 7.5% of each PSC limit.
9	9.1.4	Apportion PSC to each fishery group in proportion to the actual amounts of PSC mortality attributed to the fishery group over the 1998-2002 period.
9	9.2.4	Apportion PSC allotments made to fishery groups to sectors in proportion to the target species harvested by the sector in the PSC fishery group for the years 1998-2002.
10	10.1.1	Species assigned a utilization threshold are rock sole, yellowfin sole, flathead sole, and Alaska Plaice.
10	10.1.4	
10	10.2.1b	Average threshold percentage will be based on retained catch
10	10.2.2a	Threshold percentage of average catch will be 100%
10	10.2.3c	Years for determining the average catch will be 1998-2002
11	11.4	Years for determine eligibility to participate in a sector will be 1998-2002
12	12.4	The vessel must have 250MT in minimum landings in the years noted in Option 11.4 to be eligible to participate for a given sector.
12	12.7.1	For <60' H&L/Pot catcher vessel sector and the jig sector would be exempt from minimum landings requirements.
13	13.2	Eligibility of pot and hook-and-line vessels greater than or equal to 60' to participate in the directed Pacific cod fishery is determined based on Amendment 67.

A regulation establishing sector allocations consists of several components, for which a number of options and suboption are possible. These components and their respective options and suboptions are presented below.

**Components and Options for Amendment 80a**

Provided below are the issues and components for sector allocations, including their possible options and suboptions. These components and their respective options and suboptions are divided into four issues comprising 13 components in total. The four issues are sector allocations of groundfish in the BSAI, sector allocations of PSC in the BSAI, threshold reserve program for the flatfish fisheries, and eligibility to participate in a sector are described in detail below.

The Council has defined 10 sectors for the purposes of allocating BSAI groundfish and PSC limits, which are presented below:

- Non-AFA Trawl CPs
- AFA Trawl CPs
- Non-AFA Trawl CVs
- AFA Trawl CVs
- Longline CPs
- Pot CPs
- Pot CVs
- Longline CVs
- Jig CVs
- <60' H&L/Pot CV

**Issue 1: Sector Allocations of Groundfish in the BSAI**

**Component 1** Identifies which species will be included in the sector allocations

Option 1.1 Include all groundfish species except AFA allocated pollock and fixed gear sablefish.

Suboption 1.1.1 Exclude certain species to prevent allocations that are so small that they preclude sectors from harvesting their allocation of species typically taken in directed fisheries. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.

Option 1.2 Include only the following target species—Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, AI Pacific ocean perch. Species could be added or deleted through an amendment process. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.

Suboption 1.2.1 Sectors that do not participate in target fisheries for a species in this option would not be allocated sector specific apportionments for that species. These species would be managed as in the following component.

**Component 2** Management of non-target species.

Option 2.1 Use the current management system.

Option 2.2 Use ICAs for all non-target species—ICAs would be managed with soft caps.

Option 2.3 Use ICAs for all non-target species—ICAs would be managed with hard caps.

**Component 3** CDQ allocations for each species in the program (except pollock and fixed gear sablefish) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

- Option 3.1 7.5%
- Option 3.2 10%
- Option 3.3 15%
- Option 3.4 20%

**Component 4** Identifies the sector allocation calculation (after deductions for CDQs). Each of the species selected in Component 1 will be allocated to the sectors.

Option 4.1 Each sector shall be allocated the percentage of the TAC that is equal to the sector's average of the annual harvest percentages, during the years specified in the following component. The sectors harvest is defined as that legal catch, taken by vessels when operating in the mode that defines the sector. These percentages will be calculated based on the method selected in Component 6.

Option 4.2 Each sector allocation of the TAC shall be based on a percentage rather than a set of years. (The intent of this option is to provide the Council with the ability to select an industry agreed percentage for allocative purposes rather than selecting a set of catch history years.)

*Jeff suggests memo*

**Component 5** Sector Catch History Years

- Option 5.1 1995–1997
  - Suboption 5.1.1 Exclude AFA-9 catch history
- Option 5.2 1995–2002
  - Suboption 5.2.1 Exclude AFA-9 catch history
  - Suboption 5.2.2 Exclude 2001 because of the biological opinion
- Option 5.3 1995–2003
  - Suboption 5.3.1 Exclude AFA-9 catch history
  - Suboption 5.3.2 Exclude 2001 because of the biological opinion
- Option 5.4 1998–2002
  - Suboption 5.4.1 Exclude AFA-9 catch history
  - Suboption 5.4.2 Exclude 2001 because of the biological opinion
- Option 5.5 1998–2003
  - Suboption 5.5.1 Exclude AFA-9 catch history
  - Suboption 5.5.2 Exclude 2001 because of the biological opinion
- Option 5.6 2000–2003
  - Suboption 5.6.1 Exclude 2001 because of the biological opinion

**Component 6** For purposes of apportionments, annual catch percentages will be defined using one of the following:

- Option 6.1 Total legal catch of the sector over total legal catch by all sectors
- Option 6.2 Retained legal catch of the sector over retained legal catch by all sectors

**Component 7** Options for determining Pacific cod allocations

Option 7.1 Pacific cod shall be allocated in the same method used to allocate the other targeted species. This option would supercede all existing apportionments of Pacific cod in the BSAI, including splits among the fixed gear sectors. Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the



next more inclusive definition before unused Pacific cod is reallocated to a different gear type.

- Suboption 7.1.1 The <60' catcher vessels fixed gear (pot and hook-and-line) sector and jig sector combined allocation from TAC (after CDQ apportionment) is to be:
- a. 2%
  - b. 3%
  - c. 4%
- Suboption 7.1.2 Jig sector will receive an allocation from the TAC (after CDQ apportionment).
- Suboption 7.1.3 a.<60' pot and hook-and-line catcher vessel sector will receive an allocation from TAC (after CDQ apportionment).  
b. <60' pot and hook-and-line catcher vessel sector will receive an allocation from the fixed gear sector TAC as is done under existing regulations.  
Apportionments to the jig and <60' pot and hook-and-line sectors under Suboption 7.1.2 and 7.1.3 shall not collectively exceed:
- a. 2%
  - b. 3%
  - c. 4%

Option 7.2 Pacific cod shall be allocated based on apportions in regulation as modified by Amendment 77 with an additional split of the Trawl CP apportionment as follows:

- Non-AFA Trawl CPs will be allocated 18.3 percent of the Pacific cod TAC available after deduction for the CDQ program.
- AFA Trawl CPs will be allocated 5.2 percent of the Pacific cod TAC available after deduction for the CDQ program.

Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the next more inclusive definition before unused Pacific cod is reallocated to a different gear type (see footnote 3 for a description of the rollover procedures).

**Issue 2: Sector Allocations of Prohibited Species Catch Limits in the BSAI**

**Component 8** PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

- Option 8.1 7.5% of each PSC limit
- Option 8.2 8.5% of each PSC limit
- Option 8.3 10% of each PSC limit
- Option 8.4 Proportional to the CDQ allocation under Component 3 for each PSC limit

**Component 9** Sector allocations of PSC limits (Council must choose one suboption from both Option 9.1 and 9.2 in order to apportion PSC to sectors).

- Option 9.1 Apportion PSC to each fishery group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).

- Suboption 9.1.1 Through annual TAC setting process (the current method).
- Suboption 9.1.2 In proportion to the historic fishery group's apportionment using the most recent five years.
- Suboption 9.1.3 In proportion to a 5-year rolling average of that fishery group's PSC allocations using the most recent five years.
- Suboption 9.1.4 In proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.
- Option 9.2 Apportion PSC allotments made to fishery groups in Option 9.1 to sectors
  - Suboption 9.2.1 In proportion to TAC allocated to the sector.
  - Suboption 9.2.2 In proportion to the PSC usage by the sector for the years used to determine the groundfish sector apportionments.
  - Suboption 9.2.3 In proportion to the total groundfish harvested by the sector for each PSC fishery group for the years used to determine the groundfish sector apportionments.
  - Suboption 9.2.4 In proportion to the target species harvested by the sector in that PSC fishery group for the years used to determine the groundfish sector apportionments.
- Option 9.3 Select a PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 9.2. PSC reduction options can vary species by species, and sector by sector.
  - Suboption 9.3.1 Reduce apportionments to 60% of calculated level.
  - Suboption 9.3.2 Reduce apportionments to 75% of calculated level.
  - Suboption 9.3.3 Reduce apportionments to 90% of calculated level.
  - Suboption 9.3.4 Reduce apportionments to 95% of calculated level.
  - Suboption 9.3.5 Do not reduce apportionments from calculated level.

### **Issue 3 Underutilized Species Threshold**

**Component 10** For species that may have TAC (amounts) available in excess of historical harvest amounts, sector allocations may apply only to the historical harvest threshold (utilization threshold). TAC amounts in excess of such thresholds would be available to sectors whose ability to harvest that TAC exceeds its sector allocation of that species.

- Option 10.1 Species that would be assigned an utilization threshold:
  - Suboption 10.1.1 Rock sole
  - Suboption 10.1.2 Yellowfin sole
  - Suboption 10.1.3 Flathead sole
  - Suboption 10.1.4 Alaska Plaice
  - Suboption 10.1.5 Rock sole, yellowfin sole, flathead sole in aggregate
  - Suboption 10.1.6 Rock sole, yellowfin sole, flathead sole, and Alaska Plaice in aggregate
- Option 10.2 Options for determining utilization threshold for each species or complex (Council must select one from each of the following suboptions in order to establish utilization threshold):
  - Suboption 10.2.1 Average threshold percentage will be based on:
    - a. Total catch
    - b. Retained catch
  - Suboption 10.2.2 Threshold percentage of average catch will be:
    - a. 100%
    - b. 125%
    - c. 150%
  - Suboption 10.2.3 Years for determining the average catch will be:
    - a. 1995-1998

- b. 1995-2002
  - c. 1998-2002
  - d. 2000-2003
- Option 10.3 For yellowfin sole, threshold will be:
  - Suboption 10.3.1 Threshold established in Option 10.2
  - Suboption 10.3.2 One of the following poundage thresholds:
    - a. 125,000 mt
    - b. 150,000 mt
    - c. 175,000 mt
- Option 10.4 Allocate the threshold reserve to the trawl sectors and between AFA and non-AFA sectors using one of following suboptions :
  - Suboption 10.4.1 Catcher vessels at 25% and catcher processors at 75%
    - Allocations within the catcher vessel sectors
      - i. AFA at 24% and non-AFA at 1%
      - ii. AFA at 22% and non-AFA at 3%
      - iii. AFA at 20% and non-AFA at 5%
    - Allocations within the catcher processor sectors
      - i. AFA at 25% and non-AFA at 50%
      - ii. AFA at 37.50% and non-AFA at 37.5%
      - iii. AFA at 50% and non-AFA at 25%
  - Suboption 10.4.2 Catcher vessels at 50% and catcher processors at 50%
    - Allocations within the catcher vessel sectors
      - i. AFA at 47% and non-AFA at 3%
      - ii. AFA at 45% and non-AFA at 5%
      - iii. AFA at 42.5% and non-AFA at 7.5%
    - Allocations within the catcher processor sectors
      - i. AFA at 12.5% and non-AFA at 37.5%
      - ii. AFA at 25% and non-AFA at 25%
      - iii. AFA at 37.5% and non-AFA at 12.5%
  - Suboption 10.4.3 Catcher vessels at 75% and catcher processors at 25%
    - Allocations within the catcher vessel sectors
      - i. AFA at 72% and non-AFA at 3%
      - ii. AFA at 70% and non-AFA at 5%
      - iii. AFA at 67.5% and non-AFA at 7.5%
    - Allocations within the catcher processor sectors
      - i. AFA at 6.25% and non-AFA at 18.5%
      - ii. AFA at 12.5% and non-AFA at 12.5%
      - iii. AFA at 18.75% and non-AFA at 6.5%
- Option 10.5 PSC Transfers:
  - Suboption 10.5.1 (Status quo) PSC may not be transferred.
  - Suboption 10.5.2 PSC may be transferred within cooperatives and between operatives in the same sector.
- Option 10.6 Rollover options for yellowfin sole threshold reserve.
  - Suboption 10.6.1 No rollover provisions for projected unharvested yellowfin sole threshold reserve.
  - Suboption 10.6.2 Any unharvested portion of the yellowfin sole threshold reserve that is projected to remain unused by a specified date shall be reallocated to the other trawl sectors. Further, yellowfin sole rollovers will be hierarchical in nature flowing to the sector most similar to the relinquishing sector before flowing to less similar sectors.

#### Issue 4            Eligibility to Participate in a Sector

**Component 11** Except as provided in component 13, a LLP license holder will be determined to be eligible for a given sector if they have proper area, gear, vessel type, and vessel length endorsements and meet minimum legal landings requirements (see the next component) in the years selected from the following:

- Option 11.1            1995-1997
- Option 11.2            1995-2002
- Option 11.3            1997-2002
- Option 11.4            1998-2002
- Option 11.5            1999-2002
- Option 11.6            2000-2002
- Option 11.7            For <60' H&L/Pot CV sector
  - a. 1996-June 15, 2004
  - b. 1997-June 15, 2004
  - c. 1998-June 15, 2004
  - d. 1999-June 15, 2004
  - e. 2000-June 15, 2004
  - f. 2001-June 15, 2004
  - g. 2002-June 15, 2004
- Suboption 11.7.1        Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.
- Suboption 11.7.2        Exempt jig vessels from qualifying years.

**Component 12** A holder of a license with the proper endorsements will be determined to be eligible for a given sector if, during the previously specified sets of years the vessel meets the minimum legal landings criteria selected from the following:

- Option 12.1            At least one landing
- Option 12.2            50 MT
- Option 12.3            100 MT
- Option 12.4            250 MT
- Option 12.5            500 MT
- Option 12.6            1,000 MT
- Option 12.7            For <60' H&L/Pot CV sector
  - a. At least one landing
  - b. 5 MT
  - c. 10 MT
  - d. 20 MT
  - e. 50 MT
- Suboption 12.7.1        Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.
- Suboption 12.7.2        Exempt jig vessels from minimum landings requirements.

**Component 13** Eligibility to participate in the BSAI Pacific cod fishery for the pot and hook-and-line vessels greater than or equal to 60' will be based on one of the following options:

- Option 13.1            Requirements established in Components 11 and 12.
- Option 13.2            Requirements established in Amendment 67.

#### **Amendment 80b - Cooperative Formation in the Non-AFA Trawl CP Sector**

Based on various combinations of the components and options for the non-AFA trawl catcher processor sector cooperative formation, three alternatives were identified. Alternative 1 is no action. Alternative 2

would allow the sector to form multiple cooperatives, while Alternative 3 would establish a single cooperative for the sector.

Both alternatives are dependent on the allocation of target groundfish and PSC limits to the non-AFA trawl catcher processor sector, as proposed in Amendment 80a. Without such an allocation, it will not be possible to form a cooperative. However, adopting sector allocations under Amendment 80a does not require the Council to take action under Amendment 80b.

#### **Alternative 1: No Action**

Under this alternative, current management of groundfish and PSC limits in the BSAI would remain in effect. A management measure pending Secretary of Commerce (SOC) approval is the GRS. For the purposes of this analysis, it is assumed that Amendment 79 will be approved and will become part of the status quo management as of 2006. Amendment 79 will phase in a minimum retention standard for the non-AFA trawl catcher processors over 125 feet over a four-year period starting in 2005 at 65 percent and culminating in 2008 at 85 percent. Since approval by the Council in June 2003, Amendment 79 has not been submitted to the SOC for approval and will likely be delayed until 2006.

#### **Alternative 2: Multiple Cooperatives**

This alternative would allocate all groundfish, except AFA pollock, to as many as three cooperatives in addition to those participants who elect not to join a cooperative. To form a cooperative, 30 percent of the eligible non-AFA trawl catcher processor participants would have to agree to form a cooperative. Those participants who elect not to join that cooperative could either try to form their own cooperative or elect to participate outside a cooperative but within the sector. Allocation of the groundfish and PSC limits between cooperatives and those sector participants who elect not to join a cooperative is proportional to the total catch of groundfish of the eligible license holders included in each pool for the years 1998-2002 with each license holder allowed to drop their lowest annual catch during this period. Excluded from allocation would be groundfish species amounts that are so small that they would preclude participants from harvesting their allocation of species that are typically taken in directed fisheries. Groundfish species that are excluded from allocation would be managed as defined in Amendment 80a, using an ICA with either soft or hard caps. See Alternative 2 and 3 of Amendment 80a for further details on the management of non-allocated groundfish.

To be eligible to participate in the non-AFA trawl catcher processor sector, each qualified participant must have caught 1,000 mt of groundfish with trawl gear and processed that fish during the years 1997 to 2002. Since Amendment 80a has sector eligibility components too, it may be possible that some license holders identified as part of the sector in Amendment 80a will not be issued sector eligibility endorsement under Amendment 80b. License holders that do not meet the eligibility criteria identified in this alternative will not be eligible to participate in the cooperatives or the non-cooperative pool fisheries for this sector.

This alternative would not reduce the overall amount of PSC allocated to the non-AFA trawl catcher processor sector under Amendment 80a.

Consolidation in the non-AFA trawl catcher processor sector would not be constrained, so there would be no limit on the amount of catch apportionment history an eligible participant (individuals or entities) can hold.

Finally, sideboards would not be established by regulations. Rather, cooperatives would be required to prohibit, in the aggregate, exceeding their maximum percent of harvests in other target fisheries. This sideboard restriction would be discussed in the annual report of the cooperative submitted to the Council and NOAA Fisheries.

The table below shows further details on the components, options, and suboptions selected for Alternative 2.

**Table 3. Components, options, and suboptions for Alternative 2 of Amendment 80b.**

Component	Option	Description
1	1.1	Allocate all groundfish except pollock
1	1.1.1	Exclude certain species to prevent allocations too small for sectors to harvest
2	2.1	No change in the PSC limits from those selected in Component 9 of Amendment 80a.
3	3.4	Qualified license holders must have caught 1,000 mt of groundfish with trawl gear and processed that fish between 1997-2002 to be eligible for the non-AFA trawl catcher processor sector.
4	4.1	At least 30% of the eligible licenses that must join a cooperative before the cooperative is allowed to operate.
5	5.1	PSC limits and groundfish allocations between the cooperative and open access pool is based on total catch.
6	6.3	Years of catch history used to calculate allocation of groundfish and PSC limits between the cooperative and open access pool are 1998-2002, and each license holder drops its lowest annual catch during this period.
7	7.1	There is no limit on the consolidation of shares in the non-AFA trawl catcher processor sector.
8	8.2	The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation.

**Alternative 3: Single Cooperative**

This alternative would only allocate primary target groundfish species (Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, and AI Pacific Ocean perch) to one cooperative and a pool of participants who elect not to join the cooperative. To form a cooperative, 90 percent of the eligible non-AFA trawl catcher processor participants would have to agree to form a cooperative. Those participants who elect not to join that cooperative would be placed into a pool of non-cooperative participants. Allocation of the groundfish and PSC limits between the cooperative and those sector participants who elect not to join a cooperative is proportional to the retained catch of groundfish for those participants in the two groups for the years 1998-2002. License holders are allowed to drop their lowest annual catch during this period.

To be eligible to participate in the non-AFA trawl catcher processor sector, each qualified participant must have caught 1,000 mt of groundfish with trawl gear and processed that fish during the years 1998 to 2002. Since Amendment 80a has sector eligibility components too, it may possible that some license holders identified as part of the sector in Amendment 80a will not be issued sector eligibility endorsement under Amendment 80b. License holders that do not meet the eligibility criteria identified in this alternative will not be eligible to participate in the cooperatives or the non-cooperative pool fisheries for this sector.

This alternative would further reduce the overall amount of halibut PSC limit by 5 percent from those PSC limits defined in Amendment 80a when the halibut PSC limit is linked to estimated biomass levels of

those groundfish species that when harvested, halibut is caught incidentally. As of yet, the Council has not linked PSC limits to biomass levels of these groundfish species. Upon linking the PSC limits with these groundfish biomass levels, then the PSC limit for halibut to the non-AFA trawl catcher processor will be reduced by 5 percent.

Consolidation in the non-AFA trawl catcher processor sector would be limited such that no one company can hold more than a fixed percentage of the overall sector apportionment history. The cap would be applied across the total allocation to the sector of all species combined. The cap would also be applied using the individual and collective rule. For example, a person holding a 100 shares outright would be credited with all of those holdings in applying a cap. A person that holds 20 percent interest in a company with a 100 shares would be credited with 20 shares when applying the cap. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

Finally, sideboards would be established by regulations. The sideboards would be based on the proportion of retained catch of groundfish for those participants in the cooperative and the non-cooperative pool. The sideboards would remain in effect until these sideboard fisheries are rationalized.

The table below shows further details on the components, options, and suboptions selected for Alternative 3.

**Table 4. Components, options, and suboptions for Alternative 3 of Amendment 80b.**

<b>Component</b>	<b>Option</b>	<b>Description</b>
1	1.2	Allocate only primary target groundfish species
2	2.3	Reduce non-AFA Trawl catcher processor sector's halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.
3	3.2	Qualified license holders must have caught 1,000 mt of groundfish with trawl gear and processed that fish between 1998-2002 to be eligible to participate in the non-AFA trawl CP sector.
4	4.6	At least 90% of the eligible licenses must join a cooperative before the cooperatives is allowed to operate.
5	5.2	PSC limits and groundfish allocations between the cooperative and open access pool is based on retained catch.
6	6.5	Years of catch history used to calculate allocation of groundfish and PSC limits between the cooperative and open access pool are 1999-2002, and each license holder drops its lowest annual catch during this period.
7	7.2	Consolidation in the non-AFA trawl catcher processor sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied using the individual and collective rule. Persons that exceed the cap in the initial allocation would be grandfathered. Sideboards for cooperative members would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the cooperative and open access pool.
8	8.1	

**Components and Options for Amendment 80b**

Provided below are the elements and components under consideration for establishing a cooperative program for the non-AFA trawl catcher processor sector.

**Component 1** Identifies which species will be allocated among the non-AFA trawl catcher processor sector under this program

Option 1.1 Include all groundfish species allocated under amendment 80A for which trawling is allowed, except pollock (already allocated to AFA fishery cooperatives).

Suboption 1.1.1 Exclude certain species to prevent allocations that are so small that they preclude persons from harvesting their allocation of species that are typically taken in directed fisheries. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.

Option 1.2 Include only the following target species—Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, AI Pacific Ocean perch. Species could be added or deleted through an amendment process. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.

**Component 2** Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. *Options selected from this component would be in addition to those PSC options selected in Component 9 from Amendment 80a.*

Option 2.1 No change in overall amount of the current PSC limits.

Option 2.2 Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year

Suboption 2.2.1 Transfers of PSC after August 1 are not taxed .

Suboption 2.2.2 Only un-bundled transfers of PSC are taxed.

Option 2.3 Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.

**Component 3** Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. (It may be that some license holders identified as part of the sector in Amendment 80a, may not be issued Sector Eligibility Endorsements. License holders that do not meet the criteria identified in this component will not be eligible to participate in the cooperative or open access components of the fisheries included in the program.) Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector.

Option 3.1 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002

Option 3.2 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002

Option 3.3 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002

Option 3.4 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002

**Component 4** Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:



- Option 4.1 At least 30 percent
- Option 4.2 At least 51 percent
- Option 4.3 At least 67 percent
- Option 4.4 At least 75 percent
- Option 4.5 At least 80 percent
- Option 4.6 At least 90 percent
- Option 4.7 At least 100 percent
- Option 4.8 All less one distinct and separate harvesters using the 10 percent threshold rule.

**Component 5** Determines the method of allocation of PSC limits and groundfish between the cooperative and open access pools.

- Option 5.1 Catch history is based on total catch
- Option 5.2 Catch history is based on total retained catch

**Component 6** Determines which years of catch history are used in the calculation. The allocation of groundfish between the cooperative and open access pool is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and open access pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the open access pool.

- Option 6.1 1995-2002, but each license holder drops its lowest annual catch during this period
- Option 6.2 1995-2003, but each license holder drops its lowest annual catch during this period
- Option 6.3 1998-2002, but each license holder drops its lowest annual catch during this period
  - Suboption 6.3.1 Each license holder does not drop its lowest annual catch during this period
- Option 6.4 1998-2003, but each license holder drops its lowest annual catch during this period
  - Suboption 6.4.1 Each license holder drops two years during this period
- Option 6.5 1999-2002, but each license holder drops its lowest annual catch during this period
- Option 6.6 1999-2003, but each license holder drops its lowest annual catch during this period

**Component 7** Determines if excessive share limits are established in the non-AFA trawl catcher processor sector.

- Option 7.1 There is no limit on the consolidation in the non-AFA trawl catcher processor sector.
- Option 7.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

**Component 8** Establishes measures to mitigate negative impacts of the cooperative on fisheries not included in the cooperative program (e.g. fisheries in the GOA).

Option 8.1 Sideboards for cooperative members would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the cooperative and open access pool until such time as these other fisheries are rationalized, when the allocations determined in these newly rationalized fisheries.

Option 8.2 The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation. This restriction would be discussed in the annual report of the cooperative submitted to the Council and NOAA Fisheries.

#### **Other Elements of Amendment 80b**

This section provides additional specifics and elements for the non-AFA trawl catcher processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRIU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate and on those vessels who do not join a cooperative as individuals. If the cooperative cannot meet the standard in the aggregate over a period of two years then the standard would be imposed on individual vessels within the cooperative.
- Non-AFA trawl catcher processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the non-AFA trawl catcher processor sector will need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers must be reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the non-AFA trawl catcher processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the non-AFA trawl catcher processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the non-AFA trawl catcher processor sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined

- cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the non-AFA trawl catcher processor cooperative(s) and those sector participants that elect not to join a cooperative.
    - BSAI non-AFA trawl catcher processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
    - BSAI non-AFA trawl catcher processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
    - BSAI non-AFA trawl catcher processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).
    - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
    - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
  - Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.
  - The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
  - Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council and the non-AFA trawl catcher processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
  - A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
  - An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. Details of the collection will be developed in the analysis of the alternatives.

#### **IV. Amendment 80 Analysis**

The final section provides the table of contents for the amendment, which is representative of the amendment organization and the analysis methodology. The EA/RIR/IRFA document is divided into six sections. Section 1 presents the purpose and need for the proposed action. Section 2 presents a description of the alternatives, components, and options. Section 3 provides the Regulatory Impact Review (RIR). In this section, an analysis of the economic and socio-economic impacts of each of the components and the alternatives under consideration is presented. Also included in this section is a determination of whether the proposed regulatory action is economically “significant” as defined by the EO 12866. Section 4 contains a description of the affected environment and information on the impacts of the alternatives on

that environment, specifically addressing potential impacts on endangered species and marine mammals and cumulative effects. This section constitutes the major portion of the Environmental Assessment as required under NEPA. Section 5 is the Initial Regulatory Flexibility Act (IRFA) that analyzes whether the proposed action has significant adverse impacts on small entities as required by the RFA. Section 6 address the requirements of other applicable laws.

Faced with the challenge of presenting an informative picture of the economic and socio-economic impacts of Amendment 80 to the Council, and given the complexity and the large number of components and options involved with Amendment 80, the RIR analyzes both the components and alternatives. In general, the analysis of each component is completed independent from the analysis of other components. The only exception is when components are integral to one another. For example, Components 4, 5, and 6 of Amendment 80a are all necessary in determining the allocation for each sector. In this case, the components will be analyzed together. To address the interaction of the components and options when combined into a Council action, the RIR also includes an analysis of the alternatives. As noted earlier, Amendment 80 is composed of numerous components and options that can be combined into a multitude of different combinations, which is impractical for analysis purposes. As remedy, the analysis will focus only on the alternatives developed by the Council. It is understood, that if the Council selects options that vary widely from those presented in the analysis, the RIR will have to be revised to include these new options.

Presented below is the table of contents for Amendment 80, which shows the component and alternative analysis in addition to the organization of the document.

- 1 REGULATORY IMPACT REVIEW: ECONOMIC IMPACTS OF THE ALTERNATIVES .....
- 1.1 Need for Groundfish/PSC Allocations and Non-AFA Trawl Cooperatives .....
- 1.2 Problem Statement.....
- 1.3 Background for Amendment 80 .....
- 1.4 Alternatives Considered .....
- 1.4.1 Amendment 80a - Allocating BSAI Groundfish/PSC to Fleet Sectors .....
- 1.4.1.1 Alternative 1: No Action .....
- 1.4.1.2 Alternative 2: Allocate all Groundfish .....
- 1.4.1.3 Alternative 3: Allocate Only Primary Target Groundfish .....
- 1.4.1.4 Components and Options for Amendment 80a .....
- 1.4.2 Amendment 80b - Cooperative Formation in the Non-AFA Trawl CP Sector .....
- 1.4.2.1 Alternative 1: No Action .....
- 1.4.2.2 Alternative 2: Multiple Cooperatives .....
- 1.4.2.3 Alternative 3: Single Cooperative .....
- 1.4.2.4 Components and Options for Amendment 80b .....
- 1.4.2.5 Other Elements of Amendment 80b .....
- 1.5 Description of BSAI Groundfish Fisheries .....
- 1.5.1 Description of Fisheries by Species.....
- 1.5.1.1 Pollock Fishery.....

- 1.5.1.2 Pacific cod Fishery .....
- 1.5.1.3 Sablefish Fishery .....
- 1.5.1.4 Atka Mackerel Fishery .....
- 1.5.1.5 Yellowfin Sole Fishery .....
- 1.5.1.6 Greenland Turbot Fishery.....
- 1.5.1.7 Alaska Plaice Fishery .....
- 1.5.1.8 Arrowtooth Flounder Fishery .....
- 1.5.1.9 Flathead Sole (*Hippoglossoides* sp.) Fishery.....
- 1.5.1.10 Rock Sole Fishery.....
- 1.5.1.11 Other Flatfish Fishery .....
- 1.5.1.12 Pacific Ocean Perch Fishery.....
- 1.5.1.13 Shortraker/Rougheye Rockfish Fishery.....
- 1.5.1.14 Northern Rockfish Fishery .....
- 1.5.1.15 Other Rockfish Fishery.....
- 1.5.1.16 Squid and Other Species Fisheries .....
- 1.5.2 Description of Harvesting and At-Sea Processing Sectors.....
- 1.5.2.1 Catcher Vessels .....
- 1.5.2.1.1 AFA Trawl Catcher Vessels.....
- 1.5.2.1.2 Non-AFA Trawl Catcher Vessels .....
- 1.5.2.1.3 Pot Catcher Vessels.....
- 1.5.2.1.4 Longline Catcher Vessels.....
- 1.5.2.1.5 Hook-and-Line/Pot Catcher Vessels < 60' .....
- 1.5.2.1.6 Jig Catcher Vessels .....
- 1.5.2.2 Catcher/Processors .....
- 1.5.2.2.1 AFA Trawl Catcher/Processors.....
- 1.5.2.2.2 Non-AFA Trawl Catcher/Processors .....
- 1.5.2.2.3 Pot Catcher/Processors .....
- 1.5.2.2.4 Longline Catcher/Processors.....
- 1.5.3 Fishery Value for BSAI Groundfish Fisheries .....
- 1.5.3.1 Ex-Vessel Value of BSAI Groundfish Fisheries .....
- 1.5.3.2 First Wholesale Value of BSAI Groundfish Fisheries
- 1.5.3.3 BSAI Groundfish Products and Secondary Processing Activity
  - 1.5.3.3.1 Primary Products.....
  - 1.5.3.3.2 Overview of Secondary Processing Activities .....
- 1.5.3.4 Product Flows and Markets for Major BSAI Groundfish Species .....

- 1.5.3.4.1 Pollock.....
- 1.5.3.4.2 Pacific Cod.....
- 1.5.3.4.3 Flatfish, Sole and Rockfish .....
- 1.5.4 Community Information.....
- 1.5.4.1 Description of BSAI Groundfish Fleet by Region .....
- 1.5.4.1.1 Alaska Peninsula/Aleutian Islands Region.....
- 1.5.4.1.2 Kodiak Island Region.....
- 1.5.4.1.3 Southcentral Alaska Region.....
- 1.5.4.1.4 Southeast Alaska Region.....
- 1.5.4.1.5 Washington Inland Waters Region .....
- 1.5.4.1.6 Oregon Coast Region .....
- 1.5.4.2 Description of BSAI Groundfish Shoreside Processors by Community .....
- 1.5.4.2.1 Unalaska/Dutch Harbor.....
- 1.5.4.2.2 Akutan.....
- 1.5.4.2.3 King Cove .....
- 1.5.4.2.4 Sand Point .....
- 1.5.4.2.5 Adak .....
- 1.5.4.2.6 Seattle.....
- 1.5.4.2.7 Other Communities.....
- 1.5.5 Description of the Western Alaska Community Development Quota (CDQ) Program...
- 1.5.5.1 Establishment and Purpose of the CDQ Program.....
- 1.5.5.2 CDQ Communities and Groups.....
- 1.5.5.2.1 Aleutian Pribilof Island Community Development Association (APICDA) .....
- 1.5.5.2.2 Bristol Bay Economic Development Corporation (BBEDC).....
- 1.5.5.2.3 Central Bering Sea Fisherman’s Association (CBSFA).....
- 1.5.5.2.4 Coastal Villages Region Fund (CVRF).....
- 1.5.5.2.5 Norton Sound Economic Development Corporation (NSEDCC)
- 1.5.5.2.6 Yukon Delta Fisheries Development Association (YDFDA) .....
- 1.5.5.3 CDQ Program Allocations and Quantity and Value of Harvests
- 1.5.5.4 Revenue Generation and Asset Accumulation .....
- 1.5.5.5 Employment and Income.....
- 1.6 Components and Option Analysis.....
- 1.6.1 Amendment 80a.....
- 1.6.1.1 Component 1 - Species to be included in sector allocations.....
- 1.6.1.2 Component 2 - Management of non-target species .....

1.6.1.3	Component 3 - CDQ allocations .....
1.6.1.4	Component 4 - Sector allocation calculation.....
1.6.1.5	Component 5 - Sector catch history years .....
1.6.1.6	Component 6 - Method for determining annual catch percentage
1.6.1.7	Component 7 - Pacific cod allocations.....
1.6.1.8	Component 8 - PSC allocation to CDQ program .....
1.6.1.9	Component 9 - Sector allocation of PSC.....
1.6.1.10	Component 10 - Harvest threshold development for flatfish fisheries.....
1.6.1.11	Component 11 - Qualifying years.....
1.6.1.12	Component 12 - Minimum landings requirements.....
1.6.1.13	Component 13 – Eligibility for Pot and H&L vessels ≤ 60’
1.6.2	Amendment 80b .....
1.6.2.1	Council Selected Cooperative Requirements .....
1.6.2.2	Component 1 - Species allocated among the non-AFA trawl CP sector .....
1.6.2.3	Component 2 - PSC limits for the non-AFA trawl CP sector.....
1.6.2.4	Component 3 - Eligibility criteria for the non-AFA trawl CP sector .....
1.6.2.5	Component 4 - Cooperative participation requirement .....
1.6.2.6	Component 5 - Method for allocation of PSC and Groundfish Between Cooperative and Open Access Pools .....
1.6.2.7	Component 6 - Catch history years for allocation calculation
1.6.2.8	Component 7 - Excessive share limits.....
1.6.2.9	Component 8 - Sideboards for cooperative .....
1.7	Expected Effects of the Alternatives .....
1.7.1	Amendment 80a - Sector Allocations.....
1.7.1.1	Alternative 1: Status Quo/No Action.....
1.7.1.2	Alternative 2: Allocate all Groundfish .....
1.7.1.3	Alternative 3: Allocate only Primary Target Groundfish .....
1.7.2	Amendment 80b - Non-AFA Trawl CP Cooperative Development.....
1.7.2.1	Alternative 1: Status Quo/No Action.....
1.7.2.2	Alternative 2: Allocate all Groundfish .....
1.7.2.3	Alternative 3: Allocate only Primary Target Groundfish .....
1.8	Monitoring and enforcement issues.....
1.9	Net Benefit Implications.....
1.10	E.O. 12866 Conclusion.....
2	HUMAN ENVIRONMENT AND ENVIRONMENTAL IMPACTS .....

- 2.1 Purpose and Need .....
- 2.2 Alternatives Considered .....
- 2.3 Affected Environment .....
- 2.3.1 Status of Groundfish Stocks in the BSAI .....
- 2.3.1.1 Pollock.....
- 2.3.1.2 Pacific cod .....
- 2.3.1.3 Yellowfin sole .....
- 2.3.1.4 Greenland turbot.....
- 2.3.1.5 Arrowtooth flounder .....
- 2.3.1.6 Rock sole .....
- 2.3.1.7 Flathead sole.....
- 2.3.1.8 Alaska plaice .....
- 2.3.1.9 Other flatfish.....
- 2.3.1.10 Sablefish .....
- 2.3.1.11 Pacific Ocean Perch.....
- 2.3.1.12 Northern rockfish.....
- 2.3.1.13 Shortraker/rougheye .....
- 2.3.1.14 Other rockfish.....
- 2.3.1.15 Atka mackerel.....
- 2.3.1.16 Other groundfish species .....
- 2.3.2 Prohibited Species in the BSAI .....
- 2.3.2.1 Pacific Halibut.....
- 2.3.2.2 Herring.....
- 2.3.2.3 Salmon .....
- 2.3.2.4 Red King Crab.....
- 2.3.2.5 Tanner Crab.....
- 2.3.2.6 Snow Crab .....
- 2.3.3 Seabirds .....
- 2.3.4 Marine Mammals.....
- 2.3.5 Habitat .....
- 2.3.6 Economic and Socio-Economic.....
- 2.3.7 Ecosystem.....
- 2.4 Impacts of the Alternatives.....
- 2.4.1 Amendment 80a - Sector Allocations.....
- 2.4.1.1 Impacts on BSAI target groundfish stocks .....



- 2.4.1.2 Impacts on halibut, crab stocks, other groundfish, and other species.....
- 2.4.1.3 Seabirds .....
- 2.4.1.4 Marine Mammals.....
- 2.4.1.5 Endangered or Threatened Species.....
- 2.4.1.6 Impacts of Gear Types on Habitat.....
- 2.4.1.7 Economic and Socio-Economic.....
- 2.4.1.8 Ecosystem Considerations.....
- 2.4.2 Amendment 80b - Non-AFA Trawl CP Cooperative Development.....
- 2.4.2.1 Impacts on BSAI target groundfish stocks .....
- 2.4.2.2 Impacts on halibut, crab stocks, other groundfish, and other species.....
- 2.4.2.3 Seabirds .....
- 2.4.2.4 Marine Mammals.....
- 2.4.2.5 Endangered or Threatened Species.....
- 2.4.2.6 Impacts of Gear Types on Habitat.....
- 2.4.2.7 Economic and Socio-Economic.....
- 2.4.2.8 Ecosystem Considerations.....
- 2.5 Conclusions .....
- 3. CONSISTENCY WITH OTHER APPLICABLE LAWS .....
- 3.1 Consistency with National Standards.....
- 3.2 Section 303(a)(9) – Fisheries Impact Statement.....
- 3.3 Initial Regulatory Flexibility Analysis (IRFA).....
- 3.3.1 Definition of a Small Entity.....
- 3.3.2 Reason for Considering the Proposed Action.....
- 3.3.3 Objectives of and Legal Basis for the Proposed Action .....
- 3.3.4 Number and Description of Affected Small Entities.....
- 3.3.5 Recordkeeping and Reporting Requirements .....
- 3.3.6 Relevant Federal Rules that May Duplicate, Overlap, or Conflict with Proposed Action
- 3.3.7 Description of Significant Alternatives .....
- 3.3.8 Measures Taken to Reduce Impacts on Small Entities.....
- 3.4 Marine Mammal Protection Act (MMPA) .....
- 3.5 Coastal Zone Management Act .....
- 3.6 Executive Order 12898.....

## Subdividing TACs in the Future

Any management system developed under Amendment 80a must be adaptable to future changes in TAC groupings/area allocations that may occur. Without devising a plan to allocate the sector allotments, if new TAC groupings/area allocations are implemented, NMFS' ability to issue future sector allocations in a timely fashion may be at risk. A management structure that provides NMFS direction on how to treat TAC changes would allow them to implement changes without going through a process that requires Council action and public comment. If those procedural steps must be taken to accommodate TAC changes before allocations can be issued, it is unlikely that the sector allocations would be made in time to start fisheries either on January 1<sup>st</sup> for hook-and-line and pot gear vessels or January 20<sup>th</sup> for trawl gear vessels.

Proper oversight of the Bering Sea and Aleutian Islands (BSAI) groundfish fisheries could require revising TAC groupings/area allocations in the future to meet biological or management objectives. Changes to TAC groupings/area allocations can be made either by altering the list of species assigned a TAC or by altering the geographic regions the TAC for a species represents.

This issue is complicated by the fact that as better genetic information becomes available, for species like rockfish, there are new species being identified and sub-populations may be identified that need to be protected. Pacific ocean perch are showing genetic structure within the ABCs defined in the GOA and roughey rockfish appear as though they may be composed of two sub-species. Given the increased biological information that is becoming available, new management systems that allocate TAC among sectors must acknowledge and make provisions for additional species that may require explicit management. Policy makers must not only consider future management needs from the stand point of breaking up species complexes like 'other species', other rockfish, and other flatfish, but also subdividing current single species ABCs.

Future TAC changes may be foreseeable, or they may not have been considered yet. The Council has been considering breaking the Pacific cod assessment into two ABC recommendations - one for the Bering Sea subarea and one for the Aleutian Islands subarea. In addition, the AFSC plans to develop a stock assessment for Pacific cod in the BS and AI subareas in the near future. Because the TAC is currently set for the entire BSAI management area, both the current allocations under BSAI Amendment 77 and the allocation formula being developed under Amendment 80a issues sector allotments based on the member's catches in the combined areas. If the TAC definitions are changed in the future, the formula for allocating the new TACs must account for those changes.

Also complicating this issue is whether PSC species will also need to be adjusted if TAC definitions are changed. This issue will only be discussed briefly in this paper, but it may be critical if a goal is rationalizing the BSAI Pacific cod fisheries.

The issue of altering TAC categories has been primarily discussed in terms of the Pacific cod fisheries at the IR/IU Technical Committee and in other forums. Pacific cod has been highlighted because the Council is currently discussing changing the Pacific cod TAC area designations. Discussing this issue using Pacific cod as the primary example seems reasonable since many of the management issues and problems associated with splitting the Pacific cod TAC into finer areas could also potentially apply to altering other species TACs. This paper explores how TAC changes could be implemented, in terms of

inseason management, with particular emphasis placed on the impacts sectors could realize under Amendment 80a.

## **Relevant Background Information on the Pacific Cod Fishery**

Consider an example that could have resulted if separate BSAI Pacific cod TACs were set in 2004. The Pacific cod TAC was set at 215,500 mt in 2004 for the BSAI management area. After a 7.5% deduction was taken for the CDQ program, the remaining 199,338 mt were divided among the sectors. The SSC noted, at their December 2003 meeting, that if the 2004 Pacific cod ABC was apportioned to the Aleutian Islands and Bering Sea using the "same multiplier" used for the combined areas, the Aleutian Islands subarea and Bering Sea subarea would have had ABCs of 32,000 mt and 191,000 mt, respectively. Combined, the total ABC for the two areas was 223,000 mt. Differences between the estimated ABCs in the two areas and the TACs that would have been set cannot be determined with certainty. However, if the difference between the TAC and ABC for the entire BSAI were applied to the two areas, TACs of 30,924 mt and 184,576 mt would have been set for the Aleutian Islands subarea and Bering Sea subarea, respectively. After CDQ deductions the Aleutian Islands subarea and Bering Sea subarea would have been allocated 28,605 mt and 170,733 mt, respectively.

Groundfish licenses are currently required to participate in the BSAI groundfish fisheries in Federal waters. Groundfish licenses contain endorsements that define what the vessel using the license can do. Area endorsements define the geographic locations the licenses allow a vessel to fish. Under the Groundfish License Limitation Program, separate endorsements were issued for the Bering Sea subarea and Aleutian Islands subarea. Subarea endorsements were earned based on historic fishing patterns. Licenses may contain endorsements for both subareas, one of the two subareas, or neither of the subareas. Gear endorsements define what type of gear may be used: non-trawl, trawl, or both. Further, gear endorsements are required for vessels >60' to participate in the BSAI fixed gear Pacific cod fishery: hook-and-line catcher processors, pot catcher processors, hook-and-line catcher vessel, and pot catcher vessel.

Table 1 shows the endorsements that have been issued on groundfish licenses with a Bering Sea and/or Aleutian Islands endorsement. The far right column is the number of licenses that have been issued to fish in the BSAI. The other columns provide information on how the vessels using those licenses may operate. The first two columns on the left side of the table identify the gear endorsements on the licenses. "No" in the column indicates that they are not endorsed to use that gear type; "Yes" in the column means they may legally use that gear type. Using the "Grand Total" column and the "Gear Endorsements" columns we know that 343 of the 563 licenses may be used by vessels deploying only non-trawl gear. The remaining 220 licenses may be used on trawl vessels, with 85 of the 220 also endorsed for non-trawl gear. In the "Fixed Gear Cod Endorsement" columns, licenses are grouped by fixed gear Pacific cod endorsements. The BSAI endorsement section of the table shows whether the license includes an endorsement for the Bering Sea, Aleutian Islands, or both.

Table 1: Groundfish licenses that are endorsed for the Bering Sea/Aleutian Islands.

Gear Endorsements		Fixed Gear Cod Endorsements				BSAI endorsements			Total Licenses		
TRAWL	NON TRAWL	CP HAL	CP POT	CV POT	CV HAL	Both AI & BS	AI Only	BS Only			
No	Yes	No	No	No	No	80	10	135	225		
				Yes	No	5			5		
				Yes	No	9		55	64		
				Yes	Yes			2	2		
				Yes	No	2		3	5		
				Yes	Yes	1			1		
		Yes	No	No	No	No	32		2	34	
					Yes	No	1			1	
					Yes	No	1			1	
				Yes	No	No	3			3	
					Yes	Yes	1			1	
					Yes	No	1			1	
		Total for Licenses with No Trawl Gear Endorsement						136	10	197	343
		Yes	No	No	No	No	No	76		59	135
Yes	No					23	2	50	75		
Yes	No		No	Yes	No		1		1		
				Yes	No	1		3	4		
				Yes	No	5			5		
Total for Licenses with Trawl Gear Endorsement						105	3	112	220		
Grand Total of All Bering Sea/Aleutian Islands Licenses						241	13	309	563		

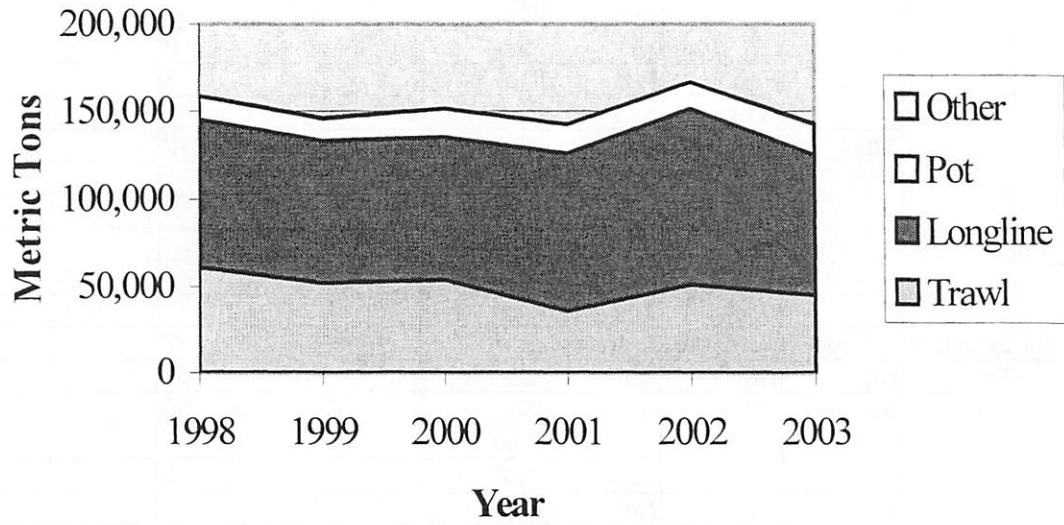
Source: NMFS Groundfish LLP database.

Information contained in Table 1 shows that 13 licenses are endorsed for the Aleutian Islands subarea only. All of those licenses may be used on non-trawl gear vessels, but only one is endorsed to participate in the directed fixed gear Pacific cod fishery (as a hook-and-line catcher vessel). Three of the 13 licenses are also endorsed for use on trawl vessels. They may participate in the directed Pacific cod fishery, but only with trawl gear.

About 40% of the non-trawl gear licenses are endorsed to fish both subareas, and about 50% of the licenses endorsed for trawl gear are endorsed to fish both subareas. The majority of licenses are endorsed for the Bering Sea subarea only.

Fishing patterns of vessels using the BSAI groundfish licenses will play an important role in determining the economic impacts of the splitting the Pacific cod ABC into Bering Sea and Aleutian Islands subareas. The two figures below are based on 2004 SAFE data and show the Aleutian Islands subarea and Bering Sea subarea Pacific cod catches by gear type from 1998-2003. The information in those figures indicates that trawl vessels have harvested almost all of the Aleutian Islands Pacific cod in recent years. Trawl vessels tended to harvest the majority of the Aleutian Islands Pacific cod in the earlier years, but the differences were not as pronounced. Harvest patterns in the Bering Sea appear to be more stable.

### Bering Sea Pacific cod catch by gear type, 1998-2003



### Aleutian Islands Pacific cod catch by gear type, 1998-2003

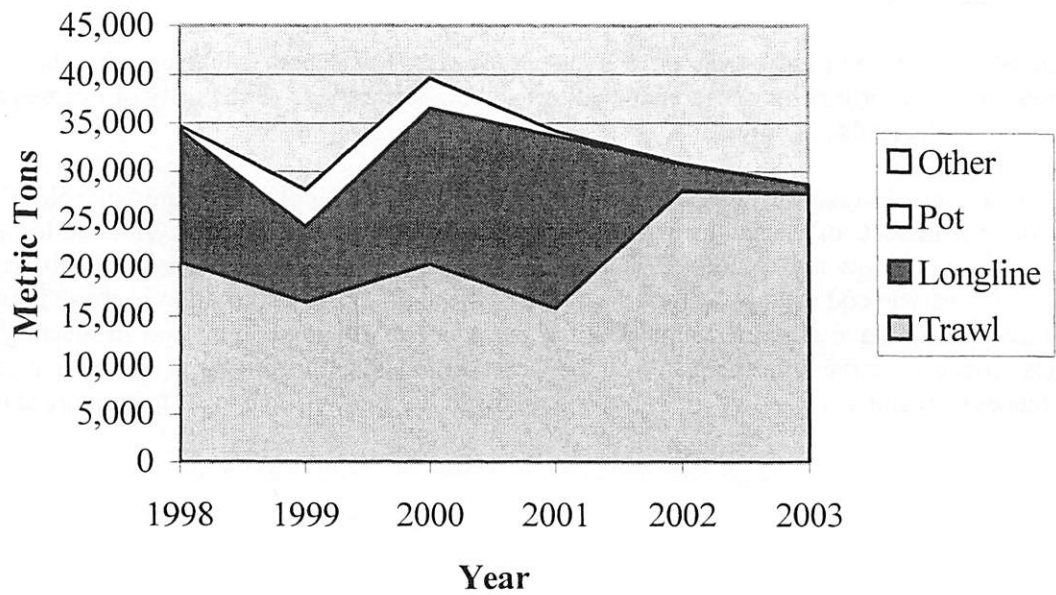


Table 2 shows the historic Pacific cod harvests in the Bering Sea subarea and Aleutian Islands subarea over the years 1995-2002 by fishing sector. Data in Table 2 is not broken out by all the sectors defined in Amendment 80a. The data to provide those breakouts has not yet been compiled by staff. While these categories are, in some cases, broader than those used in Amendment 80a, they do provide insights into where sectors have harvested Pacific cod in the Aleutian Islands subarea and Bering Sea subarea over the 1995-2002 time period.

Pacific cod harvests with trawl gear accounted for 67% of the harvest in the Aleutian Islands from 1995 - 2003 (Table 2). In 2002 and 2003, vessels using trawl gear harvested 91% and 97%, respectively (Blend Data). That information indicates that trawl vessels have traditionally harvested the majority of the Pacific cod catch in the Aleutian Islands, and over the past two full fishing years that percentage has dramatically increased. Vessels using hook-and-line gear harvested the remainder of the Aleutian Islands Pacific cod in 2002 and 2003. Based on these observations, the years used to allocate Aleutian Islands and Bering Sea TACs among sectors would greatly impact the distribution. Also recall that if the TAC were divided according to the current gear splits for the combined BSAI, trawl vessels would only be assigned 47% of the Aleutian Islands TAC.

Table 2: Historic fishing patterns of vessels in the Bering Sea and Aleutian Islands Pacific cod fishery by sector, 1995-2003.

Year	BS Harvest (mt)	AI Harvest (mt)	Total Harvest (mt)	Percent of Total BS Cod Catch	Percent of Total AI Cod Catch
<b>AFA Trawl Catcher Processor</b>					
1995	11,293	3,621	14,913	4.9%	21.9%
1996	8,170	4,122	12,292	3.9%	13.0%
1997	5,780	4,333	10,113	2.5%	17.3%
1998	5,033	3,973	9,006	3.1%	11.4%
1999	2,836	3,957	6,793	1.9%	14.1%
2000	1,959	1,838	3,797	1.3%	4.6%
2001	2,161	2,192	4,353	1.5%	6.4%
2002	2,633	1,388	4,021	1.6%	4.5%
2003	2,583	4,726	7,309	1.5%	14.6%
Avg. 95-03	4,716	3,350	8,066	2.5%	12.0%
<b>Non-AFA Trawl Catcher Processor</b>					
1995	30,770	4,189	34,959	13.5%	25.3%
1996	19,537	9,446	28,983	9.3%	29.9%
1997	28,026	1,820	29,846	12.1%	7.3%
1998	20,281	5,699	25,980	12.6%	16.3%
1999	20,199	5,167	25,366	13.9%	18.4%
2000	21,488	7,302	28,790	14.2%	18.4%
2001	18,831	6,854	25,685	13.2%	20.0%
2002	22,066	11,141	33,207	13.3%	36.2%
2003	17,578	12,481	30,058	9.9%	38.5%
Avg. 95-03	22,086	7,122	29,208	12.4%	23.4%

<b>Pot Catcher Processors</b>					
1995	3,608	1,021	4,629	1.6%	6.2%
1996	4,104	3,463	7,567	2.0%	11.0%
1997	4,037	406	4,443	1.7%	1.6%
1998	2,970	348	3,318	1.8%	1.0%
1999	2,256	917	3,174	1.5%	3.3%
2000	1,605	1,041	2,645	1.1%	2.6%
2001	2,649	492	3,141	1.9%	1.4%
2002	2,842	6	2,849	1.7%	0.0%
2003	5,181	0	5,181	2.9%	0.0%
Avg. 95-03	3,250	855	4,105	1.8%	3.0%
<b>Hook-and-Line Catcher Processors</b>					
1995	96,126	4,014	100,140	42.1%	24.3%
1996	89,903	5,788	95,692	43.0%	18.3%
1997	117,323	7,284	124,608	50.4%	29.0%
1998	86,260	13,757	100,016	53.7%	39.4%
1999	80,944	7,977	88,921	55.5%	28.4%
2000	81,185	15,508	96,693	53.6%	39.1%
2001	89,809	17,682	107,491	63.0%	51.7%
2002	99,141	2,759	101,900	59.8%	9.0%
2003	103,875	879	104,754	58.4%	2.7%
Avg. 95-03	93,841	8,405	102,246	53.3%	26.9%
<b>Non-AFA Surimi and Fillet Catcher Processors (Trawl)</b>					
1995	20,431	2,733	23,164	8.9%	16.5%
1996	9,033	5,422	14,455	4.3%	17.2%
1997	4,423	8,590	13,014	1.9%	34.3%
1998	2,144	9,871	12,016	1.3%	28.3%
Avg. 95-03	9,008	6,654	15,662	4.1%	24.0%
<b>Hook-and-Line Catcher Vessels</b>					
1995	1,104	920	2,024	0.5%	5.6%
1996	179	31	210	0.1%	0.1%
1997	129	33	163	0.1%	0.1%
1998	45	40	85	0.0%	0.1%
1999	169	142	311	0.1%	0.5%
2000	353	675	1,028	0.2%	1.7%
2001	551	135	686	0.4%	0.4%
2002	311	106	417	0.2%	0.3%
2003	496	96	592	0.3%	0.3%
Avg. 95-03	371	242	613	0.2%	1.0%

<b>Pot Catcher Vessels</b>					
1995	15,666	3	15,669	6.9%	0.0%
1996	23,001	1,148	24,149	11.0%	3.6%
1997	17,028	3	17,031	7.3%	0.0%
1998	10,016	37	10,053	6.2%	0.1%
1999	10,426	2,588	13,013	7.2%	9.2%
2000	14,278	2,066	16,344	9.4%	5.2%
2001	13,823	86	13,908	9.7%	0.3%
2002	12,812	0	12,812	7.7%	0.0%
2003	20,410	2	20,412	11.5%	0.0%
Avg. 95-03	15,273	659	15,932	8.5%	2.0%
<b>Trawl Catcher Vessels</b>					
1995	48,899	31	48,930	21.4%	0.2%
1996	54,870	2,189	57,060	26.2%	6.9%
1997	55,647	2,606	58,253	23.9%	10.4%
1998	33,684	1,214	34,898	21.0%	3.5%
1999	28,869	7,313	36,182	19.8%	26.0%
2000	30,431	11,221	41,652	20.1%	28.3%
2001	14,664	6,746	21,410	10.3%	19.7%
2002	25,927	15,393	41,320	15.6%	50.0%
2003	27,476	14,272	41,749	15.5%	44.0%
Avg. 95-03	35,608	6,776	42,384	19.3%	21.0%
<b>Jig Catcher Vessels</b>					
1995	599	0	599	0.3%	0.0%
1996	267	0	267	0.1%	0.0%
1997	173	0	173	0.1%	0.0%
1998	192	0	192	0.1%	0.0%
1999	100	69	169	0.1%	0.2%
2000	38	33	71	0.0%	0.1%
2001	52	19	71	0.0%	0.1%
2002	164	0	164	0.1%	0.0%
2003	155	0	156	0.1%	0.0%
Avg. 95-03	193	13	207	0.1%	0.0%

Source: NMFS Blend Data 1995-2002; NMFS Catch Accounting System 2003.

### Options for Managing TAC Modifications

The next sections discuss how sector allocations that result from changes in TAC groupings/area allocations could be implemented in a timely fashion. A discussion of the impacts that the various allocation alternatives would have on the participants will also be presented.



Three different options will be presented for allocating Bering Sea subarea and Aleutian Islands subarea Pacific cod TACs to the Amendment 80a sectors. The options presented are the author's attempt to provide alternative approaches to dealing with this problem. Other reasonable options could be developed to resolve this problem that have not been considered in this paper. Each option assumes that the current gear allocations remain in place. The Council could select an option that supercedes those splits at the time of final action. However, this assumption was made to simplify this discussion. In other words, the three options are assumed to be subject to the hook-and-line and pot gear (51%), trawl gear (47%), and jig gear (2%) allocations. TAC subdivisions within the hook-and-line and pot gear sectors (Amendment 77 allocations) are also assumed to be included under these options.

The first option would calculate the percentage of each TAC based on the sector's historic harvest in each area during the qualification period. This approach would likely result in sectors being allocated different percentages of the Aleutian Islands and Bering Sea TACs. The second option would calculate the percentage of the combined Bering Sea/Aleutian Islands TAC they would be allocated and allow sectors to harvest that percentage from each area. This option would result in a sector being allocated the same percentage of TAC in the Bering Sea and Aleutian Islands areas, without regard to historic harvest patterns. The final option would use the second option to determine the sector allocations, but would not assign a specific amount of catch to the Bering Sea or Aleutian Islands. Instead, sectors would be allowed to harvest their allotment from either area. NMFS would close a subarea to directed fishing when the TAC for that sector is reached. That sector would then be required to move its entire directed Pacific cod fishing activity to the subarea that remains open.

### **Option 1: Allocations Based on Historic Harvest in Area**

Option 1 would define the sector allocations for each area based on the relative percentages of Pacific cod that were harvested by the sectors during the qualifying period. This allocation split would be implemented in conjunction with the gear splits that are currently in place (this assumption was made by the author). The gear splits would be determined at the combined BSAI level and the sector allocations would be calculated at the individual subarea level. This would ensure that current gear allocations for the combined BSAI TAC remain in place, but sectors would be allocated different percentages of each area based on their historic harvest patterns. Because the formula for calculating the sector allocations is predetermined by Amendment 80a, it would be possible for inseason management staff to calculate the sector allocation formulas in a timely manner.

The steps for calculating the Pacific cod allocation under Option 1 are:

1. Multiply the gear allocation percentages, defined prior to Amendment 80a<sup>1</sup>, by the combined BSAI region's TACs to determine the overall number of metric tons a gear group will be allowed to harvest.

This example assumes that the combined BSAI Pacific cod TAC is set at 199,338 mt after deductions are made for CDQ (7.5 percent of the TAC). In addition, approximately 0.5% of the hook-and-line and pot gear allocation was set aside as an ICA to meet Pacific cod bycatch needs in other non-Pacific cod directed fisheries by hook-and-line and pot gear vessels. The Aleutian Islands TAC is 28,533 mt and the Bering Sea TAC is 170,305 mt, combined they equal 198,838 mt. Given the current allocations by gear type the table below shows the total amount of Pacific cod each group would be allowed to harvest in the two areas combined.

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<sup>1</sup> The 51% percent of the BSAI Pacific cod TAC that is allocated to the hook-and-line and pot gear sector was further subdivided under BSAI Amendment 77. Amendment 77 allocated 80% of the hook-and-line and pot gear allocation to hook-and-line catcher/processors, 15% to pot catcher vessels, 3.3% to pot catcher/processors, 0.3% to hook-and-line catcher vessels, and 1.4% to <60' pot/hook-and-line catcher vessels.

Table 3: Allocations by gear and type of operation that are currently in regulation

	<i>Gear Allocations Metric Tons</i>	
Trawl CV	23.500%	46,844
Trawl CP	23.500%	46,844
Trawl Total	47.000%	93,688
Jig	2.000%	3,987
H&L CP	40.800%	80,930
Pot CV	7.650%	15,174
Pot CP	1.683%	3,338
H&L CV	0.153%	303
<60' H&L - Pot	0.714%	1,416
H&L and Pot Total	51.000%	101,162

Note: The shaded trawl, jig, and H&L and pot totals reflect the gear allocations made under Amendment 67.

2. Assign each sector their historic percentage of the Aleutian Islands TAC (this percentage would need to be defined and it could be linked to the sector allocation years). The combinations of years identified by the Council as options to calculate sector allocations were used in Table 4. It should also be noted that information was not available for the <60' H&L – Pot CV sector when this section of the analysis was completed. Therefore, all of their allocation was taken from the BS in all but one alternative. During the 1995-97 time-period some of their allocation was assigned to the Aleutian Islands, because the Hook-and-Line CV sector would have been assigned more than their total allowable allocation in the Aleutian Islands. Therefore, 80mt of their allocation was assigned to the BS and the <60' H&L – Pot was assigned 80mt in the Aleutian Islands. This adjustment was not necessary during any other time period.

Table 4: Percentage of Pacific cod harvests in the Aleutian Islands caught by each sector

Sector	<i>AI Historic %</i>						
	1995-97	1995-02	1995-03	1998-02	1998-03	2000-03	2002-03
AFA CP (Trawl)	16.492%	10.550%	11.026%	7.957%	9.028%	7.397%	9.666%
Non-AFA Trawl CP	21.108%	21.421%	23.443%	21.557%	24.296%	27.547%	37.347%
Pot CP	6.678%	3.193%	2.814%	1.672%	1.401%	1.122%	0.010%
H&L CP	23.338%	31.029%	27.667%	34.385%	29.250%	26.854%	5.751%
Non-AFA S/F Trawl CP*	22.871%	11.046%	9.735%	5.884%	4.930%	0.000%	0.000%
H&L CV	1.345%	0.864%	0.797%	0.655%	0.597%	0.738%	0.319%
Pot CV	1.576%	2.461%	2.170%	2.848%	2.387%	1.571%	0.004%
Trawl CV	6.591%	19.385%	22.304%	24.969%	28.051%	34.733%	46.902%
Jig	0.000%	0.050%	0.044%	0.072%	0.060%	0.038%	0.000%
<60' H&L - Pot	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

\* These were CPs that harvested pollock and other groundfish species, but left the fishery before 1999 and are not AFA qualified and are not eligible to reenter U.S. fisheries.

Table 5: Aleutian Islands allocations of Pacific cod that would result if the percentages from Table 4 were applied to the assumed Aleutian Islands TAC.

Sector	<i>AI Allocation (mt)</i>						
	1995-97	1995-02	1995-03	1998-02	1998-03	2000-03	2002-03
AFA CP (Trawl)	4,706	3,010	3,146	2,270	2,576	2,111	2,758
Non-AFA Trawl CP	6,023	6,112	6,689	6,151	6,932	7,860	10,656
Pot CP	1,906	911	803	477	400	320	3
H&L CP	6,659	8,853	7,894	9,811	8,346	7,662	1,641
Non-AFA S/F Trawl CP*	6,526	3,152	2,778	1,679	1,407	-	-
H&L CV	303	247	227	187	170	211	91
Pot CV	450	702	619	813	681	448	1
Trawl CV	1,881	5,531	6,364	7,125	8,004	9,910	13,383
Jig	-	14	13	21	17	11	0
<60' H&L - Pot	80	-	-	-	-	-	-
Total	28,533	28,533	28,533	28,533	28,533	28,533	28,533

\* These were CPs that harvested pollock and other groundfish species, but left the fishery before 1999 and are not AFA qualified and are not eligible to reenter U.S. fisheries.

The Aleutian Islands allocations under the various time periods reflects the fact that sectors tend to fish more in the Aleutian Islands some years. Allocations to the Pot sectors indicate that pot vessels harvested relatively more of the Pacific cod taken from the Aleutian Islands during the years 1995-97 than they did during the 2002-2003 time period. Because of this variation in Aleutian Islands catches between sectors, the time period selected for the allocations largely determines whether pot vessels will be participants in the Aleutian Islands Pacific cod fishery in the future. Other sectors will also be impacted by the years selected as the historic base period, but in most cases would be less likely to be excluded from the Aleutian Islands fishery.

3. Adjust each sector's percentage of the Bering Sea TAC to ensure that they are allocated their assigned percentage of the combined Bering Sea and Aleutian Islands Pacific cod TACs. This adjustment is needed to ensure that each sector is given their entire allocation of the combined BSAI quota. Consider two sectors as examples. The H&L CP sector is assigned 40.8% of the Pacific cod. That percentage equates to 80,930mt of Pacific cod in the BSAI, in this example. Using historic catch rates from the years 1995-2002, that translates to 8,853mt in the Aleutian Islands. Because they were assigned 8,853mt in the Aleutian Islands, they are assigned a percentage of the BS TAC (see Table 6) that allows them to harvest the remainder of their 80,930<sup>2</sup> mt (72,076 mt) in the Bering Sea (see Table 7). For the next example consider a case where multiple sectors receive their Pacific cod allocation from the same gear allotment. In this case, an additional adjustment must be made to account for the relative catches of each sector. In the trawl catcher/processor sector, the AFA and Non-AFA trawl CP sectors share a Pacific cod allocation and would need to divide 23.5% of the TAC (half of the 47% of the Pacific cod TAC allocated to trawl gear vessels). To make that computation, the amount of Pacific cod the sectors were allocated in the Aleutian Islands (in step 2) would be subtracted from the total amount that is available to the two sectors. The remainder of the trawl CP allocation would be allocated from the Bering Sea based on each of the sector's relative historic Bering Sea harvest amounts. For example, during the 1995-02 time-period the AFA Trawl CPs harvested 18.1% of the trawl CP total in the BSAI, Non-AFA Trawl CPs harvested 64.5%, and the Non-AFA Surimi & Fillet CPs (recall that a decision needs to be made on how to treat this

<sup>2</sup> Rounding errors account for the fact that the BSAI total does not exactly equal the sum of the amounts reported for the Aleutian Islands and Bering Sea.

sector's catch) harvested 17.4% (based on catches reported in Table 2). Each sector's allocation from the BS and AI combined is equal to those percentages multiplied by the 46,844 mt available them in this example. That number is reported in Table 8. Their BS allocation is equal to the amount of Pacific cod available to them minus their allocation in the AI. That calculation is reflected in Tables 6 and 7.

Table 6: Percentage of Pacific cod harvests that may be taken from Bering Sea by each sector

Sector	<i>BS Historic %</i>						
	1995-97	1995-02	1995-03	1998-02	1998-03	2000-03	2002-03
AFA CP (Trawl)	2.885%	3.210%	3.168%	2.965%	2.972%	2.666%	2.558%
Non-AFA Trawl CP	10.658%	14.163%	14.234%	17.750%	17.423%	18.986%	17.071%
Pot CP	0.841%	1.425%	1.489%	1.680%	1.725%	1.772%	1.959%
H&L CP	43.610%	42.322%	42.885%	41.759%	42.620%	43.021%	46.557%
Non-AFA S/F Trawl CP*	3.831%	2.926%	2.697%	0.860%	0.701%	0.000%	0.000%
H&L CV	0.000%	0.033%	0.045%	0.068%	0.078%	0.055%	0.125%
Pot CV	8.646%	8.498%	8.547%	8.433%	8.510%	8.647%	8.909%
Trawl CV	26.402%	24.258%	23.769%	23.323%	22.807%	21.687%	19.648%
Jig	2.341%	2.333%	2.334%	2.329%	2.331%	2.335%	2.341%
<60' H&L - Pot	0.785%	0.832%	0.832%	0.832%	0.832%	0.832%	0.832%
Total	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%

\* These were CPs that harvested pollock and other groundfish species, but left the fishery before 1999 and are not AFA qualified and are not eligible to reenter U.S. fisheries.

Table 7: Bering Sea allocations of Pacific cod that would result if the percentages from Table 6 were applied to the assumed Bering Sea TAC.

Sector	<i>BS Allocation (mt)</i>						
	1995-97	1995-02	1995-03	1998-02	1998-03	2000-03	2002-03
AFA CP (Trawl)	4,913	5,468	5,396	5,049	5,062	4,540	4,357
Non-AFA Trawl CP	18,152	24,120	24,242	30,230	29,673	32,334	29,073
Pot CP	1,433	2,427	2,535	2,861	2,939	3,018	3,335
H&L CP	74,271	72,076	73,035	71,118	72,584	73,267	79,289
Non-AFA S/F Trawl CP*	6,525	4,983	4,594	1,465	1,194	-	-
H&L CV	-	57	76	117	133	93	212
Pot CV	14,725	14,472	14,555	14,362	14,493	14,726	15,173
Trawl CV	44,964	41,313	40,480	39,720	38,841	36,934	33,462
Jig	3,987	3,972	3,974	3,966	3,970	3,976	3,987
<60' H&L - Pot	1,336	1,416	1,416	1,416	1,416	1,416	1,416
Total	170,305	170,305	170,305	170,305	170,305	170,305	170,305

\* These were CPs that harvested pollock and other groundfish species, but left the fishery before 1999 and are not AFA qualified and are not eligible to reenter U.S. fisheries.

Table 8: Total BSAI Pacific cod allocation assigned to each sector under the proposed alternatives.

Sector	<i>Total BSAI Allocation (mt)</i>						
	1995-97	1995-02	1995-03	1998-02	1998-03	2000-03	2002-03
AFA CP (Trawl)	9,619	8,478	8,542	7,319	7,638	6,650	7,115
Non-AFA Trawl CP	24,174	30,232	30,931	36,381	36,606	40,194	39,729
Pot CP	3,338	3,338	3,338	3,338	3,338	3,338	3,338
H&L CP	80,930	80,930	80,930	80,930	80,930	80,930	80,930
Non-AFA S/F Trawl CP*	13,051	8,135	7,371	3,144	2,601	-	-
H&L CV	303	303	303	303	303	303	303
Pot CV	15,174	15,174	15,174	15,174	15,174	15,174	15,174
Trawl CV	46,844	46,844	46,844	46,844	46,844	46,844	46,844
Jig	3,987	3,987	3,987	3,987	3,987	3,987	3,987
<60' H&L - Pot	1,416	1,416	1,416	1,416	1,416	1,416	1,416
Total	198,838	198,838	198,838	198,838	198,838	198,838	198,838

\* These were CPs that harvested pollock and other groundfish species, but left the fishery before 1999 and are not AFA qualified and are not eligible to reenter U.S. fisheries.

An advantage of selecting Option 1 is that it takes into account the percentages of Pacific cod that each sector historically harvested in the most restrictive subarea. Those percentages may not reflect the current fishing patterns, but they could more closely reflect historic reliance on a subarea than assigning catch based on their average harvests in both areas combined. An important decision using this method would be selecting the years to determine the historic dependence in the Aleutian Islands. The example above, allocates trawl CVs only about 30% of their 2002 Aleutian Islands harvest. This shows the importance of selecting the years to be used to calculate the split between the Bering Sea and Aleutian Islands subareas.

One concern that has been expressed regarding Option 1 is that TAC fluctuations would have disproportionate impacts on the sectors that are allocated the greatest percentage of the subarea with the declining TAC. Option 2 mitigates that concern, but creates new issues.

### Option 2: Allocate Equal Percentages in Both Areas

NMFS would be directed to allocate sectors the same percentage of the Bering Sea subarea and Aleutian Islands subarea TACs. Therefore, since the hook-and-line CP sector is allocated 40.8% of the BSAI Pacific cod TAC under the current regulations, they would be allocated 40.8% of the Bering Sea TAC and 40.8% of the Aleutian Islands TAC.

Sector allocations in this option are calculated the same as they were under Option 1, except that step 2 would be omitted. In cases where the allocations that are currently in regulation are assigned the same group of vessels as defined in Amendment 80a sectors, the allocation percentages would simply be set at the Bering Sea and Aleutian Islands levels. This is the case for the Hook-and-Line CPs. They would be allocated 40.8% of both subarea's TACs when the current TAC groups are split by subarea. In this example, the Trawl CP allocation would be divided among the Amendment 80a sectors, based on a percentage that must be defined. In Option 1 it was assumed that those percentages were based on relative catch of the sectors in that group. The example used in Option 1 shows that the AFA Trawl CPs harvested 18.1% of the trawl CP total, Non-AFA Trawl CPs harvested 64.5%, and the Surimi & Fillet CPs harvested 17.4% from 1995-2002 (based on catches reported in Table 2). Based on those harvests the sectors would be allocated their percentage of the group's total catch, multiplied by the 23.5% of the TAC that was available to them.

Option 2 solves the problem of disproportionate impacts that result from TAC fluctuations, but may force vessels to fish areas they have not historically fished and do not want to fish. This issue impacts all sectors, but would likely be most onerous on the sectors comprised of smaller vessels. They would be required to travel greater distances to fish in conditions that may not be well suited for their vessels. When this option was discussed at the IR/IU Committee meetings it was generally considered to be inferior to Option 1.

### **Option 3: No Allocations by Area**

Sectors would not be allocated a specific percentage of the individual Aleutian Islands subarea and Bering Sea subarea TACs. Instead, sectors would continue to be issued an overall amount of Pacific cod that could be harvested from the BSAI. That allocation could be fished from either subarea, if TAC is available and the subareas are open to directed fishing. Once the directed fishing allowance for a TAC is reached, for either the Bering Sea or Aleutian Islands, NMFS would issue a closure notice and all the sectors fishing would be required to fish the open subarea if they wanted to participate in the directed fishery for Pacific cod.

This option provides the greatest flexibility for sectors and is, perhaps, the easiest for inseason management. NMFS would not be required to manage separate subarea allocations for each sector. They would only be required to monitor a single harvest limit for each area and use traditional management tools to open and close fisheries. It would provide flexibility to the fleet since they would be able to fish either subarea if they were open.

A possible drawback of this option is that it could cause sectors to race for Pacific cod in the subarea they expect to close first. This could impact a sector's ability to rationalize their harvest, especially if some members of the sector wanted to fish the subarea that is expected to close later in the year. When considering this option the policy makers will need to weigh the negative impacts of a possible race to catch the Aleutian Islands quota versus the flexibility that sectors would be provided when determining where to fish.

### **Altering TACs for Other Fisheries**

A discussion of how the three options discussed above would be implemented for other fisheries is provided next. An important consideration in this discussion is which species will be allocated to sectors. If the TAC of a species or species group is altered that is not allocated to sectors, the issue is moot. The species would be managed as a non-target species. Management options for non-target species that are currently included in Amendment 80a are the current management system, ICAs managed as soft caps, and ICAs managed as hard caps. It is likely that many of the alterations made to TACs will be for the species defined as "non-target".

Assume that rougheye rockfish are broken into two species (rougheye A and rougheye B) and the Council defines them as target species in Amendment 80a. It is unlikely that they will be defined as target species, but that assumption is made in this example to aid the discussion. TACs are set for the BSAI for the two species, and each of the defined sectors is allocated a percentage of the overall TAC.

Option 1 would rely on the same formula defined in Amendment 80a to allocate the two species. That formula will likely be based on the relative catch of the two species over a set of years defined by the Council. Historic catch data for each sector, relative to the catch of all sectors, based on either annual averages or for the entire time period, would be the basis for the calculations. NMFS would be able to calculate each sector's allocation based on that direction from the Council, if the historic catch data breaks out those two species. However, if the same years are used to determine the allocation as is defined in Amendment 80a, the data for those years are unlikely to contain the detail necessary to do the

calculations. In that case, the allocation may need to be based on Option 2, and the Council could revise the allocation percentages on a slower time line as better harvest information becomes available.

Under Option 2, NMFS would use the same percentage that was used to allocate rougheye rockfish before the TAC was split, to allocate the new species. Therefore, if the Non-AFA Trawl CPs sector was allocated 25% of the rougheye rockfish TAC before the split, they would be allocated 25% percent of the TAC for rougheye A and 25% of rougheye B after the split. The outcome does not take differential harvest rates of the two species, by sector, into account.

Finally, Option 3 would set a limit on the amount of the two species that could be harvested by each sector. That limit would be based on their allocation of the two species combined. NMFS would monitor the removal of each TAC and close those fisheries to directed fishing when the TAC available for directed fishing is harvested. All sectors will be required to stop directed fishing for that species when the fishery is closed. They must then harvest their remaining allocation from the rougheye TAC that is open to directed fishing.

## **Impacts of Amendment 80 on BSAI Parallel Fisheries**

Amendment 80 will dramatically change management of groundfish in the BSAI. The proposed action will allocate several groundfish species to ten sectors and develop a cooperative program for the non-AFA trawl catcher processor sector. These proposed actions are expected to reduced the race for fish by allowing sectors to harvest their allocation without fear of other sectors prematurely closing their fishery. Sector allocations could also encourage some sectors to form cooperatives, furthering the rationalization process. This in turn could reduce bycatch, improve retention, and improve utilization. Although these proposed actions are limited to the federal waters, these actions could have an impact on the State water parallel fisheries. Provided below is a discussion paper that describes the effects of the proposed action on the State water parallel fishery. Included in the discussion paper is background information on the parallel fishery, the impacts of the proposed action on the fishery, and information on creating a new category of LLP license for <60' trawl catcher vessels.

### **Background on the BSAI State-Water Parallel Fisheries**

The parallel fishery takes place in Alaska jurisdictional waters, which are from shore to three nautical miles offshore. With the exception of sablefish and black rockfish, which are managed as State water fisheries, and the Pacific cod and rockfish fisheries in central AI<sup>1</sup>, which have length and gear restrictions, all other BSAI groundfish occurring in State waters are managed as a parallel fishery. In a parallel fishery, there is no separate allocation to the State for management purposes. Instead, harvest that occurs in the parallel fishery is deducted from the appropriate gear allocation in the case of Pacific cod or from the Federal species TAC for all other groundfish. State management of the parallel fisheries is generally limited to openings and closures of the fishery, which generally correspond with Federal openings and closures.

Opening State waters allows for more efficient harvesting of fishery resources because many fish stocks straddle State and Federal jurisdiction and fishing either area enables vessels to select their best fishing opportunity. In some cases a significant portion of the Federal TAC is harvested within State waters. Closing State waters during the Federal fishery would severely limit fishing opportunities to both Federal and State permitted vessels. Table 1 summarizes the harvest, number of vessels, and number of delivers by species from inside State waters in the BSAI, based on data compiled by the ADF&G. Table 2 provides similar information by gear type. The data from Tables 1 and 2 are from Alaska Department Fish and Game Regional Information Report No. 4K03-59, "Bering Sea Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002. The data are preliminary and may not be all inclusive of parallel fishery harvest.

Of the many parallel fisheries that currently take place in the BSAI, the two largest are Pacific cod and pollock. In the Pacific cod fishery, 131 vessels on average harvested 13.3 million pounds from 1995 to 2002. During this period, the overall number of vessels has declined from a high of 162 in 1996 to 96 vessels in 2002. Harvest has also declined from a high of 21 million pounds in 1995 to approximately 9

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<sup>1</sup> The State in March of 2000 established vessel length and gear restriction zones for Pacific cod and rockfish. Currently, there are two defined zones, each with different restrictions. Zone 1 includes state waters between Adak, Great Sitkin, and Tagalak Islands and waters adjacent to Adak Island in the Bay of Islands and between Boot Point and Cape Kagigikak. Zone 2 includes state waters between 175°30' and 177° W longitude inclusive of all waters defined in the first zone. Zone 1 restricts directed fishing for Pacific cod and rockfish to vessels less than 60' length overall using fixed gear throughout the entire year. Zone 2 restricts directed fishing for only Pacific cod to vessels less than 60' length overall using fixed gear from May 1 to September 15.



million pounds in both 2001 and 2002. Forty-five percent of the total 107 million pounds of Pacific cod harvested between 1995 and 2002 was harvested by trawlers, while pot vessels harvested 36 percent and longline vessels harvested 16 percent. In the pollock fishery, on average, 39 vessels harvested 13 million pounds annually between 1995 and 2002. Like the Pacific cod fishery, the pollock fishery has also seen a gradual decline in the number of vessels from a high of 55 in 1996 to a low of 24 in 1999. In recent years, the number of vessels has increased slightly too over 30. However, in contrast to the Pacific cod fishery, which was more diversified between gears, the pollock fishery is almost entirely a trawl fishery. Between 1995 and 2002, nearly 100 percent of all of the pollock was harvested by trawlers. Overall, the Pacific cod and pollock fisheries are the largest State water parallel fisheries in the BSAI, despite the decline in participation. The remaining State water parallel fisheries in the BSAI are generally incidental to the Pacific cod, pollock, halibut and sablefish directed fisheries.

Table 1. Retained round pounds, number of vessels, and number of deliveries by species from Alaska State waters in the BSAI from 1995-2002.

		Pacific cod	Pollock	Atka Mackerel	Pacific Ocean Perch	Shortraker Rougheye Rockfish	Sharpchin Northern Rockfish	Other Rockfish
1995	Harvest	20,539,276	28,412,682	440,476	33,883	14,080	2,186	27,125
	Vessels	155	46	36	18	19	5	37
	Deliveries	955	90	83	28	22	7	93
1996	Harvest	18,257,947	21,318,035	103,040	68,784	10,765	57,767	43,896
	Vessels	162	88	13	24	22	9	32
	Deliveries	893	102	21	36	27	11	57
1997	Harvest	4,550,359	18,763,624	17,710	10,532	8,325	0	21,198
	Vessels	108	37	8	17	23	0	32
	Deliveries	368	66	9	21	26	0	57
1998	Harvest	11,939,929	13,547,679	11,276	95,113	5,238	9,658	30,165
	Vessels	111	48	11	22	6	6	36
	Deliveries	374	93	14	36	11	7	102
1999	Harvest	18,340,012	1,509,911	534,477	38,743	11,299	22,257	26,007
	Vessels	138	24	14	13	9	14	31
	Deliveries	520	40	16	19	14	18	44
2000	Harvest	15,617,783	3,593,603	170,829	4,672	15,542	23,741	51,590
	Vessels	164	37	17	8	21	16	34
	Deliveries	580	53	25	10	28	25	74
2001	Harvest	8,732,444	5,497,150	50,893	5,646	8,079	11,583	55,169
	Vessels	112	37	16	8	22	7	42
	Deliveries	288	50	22	10	35	8	109
2002	Harvest	8,699,963	11,237,328	22,795	5,403	1,070	6,452	52,789
	Vessels	96	31	16	14	10	11	37
	Deliveries	265	54	30	19	14	16	79

Source: Alaska Department of Fish and Game Regional Information Report No 4K03-59: Bering Sea - Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002.

Table 2. Harvest in pounds by gear type from Alaska State waters in the BSAI from 1995-2002.

Pacific Cod						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	12,265,060	2,003,742	5,496,569	769,828	4,077	20,539,276
1996	5,857,109	446,532	11,546,495	393,159	14,652	18,257,947
1997	814,481	1,476,499	2,048,986	208,215	2,178	4,550,359
1998	3,975,800	4,128,820	3,624,994	209,937	379	11,939,930
1999	8,995,797	1,447,771	7,542,991	353,454	0	18,340,013
2000	5,378,628	3,612,076	6,524,176	102,063	840	15,617,783
2001	3,819,442	3,879,698	918,731	114,572	0	8,732,443
2002	7,399,379	452,205	584,781	263,271	0	8,699,636
Pollock						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	28,411,848	15	171	648	0	28,412,682
1996	21,220,981	0	97,055	0	0	21,318,036
1997	18,736,861	3	24,595	2,165	0	18,763,624
1998	13,540,291	6,114	1,274	0	0	13,547,679
1999	1,508,674	918	319	0	0	1,509,911
2000	3,583,310	5,339	4,654	0	0	3,593,303
2001	5,469,771	27,247	132	0	0	5,497,150
2002	11,237,311	6	1	10	0	11,237,328
Atka Mackerel						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	434,834	2	4,447	1,193	0	440,476
1996	102,296	0	744	0	0	103,040
1997	17,664	3	43	0	0	17,710
1998	11,161	0	115	0	0	11,276
1999	533,652	675	150	0	0	534,477
2000	164,118	5,930	781	0	0	170,829
2001	45,124	5,058	711	0	0	50,893
2002	22,795	0	0	0	0	22,795
Pacific Ocean Perch						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	33,728	0	93	62	0	33,883
1996	68,784	0	0	0	0	68,784
1997	6,838	0	3,694	0	0	10,532
1998	95,113	0	0	0	0	95,113
1999	37,838	0	896	0	0	38,734
2000	4,290	382	0	0	0	4,672
2001	5,646	0	0	0	0	5,646
2002	5,403	0	0	0	0	5,403
Shortraker-Rougheye Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	241	13,645	0	194	0	14,080
1996	519	10,246	0	0	0	10,765
1997	1,078	7,247	0	0	0	8,325
1998	1,732	3,506	0	0	0	5,238
1999	1,207	10,092	0	0	0	11,299
2000	169	12,976	0	0	0	13,145
2001	0	8,020	59	0	0	8,079
2002	6	1,064	0	0	0	1,070

Sharpchin-Northern Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	2,186	0	0	0	0	2,186
1996	57,746	0	21	0	0	57,767
1997	0	0	0	0	0	0
1998	9,658	0	0	0	0	9,658
1999	21,811	184	262	0	0	22,257
2000	16,065	7,592	5	80	0	23,742
2001	7,094	4,489	0	0	0	11,583
2002	6,446	6	0	0	0	6,452
Other Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	1,376	25,402	20	327	0	27,125
1996	112	43,613	81	90	0	43,896
1997	757	20,115	26	300	0	21,198
1998	4,777	25,230	158	0	0	30,165
1999	9,308	16,518	180	0	0	26,006
2000	1,072	50,409	24	85	0	51,590
2001	1,605	53,281	282	0	0	55,168
2002	401	52,262	0	126	0	52,789
Greenland Turbot						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	174,281	111,906	18	4	0	286,209
1996	760	175,618	0	0	0	176,378
1997	1,417	93,250	0	0	0	94,667
1998	1,022	338,314	0	0	0	339,336
1999	11,138	74,419	1,051	0	0	86,608
2000	1,523	123,453	5	0	0	124,981
2001	55	145,592	2,177	0	0	147,824
2002	52	42,531	789	0	0	43,372
Arrowtooth Flounder						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	11,484	9,009	26	283	0	20,802
1996	33,038	1,451	27	0	0	34,516
1997	16,035	4,882	30	0	0	20,947
1998	30,340	832	0	0	0	31,172
1999	749,169	3,457	0	0	0	752,626
2000	11,520	14,905	85	0	0	26,510
2001	13,130	17,968	2,797	0	0	33,895
2002	32,070	1,681	97	20	0	33,868
Rock Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	52,460	0	110	0	0	52,570
1996	121,696	0	12	0	0	121,708
1997	63,863	0	50	0	0	63,913
1998	135,519	0	17	0	0	135,536
1999	210,956	0	271	0	0	211,227
2000	94,228	1	24	0	0	94,253
2001	117,098	17	0	0	0	117,115
2002	144,293	0	0	0	0	144,293

Yellowfin Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	170	0	2,887	0	0	3,057
1996	87,333	0	669	0	0	88,002
1997	10	0	83	0	0	93
1998	9,694	0	77	0	0	9,771
1999	55,521	3	1,164	0	0	56,688
2000	452	636	38	0	0	1,126
2001	61,307	0	4	0	0	61,311
2002	27,144	0	0	0	0	27,144

Flathead Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	2,064	0	55	0	0	2,119
1996	70,285	0	5	0	0	70,290
1997	27,332	0	0	0	0	27,332
1998	39,119	0	2,768	0	0	41,887
1999	77,466	431	300	0	0	78,197
2000	10,895	240	81	0	0	11,216
2001	20,836	746	6	0	0	21,588
2002	68,525	0	0	0	0	68,525

Other Flatfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	854	0	357	0	0	1,211
1996	39,658	10	2	0	0	39,670
1997	30,836	0	81	0	0	30,917
1998	59,618	5	1,017	0	0	60,640
1999	46,405	0	0	0	0	46,405
2000	3,011	1	40	0	0	3,052
2001	21,175	0	0	0	0	21,175
2002	5,504	0	0	0	0	5,504

Source: Alaska Department of Fish and Game Regional Information Report No. 4K03-59: Bering Sea - Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002.

### Impacts of Amendment 80 on the Parallel Fishery

The actions proposed under Amendment 80 will not change the open access nature of the BSAI groundfish parallel fishery. All that will be required to fish in the BSAI parallel fishery is a State of Alaska permit. The State does not require vessels fishing inside State waters during the Federal fishery to hold a Federal permit. The State can adopt parallel fishery management measures similar to those in a Federal fishery (such as season dates, bycatch limits, and allowable gear types) as long as the measures are consistent with Alaska State regulations.

Although Amendment 80 will not restrict the open access nature of the parallel fishery, the proposed action will potentially impact non-LLP participants and LLP license holders participating in the BSAI groundfish fishery. One potential impact arises because the State likely/probably cannot restrict vessels from fishing inside State waters based on a vessel's AFA or non-AFA distinction. Under Amendment 80, groundfish will be allocated to AFA and non-AFA vessels separately. Once one of these sectors has harvested their allocation for a species, that sector would be prohibited from targeting that species in Federal waters. However, the State and Federal government likely/probably cannot restrict these same trawl vessels from fishing off the other trawl sector's allocation within State waters. For example, if the AFA trawl catcher vessel sector is permitted to target Pacific cod in State waters, then non-LLP vessels

could also target Pacific cod inside State waters by fishing off the AFA sector's allocation. This same issue also arises if license holders harvest their sector allocation then move into the parallel fishery and fish off the other trawl catcher vessel sector's allocation. Unfortunately, any solution the State might implement to restrict access to a parallel fishery based on a vessels AFA or non-AFA distinction are limited and could be extremely difficult to implement.

A second issue in need of clarification is the accounting of parallel fishery catch if cooperatives have formed. The proposed action under Amendment 80 could develop cooperatives for the non-AFA trawl catcher processor sector. After the groundfish quota is allocated to the cooperatives, it is unclear how NMFS would deduct parallel fishery catches by non-cooperative vessels from groundfish allocations that have been assigned to the cooperatives.

In general, the effects of the parallel fishery in conjunction with the proposed action could limit the benefits gained from sector allocations and cooperative formation. Allowing trawl vessels to harvest their allocation and then move into the parallel fishery and fish off the other trawl sector's allocation could result in these vessels racing each other in order to prevent these vessels from targeting their allocation inside State waters. This in turn would limit the benefits gained from Amendment 80 including bycatch reduction and its associated mortalities, safety, efficiency, and further rationalization in all sectors.

### **New Category of LLP for <60' Trawl Vessels**

At the June 2004 meeting, the Council requested staff to provide an analysis of whether a new category of LLP is needed for vessels less than 60' LOA in the Aleutian Islands trawl fisheries. The limited availability of licenses with both trawl endorsements and Aleutian Islands endorsements has prompted some in the industry to request the Council to modify the LLP to generate more licenses for trawl vessels less than 60' LOA. Unfortunately, the lack of detail included in the June 2004 Council motion prevents a thorough analysis of the alternatives and their impacts. In order to provide some useful information for the Council concerning this issue, this section provides catch history of trawl vessels less than 60', an overview of the number of gear and area endorsements in the Bering Sea and Aleutian Islands, market availability of trawl licenses, and some questions, when addressed, will further clarify the details of reclassifying endorsements of the LLP licenses.

Tables 3 and 4 show the number of trawl and non-trawl vessels without a LLP and/or Bering Sea endorsement that retained Bering Sea Pacific cod<sup>2</sup> (does not include whole Pacific cod destined for meal product) inside State waters. Since this section only addresses the need for a new LLP category, these tables do not include data for vessels that do not need a federal license to participate the federal groundfish fishery. For vessels less than 60', the number of vessels that retained Bering Sea Pacific cod was minimal between 1995 and 2003. Two vessels retained Pacific cod in 1999, three in 2001, and only one in 2003. For trawl vessels greater than or equal to 60', vessels retaining Pacific cod were limited to only one or two per year between 1995 and 2003. For non-trawl vessels under 60', the number of vessels retaining Pacific cod was the largest in 1995 and between 2000 and 2002. For example, in 1995, 8 vessels retained 22 mt of Pacific cod, while in 2001, 15 vessels retained 202 mt of Pacific cod. For non-trawl vessels greater than or equal to 60', the number of vessels retaining Pacific cod was significantly larger than the other grouping noted above. Between 1995 and 2003, the number of vessels ranged between 19 retaining 781 mt in 1996 and 4 retaining 46 mt in 2002.

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<sup>2</sup> Does not include whole Pacific cod destined for meal production.

Table 3. Annual retained round metric tons of Bering Sea Pacific cod<sup>1</sup> caught inside State waters and the number of trawl catcher vessels without a LLP and/or Bering Sea endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	0	0	0	0
1996	0	0	*	1
1997	0	0	*	1
1998	0	0	*	2
1999	*	2	0	0
2000	0	0	0	0
2001	*	3	*	1
2002	0	0	*	1
2003	*	1	*	1

<sup>1</sup> Does not include whole Pacific cod destined for meal production

\*Confidential

Source: NPFMC IR/IU database.

Table 4. Annual retained round metric tons of Aleutian Islands Pacific cod<sup>1</sup> caught inside State waters and the number of non-trawl catcher vessels without a LLP and/or Bering Sea endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	22	8	81	7
1996	10	4	781	19
1997	*	2	202	14
1998	23	5	230	9
1999	*	2	154	18
2000	112	9	222	14
2001	202	15	266	6
2002	105	6	46	4
2003	*	3	980	9

<sup>1</sup> Does not include whole Pacific cod destined for meal production

\*Confidential

Source: NPFMC IR/IU database.

Tables 5 and 6 show the number of trawl and non-trawl vessels without a LLP and/or an Aleutian Islands endorsement that retained Aleutian Islands Pacific cod<sup>3</sup> inside State waters. Again, since this section only addresses the need for a new LLP category, these tables do not include data for vessels that do not need a federal license to participate the federal groundfish fishery. For vessels less than 60', the numbers of vessels fluctuated from year to year, but has general increased between 1995 and 2003. In 1998, 4 vessels retained 299 mt, while in 2000, 12 vessels retained 1,115 mt. In 2003, seven vessels retained 1,431 mt. For trawl vessel greater than or equal to 60', the number of vessels increased from one in 2000 to 11 vessels retaining 3,374 mt in 2003. The number of non-trawl vessels under 60' was the largest in 1999

<sup>3</sup> Does not include whole Pacific cod destined for meal production.

and 2000 when 24 and 28 vessels retained 1,802 mt and 1,676 mt, respectively. For non-trawl vessels greater than or equal to 60', the numbers were larger between 1999 and 2001. In 1999, 4 vessels retained 98 mt, and in 2001, eight vessels retained 35 mt.

Table 5. Annual retained round metric tons of Aleutian Islands Pacific cod<sup>1</sup> caught inside State waters and the number of trawl catcher vessels without a LLP and/or an Aleutian Islands endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	0	0	0	0
1996	*	3	0	0
1997	0	0	0	0
1998	299	4	0	0
1999	1,416	9	0	0
2000	1,115	12	*	1
2001	986	8	390	4
2002	1,107	5	2,511	7
2003	1,431	7	3,374	11

<sup>1</sup>Does not include whole Pacific cod destined for meal production.

\*Confidential

Source: NPFMC IR/IU database.

Table 6. Annual retained round metric tons of Aleutian Islands Pacific cod<sup>1</sup> caught inside State waters and the number of non-trawl catcher vessels without a LLP and/or an Aleutian Islands endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	*	1	*	1
1996	907	14	0	0
1997	*	1	0	0
1998	*	1	0	0
1999	1,802	24	98	4
2000	1,676	28	24	6
2001	*	1	35	8
2002	0	0	*	3
2003	*	2	*	3

<sup>1</sup>Does not include whole Pacific cod destined for meal production.

\*Confidential

Source: NPFMC IR/IU database.

Table 7 shows the number of endorsements that have been issued on Federal groundfish licenses with a Bering Sea and/or Aleutian Islands endorsement. The far right column is the number of licenses with specific endorsements that have been issued to fish in the BSAI. The other columns provide information on the specific endorsements assigned to those licenses. The first two columns on the left side of the table identify the gear endorsements on the licenses. "No" in the column indicates that they are not endorsed to use that gear type; "Yes" in the column means they may legally use that gear type. Using the "Grand Total" column and the "Gear Endorsements" columns we know that 343 of the 563 licenses may be used

by vessels deploying only non-trawl gear. The remaining 220 licenses may be used on trawl vessels, with 85 of the 220 also endorsed for non-trawl gear. In the "Fixed Gear Cod Endorsement" columns, licenses are grouped by fixed gear Pacific cod endorsements. The BSAI endorsement section of the table shows whether the license includes an endorsement for the Bering Sea, Aleutian Islands, or both.

Table 7: Groundfish licenses that are endorsed for the Bering Sea/Aleutian Islands.

Gear Endorsements		Fixed Gear Cod Endorsements				BSAI endorsements			Total Licenses		
TRAWL	NON TRAWL	CP HAL	CP POT	CV POT	CV HAL	Both AI & BS	AI Only	BS Only			
No	Yes	No	No	No	No	80	10	135	225		
					Yes	5			5		
				Yes	No	9		55	64		
					Yes			2	2		
				Yes	No	No	2		3	5	
					Yes	Yes	1			1	
		Yes	No	No	No	No	32		2	34	
						Yes	1			1	
						Yes	No	1		1	
				Yes	No	No	No	3			3
						Yes	1			1	
						Yes	No	1		1	
Total for Licenses with No Trawl Gear Endorsement						136	10	197	343		
Yes	No	No	No	No	No	76		59	135		
						Yes	No	No	No	No	23
	Yes		1		1						
	Yes	No	1		3					4	
	Yes	No	No	No	5			5			
Total for Licenses with Trawl Gear Endorsement						105	3	112	220		
Grand Total of All Bering Sea/Aleutian Islands Licenses						241	13	309	563		

Source: NMFS Groundfish LLP database.

Information contained in Table 7 shows the number of licenses for each subarea and both subareas combined. Currently there are 13 licenses endorsed for the Aleutian Islands subarea only. All of these licenses may be used on non-trawl gear vessels, but only one is endorsed to participate in the directed fixed gear Pacific cod fishery (as a hook-and-line catcher vessel). Three of the 13 licenses are also endorsed for use on trawl vessels. They may participate in the directed Pacific cod fishery, but only with trawl gear. The remaining 550 licenses are either endorsed for both subareas or Bering Sea only. About 40% of the non-trawl gear licenses are endorsed for both subareas, and about 50% of the licenses endorsed for trawl gear are endorsed for both subareas. The majority of licenses are endorsed for the Bering Sea subarea only.

Currently there are 108 licenses with both trawl gear and Aleutian Island endorsements. Of these, 50 are endorsed for catcher vessels, while the remaining 58 licenses are endorsed for catcher processors. Of the 50 licenses endorsed for catcher vessels, the maximum vessel length for these endorsements ranges from 82 to 200 feet. In general, licenses with higher maximum vessel lengths will command higher prices because of the potential for higher profits.

Currently, the market for licenses with trawl and AI endorsements is extremely tight. To better assess the current availability of licenses with trawl gear and Aleutian Islands endorsements, several brokers were contacted in Alaska and Washington. No broker contacted had any licenses with AI or BSAI and trawl endorsements. Several of the brokers stated that since the beginning of the LLP, the market for licenses with BSAI or AI area endorsements have been limited. In addition, several brokers believe that license



holders are holding on to their endorsements in anticipation of Amendment 80. With the potential for sector allocations and the likelihood for voluntary cooperatives to form in many sectors, it is likely that license holders are engaged in speculative behavior by holding on to their licenses until after the implementation of Amendment 80.

The market for licenses with BSAI or AI endorsements could tighten even further if the proposed action is implemented. One of the likely outcomes of the proposed action is development of volunteer cooperatives in many of the sectors. For example, some members of the trawl catcher vessels industry have already expressed an interest in joining the AFA trawl catcher vessels sector for the purposes of harvesting non-pollock groundfish allocations. If voluntary cooperatives are formed in the trawl catcher vessel sector, cooperative members could receive all of the monetary benefits of the cooperative without going fishing. This would likely create more of an incentive for current license holders to hold on to their licenses and further restricting the market for trawl catcher vessels licenses.

Any decision to create a new category of endorsements might also take into account the original purpose of the LLP and the potential effects of any changes to the program. From the onset, the program was implemented to provide stability in the fishing industry by limiting the number of vessels that are eligible to participate in the groundfish and crab fisheries. The effect of this limit on participation places an upper limit on the amount of capitalization that may occur in these fisheries. Veering from this original purpose and adding a new category of endorsements could expand this upper limit, but would likely create more fishing opportunities for trawl catcher vessels less than 60' LOA wishing to enter the AI Pacific cod fishery. Creating a new category of LLP endorsements could also set a precedent for other LLP and non-LLP participants to seek further changes to the program in the future. In addition, adding a new category of endorsements could undermine the value of the existing licenses. In general, creating new category of endorsements is likely to have different impacts to the license limitation program and the industry, and each impact should be considered when determining the need to revise the LLP.

Finally, the Council also requested staff include in the analysis the possibility for reclassifying endorsements attached to licenses to be used in the AI <60' trawl fishery. Unfortunately, the lack of details included with this option also prevents any meaningful analysis at this time. The following list provides questions that when addressed will provide further clarification on the creation of a new license category for <60' trawl catcher vessels and the option for reclassifying LLP licenses with BSAI and/or AI endorsements for use on <60' trawl catcher vessels.

- Is the intent of the program to take latent license from their owners and give them to active participants? How would you define the licenses whose activity would be reviewed and the definition of latent?
- Is the intent of the program to change the structure of existing licenses to create more trawl licenses for vessels less than 60' LOA operating in the BS and/or AI? How would the licenses be redistributed?
- Is the intent of the program to create new licenses that have not existed in the past? How would people qualify for these licenses? What restrictions would be placed on their use, transferability, and ownership?
- If licenses were reclassified, how would the process work? For example, would the reclassification process apply to the license or the endorsement associated with the license. Would the reclassification process remove an endorsement from existing license and apply it to a new license (recall that endorsements are currently permanently affixed to the license) or simply reclassify endorsements that are currently attached to a license?
- How would the reclassification process work with BSAI licenses that have multiple area endorsements? Would both the BS and AI endorsements be reclassified or just one of the endorsements?
- What is the criterion for reclassifying a license or endorsement? For example, would the criterion be applied to latent licenses based on some period of inactivity?

- Would the reclassification process remove gear restrictions from the Aleutian Islands endorsement on licenses that can be used by vessels up to 60' LOA? Doing so would allow any Aleutian Islands endorsed license for vessels <60' LOA to use trawl gear in the AI.
- Would the reclassification processes apply only to the existing licenses with trawl catcher vessel and Aleutian Islands endorsements or would the reclassification process apply to other gears and areas?
- Would reclassified licenses be awarded to participants who targeted Pacific cod only in State waters in the Aleutian Islands using catcher vessels less than 60'LOA? If not, who would hold the newly reclassified license? For example, would the federal government hold the newly reclassified license or would the existing license holder still have possession of the license? Would the license be transferable or would the vessel owner need to give the license back to NMFS if it is not be actively used?
- With any major change in a program there is likely to be some speculative behavior by the participants. For example, current license holders that anticipate their license being reclassified, sell the license to gain a profit. How would the reclassification process deal with this speculative behavior?

## Groundfish Forum

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September 28, 2004

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

IRIU  
SEP 28 2004  
N.P.F.M.C.

**Re: Agenda Item C-4, IRIU (Amendment 80)**

Dear Madam Chair,

Groundfish Forum is a trade organization representing 19 'head-and-gut' trawl catcher processors which target non-pollock species in the Bering Sea, Aleutian Islands and Gulf of Alaska. We are writing you regarding the analysis of Amendment 80 to the BSAI FMP.

As you know, Amendment 80 contains two parts: 80a addresses the sector splits which are a necessary precursor to rationalization of the non-AFA trawl CP fleet, and 80b addresses that rationalization plan. A range of elements and options are included in each part of the proposed Amendment. The Council staff has developed two 'strawman' alternatives for analysis in each part, by selecting specific options from each element. These strawman alternatives are presented in the discussion paper for this meeting.

The alternatives, as written, include some options which are so extreme as to be insupportable by any participant in the BSAI fisheries. These options should be removed from the document up front. In particular, we suggest deleting option 3 of Component 9 in 80a, which would allocate PSC to the fishery groups based on the historic initial allocations; halibut bycatch has always been front-loaded into the Pacific cod fishery and rolled over into other fisheries as needed, so codifying the initial allocation would be completely inappropriate for the actual conduct of the fisheries.

We also believe that the alternatives are not indicative of a position which any industry group would reasonably take. Selecting a different group of options for analysis would result in a more concise, realistic contrast to the status quo which would facilitate decision-making. With this in mind, we are submitting two alternatives (one each for 80a and 80b) for analysis by Council staff. These could either replace existing alternatives, or become a third alternative for each part of the Amendment.

**Amendment 80a:**

For Amendment 80a, we submit the following alternative for analysis. This combination results in a realistic alternative which will give a clear contrast to the status quo. Note that while this alternative includes option 4.1, which allocates history based on a specific set of years, we recognize that industry negotiations may be successful in determining allocations based on a percentage of the TAC (option 4.2).

**Components, options and suboptions for Alternative 3 of Amendment 80a**

Component	Option	Description
1	1.2	Allocate only Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, and Al Pacific ocean perch.
1	1.2.1	Sectors that do not participate in the allocated fisheries would not receive an allocation.
2	2.1	Use the current management system for non-target species
3	3.2	10% CDQ allocation for each species in the program (except pollock and fixed gear sablefish) removed from TACs prior to allocation to sectors
4	4.1	Each sector shall be allocated the percentage of the TAC that is equal to the sector's average of the annual harvest percentages, during the years specified in Component 5.
5	5.4	Sector catch history years are 1998-2002
5	5.4.1	Exclude AFA-9 catch history
6	6.2	For purposes of apportionments, annual catch percentages will be defined using retained catch of the sector over retained catch by all sectors.
7	7.2	Pacific cod shall be allocated based on the apportions in regulation as modified by Amendment 77 with an additional split of the trawl CP apportion. Non-AFA trawl CP will be allocated 18.3% and AFA trawl CPs will be allocated 5.2%. Pcod rollovers between sectors shall be administered at the time of final Council action.
8	8.1	7.5% of each PSC limit is allocated to the CDQ program.
9	9.1.4	Apportion PSC to each fishery group that it has historically been accounted against in proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.
9	9.2.2	Apportion PSC allotments made to fishery groups in Option 9.1 to sectors in proportion to the PSC usage by the sector for the years used to determine the groundfish sector apportionments.
9	9.3.5	Do not reduce PSC apportionments from calculated level.
10	10.1.2	Yellowfin sole is assigned a utilization threshold.
10	10.3.2c	For yellowfin sole, threshold will be 175,000 tons.
10	10.4.3	Threshold reserve is allocated to catcher vessels at 75% and catcher processors at 25%.
10	10.5.2	PSC may be transferred within cooperatives and between cooperatives in the same sector
11	11.4	Years for determining eligibility to participate in a sector will be 1998-2002
12	12.3	The vessel must have 100mt in minimum landings in the years noted in Option 11.4 to be eligible to participate in a given sector.

Please note also that the non-AFA trawl CP sector has already given up 5% of its recent PSC usage by averaging over a longer suite of years. We do not support any further reduction in the PSC allocation to this sector.

#### **Amendment 80b:**

Amendment 80b addresses rationalization of the non-AFA CP fleet. This is the only fleet affected by 80b. The following Alternative includes the options which are preferred by the members of Groundfish Forum, which represents over 90% of the fleet-wide capacity in the non-AFA trawl CP sector. Given the industry support for this alternative, we believe that it should be included in the analysis.

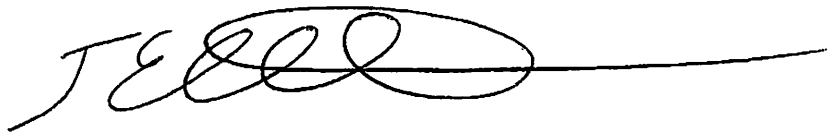
#### **Components, options and suboptions for Alternative 3 of Amendment 80b.**

<b>Component</b>	<b>Option</b>	<b>Description</b>
1	1.2	Allocate only Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot and Al Pacific Ocean perch.
2	2.1	No change in the PSC limits from those selected in Component 9 of Amendment 80a.
3	3.1	Qualified license holders must have caught 500 mt of groundfish with trawl gear and processed that fish between 1998-2002 to be eligible for the non-AFA trawl catcher processor sector.
4	4.3	At least 67% of the eligible licenses must join a cooperative before the cooperative is allowed to operate.
5	5.1	Catch history is based on total catch
6	6.3.1	Years of catch history used to calculate allocation of groundfish and PSAC limits between the cooperative and open access pool are 1998-2002, with no dropped year.
7	7.1	There is no limit on the consolidation of shares in the non-AFA trawl catcher processor sector.
8	8.2	The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation.

In summary, we request that the Council include the above two alternatives in the analysis of Amendment 80. The options selected in these alternatives are realistic, reasonable choices which will result in a clear contrast with the status quo. They also represent the preferred options for the majority of the non-AFA CP sector, which is the fleet most impacted by Amendment 80.

We appreciate the opportunity to comment and thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'TE Luttrell', with a long horizontal line extending to the right.

T. Edward Luttrell  
Executive Director

**PUBLIC TESTIMONY SIGN-UP SHEET FOR  
AGENDA ITEM C-4 IR/ILU**

	NAME (PLEASE PRINT)	AFFILIATION
1	<del>3</del> Donna Parker	Arctic Storm
2	<del>3</del> F. Veltay	City of Unalaska
3	<del>3</del> Buck LAUKITIS	fisherman
4	<del>3</del> THORJ SALLITH	MPCA
5	<del>3</del> ED LUTIAILL LOREI SIKRASKOM	GFP
6	<del>3</del> Bob Storms	UNFA
7	<del>3</del> Paul MacGarry	At Sea Processors
8	<del>3</del> BRENT PAINE	UCB
9	<del>3</del> Bill Orr	Signature Seafoods
10	Jeff Stephan	UFMA
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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.

BSAI Amendment 80a  
Table 2 of Action Memo  
Comparison of options for analysis

10/10/04  
10:45a

Ed Luttrell  
Lori Swanson  
GFF H/O

Component	Option selected		Description
	Staff	GFF	
1	1.2	1.2	Allocate only Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, and Al Pacific ocean perch.
1	1.2.1	1.2.1	Sectors that do not participate in the allocated fisheries would not receive an allocation.
2	2.3	2.1	Use the current management system for non-target species
3	3.2	3.2	10% CDQ allocation for each species in the program (except pollock and fixed gear sablefish) removed from TACs prior to allocation to sectors
4	4.1	4.1	Each sector shall be allocated the percentage of the TAC that is equal to the sector's average of the annual harvest percentages, during the years specified in Component 5.
5	5.4	5.4	Sector catch history years are 1998-2002
5	5.4.1	5.4.1	Exclude AFA-9 catch history
6	6.2	6.2	For purposes of apportionments, annual catch percentages will be defined using retained catch of the sector over retained catch by all sectors.
7	7.2	7.2	Pacific cod shall be allocated based on the apportions in regulation as modified by Amendment 77 with an additional split of the trawl CP apportion. Non-AFA trawl CP will be allocated 18.3% and AFA trawl CPs will be allocated 5.2%. Pcod rollovers between sectors shall be administered at the time of final Council action.
8	8.1	8.1	Determine current use of PSQ
9	9.1.4	9.1.4	Apportion PSC to each fishery group that it has historically been accounted against in proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.
9	9.2.4	9.2.2	Apportion PSC allotments made to fishery groups in Option 9.1 to sectors in proportion to the PSC usage by the sector for the years used to determine the groundfish sector apportionments.
9		9.3.5	Do not reduce PSC apportionments from calculated level.
10	10.1.1	10.1.1	Species assigned a utilization threshold
10	10.1.4	10.1.2	Yellowfin sole
10	10.2.1b		
10	10.2.2a		
10	10.2.3c		
10		10.3.2c	For yellowfin sole, threshold will be 175,000 tons
10		10.4.3	Threshold reserve is allocated catcher vessels at 75% and catcher processors at 25%.
10		10.5.2	PSC may be transferred within cooperatives and between cooperatives in the same sector
11	11.4	11.4	Years for determining eligibility to participate in a sector will be 1998-2002
12	12.4	12.3	The vessel must have 100mt in minimum landings in the years noted in Option 11.4 to be eligible to participate in a given sector.
12	12.7.1		
13	13.2		

Shaded areas indicate different options selected.  
Description shows Groundfish Forum preferred alternative



10/10/04 Ed Luttrell  
 10:45a Lori Swanson GFF  
 H/O

BSAI Amendment 80b  
 Table 3 of Action Memo  
 Comparison of options for analysis

Component	Option selected		Description
	Staff	GFF	
1	1.1	1.2	Allocate only Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot and AI Pacific Ocean perch.
1	1.1.1		
2	2.1	2.1	No change in the PSC limits from those selected in Component 9 of Amendment 80a.
3	3.4	3.1	Qualified license holders must have caught 500 mt of groundfish with trawl gear and processed that fish between 1998-2002 to be eligible for the non-AFA trawl catcher processor sector.
4	4.1	4.4	At least 75% of the eligible licenses must join a cooperative before the cooperative is allowed to operate.
5	5.1	5.1	Catch history is based on total catch
6	6.3	6.3.1	Years of catch history used to calculate allocation of groundfish and PSAC limits between the cooperative and open access pool are 1998-2002, with no dropped year.
7	7.1	7.1	There is no limit on the consolidation of shares in the non-AFA trawl catcher processor sector.
8	8.2	8.2	The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation.

Shaded areas indicate different options selected.  
 Description shows Groundfish Forum preferred alternative

Council motion  
IR-U C-4  
10-10-04  
1st draft  
before am's.

M/Krygier  
S/Rasmuson

Bold = added language  
Strikethrough = deleted language

**Amendment 80 Component and Options**

**June 21, 2004-October 10, 2004**

*At the June 2004 meeting, the Council made some minor modifications to the components and options for Amendment 80a and 80b. They broadened all of the eligibility years for the <60' H&L/Pot catcher vessel sector to include 2003 and 2004 up to June 15, 2004. Options were added to exempt jig vessels and <60' H&L/Pot catcher vessels from eligibility requirements. A new Option 1.1 was added to Amendment 80b requiring at least 30 percent of eligible license to join a cooperative before it is allowed to operate (i.e., allow multiple cooperative). Finally, the Council added the IRTU Technical Committee's recommendations for revising the underutilized species threshold as additional options in Component 10. The Council is scheduled Amendment 80 for initial review in February 2005 and final action in April 2005.*

**Components and Options for Amendment 80.a—BSAI Sector Allocations**

**Issue 1: Sector Allocations of Groundfish in the BSAI**

The following is a list of the sectors for purposes of groundfish and PSC apportionment:

Non-AFA Trawl CPs	AFA Trawl CPs	Non-AFA Trawl CVs	AFA Trawl CVs	Longline CPs
Pot CPs	Pot CVs	Longline CVs	Jig CVs	<60' H&L/Pot CV

**Component 1** Identifies which species will be included in the sector allocations

**Allocate only the following primary target species to the Non-AFA Trawl CP sector—Yellowfin sole, rock sole, flathead sole, Atka mackerel, AI POP, arrowtooth flounder and Alaska plaice. Species could be added or deleted through an amendment process.**

~~Option 1.1 — Include all groundfish species except AFA allocated pollock and fixed gear sablefish.~~

~~Suboption 1.1.1 — Exclude certain species to prevent allocations that are so small that they preclude sectors from harvesting their allocation of species typically taken in directed fisheries. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.~~

~~Option 1.2 — Include only the following target species—Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, AI Pacific ocean perch. Species could be added or deleted through an amendment process. Allocations of species that are excluded would be allocated as they are under status quo, and managed as in the following component.~~

~~Suboption 1.2.1 — Sectors that do not participate in target fisheries for a species in this option would not be allocated sector specific apportionments~~

~~for that species. These species would be managed as in the following component.~~

**Component 2** Management of non-target species.

- Option 2.1 Use the current management system.
- Option 2.2 Use ICAs for all non-target species—ICAs would be managed with soft caps.
- Option 2.3 Use ICAs for all non-target species—ICAs would be managed with hard caps.

**Component 3** CDQ allocations for each species in the program (except pollock and fixed gear sablefish) shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

- Option 3.1 7.5%
- Option 3.2 10%
- Option 3.3 15%
- ~~Option 3.4 20%~~

**Component 4** Identifies the sector allocation calculation (after deductions for CDQs). ~~Each of the species selected in Component 1 will be allocated to the sectors.~~

**For purposes of allocation to the non-AFA trawl CP fishery, each primary species allocation will be based upon the years and percentage of average catch history selected in Component 5 using one of the following:**

- Option 4.1 Total legal catch of the sector over total legal catch by all sectors
- Option 4.2 Retained legal catch of the sector over retained legal catch by all sectors
- Option 4.3 Total legal retained catch over ABC
- Option 4.4 Total legal catch over ABC

The remaining portion for primary species included in this program will be allocated to the BSAI open access fishery. Open access will include amounts to accommodate AFA sideboards and other fishery practices. Rules for the non-AFA trawl CP fishery include:

1. After each non-AFA trawl co-op has completed its allocated harvest, co-op members may fish in open access.
2. Vessels other than non-AFA Trawl CP with appropriate LLP endorsements may fish in open access.

~~Option 4.1 Each sector shall be allocated the percentage of the TAC that is equal to the sector's average of the annual harvest percentages, during the years specified in the following component. The sectors harvest is defined as that legal catch, taken by vessels when operating in the mode that defines the sector. These percentages will be calculated based on the method selected in Component 6.~~

~~Option 4.2 Each sector allocation of the TAC shall be based on a percentage rather than a set of years. (The intent of this option is to provide the Council~~

~~with the ability to select an industry agreed percentage for allocative purposes rather than selecting a set of catch history years.)~~

**Component 5 Sector Catch History Years**

- Option 5.1 1998–2002**
- Option 5.2 1999–2003**
- Option 5.3 1999–2004**
- Option 5.4 2000–2004**

~~Option 5.1 1995–1997~~

~~Suboption 5.1.1 Exclude AFA-9 catch history~~

~~Option 5.2 1995–2002~~

~~Suboption 5.2.1 Exclude AFA-9 catch history~~

~~Suboption 5.2.2 Exclude 2001 because of the biological opinion~~

~~Option 5.3 1995–2003~~

~~Suboption 5.3.1 Exclude AFA-9 catch history~~

~~Suboption 5.3.2 Exclude 2001 because of the biological opinion~~

~~Option 5.4 1998–2002~~

~~Suboption 5.4.1 Exclude AFA-9 catch history~~

~~Suboption 5.4.2 Exclude 2001 because of the biological opinion~~

~~Option 5.5 1998–2003~~

~~Suboption 5.5.1 Exclude AFA-9 catch history~~

~~Suboption 5.5.2 Exclude 2001 because of the biological opinion~~

~~Option 5.6 2000–2003~~

~~Suboption 5.6.1 Exclude 2001 because of the biological opinion~~

**Component 6** ~~For purposes of apportionments, annual catch percentages will be defined using one of the following:~~

~~Option 6.1 Total legal catch of the sector over total legal catch by all sectors~~

~~Option 6.2 Retained legal catch of the sector over retained legal catch by all sectors~~

**Component 7 Options for determining Pacific cod allocations**

~~Option 7.1 Pacific cod shall be allocated in the same method used to allocate the other targeted species. This option would supercede all existing apportionments of Pacific cod in the BSAI, including splits among the fixed gear sectors. Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the next more~~

~~inclusive definition before unused Pacific cod is reallocated to a different gear type.~~

~~Suboption 7.1.1 The <60' catcher vessels fixed gear (pot and hook and line) sector and jig sector combined allocation from TAC (after CDQ apportionment) is to be:~~

- ~~\_\_\_\_\_ a. 2%~~
- ~~\_\_\_\_\_ b. 3%~~
- ~~\_\_\_\_\_ c. 4%~~

~~Suboption 7.1.2 Jig sector will receive an allocation from the TAC (after CDQ apportionment).~~

~~Suboption 7.1.3 a. <60' pot and hook and line catcher vessel sector will receive an allocation from TAC (after CDQ apportionment).~~

~~b. <60' pot and hook and line catcher vessel sector will receive an allocation from the fixed gear sector TAC as is done under existing regulations.~~

~~Apportionments to the jig and <60' pot and hook and line sectors under Suboption 7.1.2 and 7.1.3 shall not collectively exceed:\_\_\_\_\_~~

- ~~\_\_\_\_\_ a. 2%~~
- ~~\_\_\_\_\_ b. 3%~~
- ~~\_\_\_\_\_ c. 4%~~

~~Option 7.2 Pacific cod shall be allocated based on apportions in regulation as modified by Amendment 77 with an additional split of the Trawl CP apportionment as follows:~~

~~\_\_\_\_\_ Non-AFA Trawl CPs will be allocated 18.3 percent of the Pacific cod TAC available after deduction for the CDQ program.~~

~~\_\_\_\_\_ AFA Trawl CPs will be allocated 5.2 percent of the Pacific cod TAC available after deduction for the CDQ program.~~

~~Pacific cod rollovers between sectors shall administered using regulations at the time of final Council action. Further, Pacific cod rollovers will continue to be hierarchical in nature flowing from the most precise definition of a sector to the next more inclusive definition before unused Pacific cod is reallocated to a different gear type (see footnote 3 for a description of the rollover procedures).~~

**Issue 2: Sector Allocations of Prohibited Species Catch Limits in the BSAI**

**Component 8** PSC is allocated to the CDQ program as PSQ reserves (except herring) equal to one of the following:

- Option 8.1 7.5% of each PSC limit
- Option 8.2 8.5% of each PSC limit
- Option 8.3 10% of each PSC limit
- Option 8.4 Proportional to the CDQ allocation under Component 3 for each PSC limit

**Component 9** Sector allocations of PSC limits (Council must choose one suboption from both Option 9.1 and 9.2 in order to apportion PSC to sectors).

**Option 9.1** Apportion PSC to each fishery group that it has historically been accounted against (e.g, yellowfin sole, rockfish, rocksole/flathead sole/other, etc.).

Suboption 9.1.1 Through annual TAC setting process (the current method) **with a new breakout for the Non-AFA Trawl CP sector.**

Suboption 9.1.2 In proportion to the historic fishery group's apportionment using the most recent five years.

~~Suboption 9.1.3 In proportion to a 5 year rolling average of that fishery group's PSC allocations using the most recent five years.~~

Suboption 9.1.4 In proportion to the actual amounts of PSC mortality attributed to the fishery group over a defined set of years.

**Option 9.2** Apportion PSC allotments made to fishery groups in Option 9.1 to sectors

Suboption 9.2.1 In proportion to TAC allocated to the sector.

Suboption 9.2.2 In proportion to the PSC usage by the sector for the years used to determine the groundfish sector apportionments.

Suboption 9.2.3 In proportion to the total groundfish harvested by the sector for each PSC fishery group for the years used to determine the groundfish sector apportionments.

Suboption 9.2.4 In proportion to the target species harvested by the sector in that PSC fishery group for the years used to determine the groundfish sector apportionments.

**Option 9.3** Select a PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 9.2. PSC reduction options can vary species by species, and sector by sector.

Suboption 9.3.1 Reduce apportionments to 60% of calculated level.

Suboption 9.3.2 Reduce apportionments to 75% of calculated level.

Suboption 9.3.3 Reduce apportionments to 90% of calculated level.

Suboption 9.3.4 Reduce apportionments to 95% of calculated level.

**Non-AFA Trawl CP cooperative members may carry unused PSC from co-ops into the open access fishery.**

**Issue 3 ~~Underutilized Species Threshold~~**

**Component 10 ~~For species that may have TAC (amounts) available in excess of historical harvest amounts, sector allocations may apply only to the historical harvest threshold (utilization threshold). TAC amounts in excess of such thresholds would be available to sectors whose ability to harvest that TAC exceeds its sector allocation of that species.~~**

**Option 10.1 ~~Species that would be assigned an utilization threshold:~~**

- ~~Suboption 10.1.1 **Rock sole**~~
- ~~Suboption 10.1.2 **Yellowfin sole**~~
- ~~Suboption 10.1.3 **Flathead sole**~~
- ~~Suboption 10.1.4 **Alaska Plaice**~~
- ~~Suboption 10.1.5 **Rock sole, yellowfin sole, flathead sole in aggregate**~~
- ~~Suboption 10.1.6 **Rock sole, yellowfin sole, flathead sole, and Alaska Plaice in aggregate**~~

**Option 10.2 ~~Options for determining utilization threshold for each species or complex (Council must select one from each of the following suboptions in order to establish utilization threshold):~~**

- ~~Suboption 10.2.1 **Average threshold percentage will be based on:**~~
  - ~~a. **Total catch**~~
  - ~~b. **Retained catch**~~
- ~~Suboption 10.2.2 **Threshold percentage of average catch will be:**~~
  - ~~a. **100%**~~
  - ~~b. **125%**~~
  - ~~c. **150%**~~
- ~~Suboption 10.2.3 **Years for determining the average catch will be:**~~
  - ~~a. **1995-1998**~~
  - ~~b. **1995-2002**~~
  - ~~c. **1998-2002**~~
  - ~~d. **2000-2003**~~

**Option 10.3 ~~For yellowfin sole, threshold will be:~~**

- ~~Suboption 10.3.1 **Threshold established in Option 10.2**~~
- ~~Suboption 10.3.2 **One of the following poundage thresholds:**~~

- ~~\_\_\_\_\_ a. 125,000 mt~~
- ~~\_\_\_\_\_ b. 150,000 mt~~
- ~~\_\_\_\_\_ c. 175,000 mt~~

~~Option 10.4 \_\_\_\_\_ Allocate the threshold reserve to the trawl sectors and between AFA and non-AFA sectors using one of following suboptions:~~

~~\_\_\_\_\_ Suboption 10.4.1 \_\_\_\_\_ Catcher vessels at 25% and catcher processors at 75%~~

- ~~\_\_\_\_\_ • Allocations within the catcher vessel sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 24% and non-AFA at 1%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 22% and non-AFA at 3%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 20% and non-AFA at 5%~~
- ~~\_\_\_\_\_ • Allocations within the catcher processor sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 25% and non-AFA at 50%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 37.50% and non-AFA at 37.5%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 50% and non-AFA at 25%~~

~~\_\_\_\_\_ Suboption 10.4.2 \_\_\_\_\_ Catcher vessels at 50% and catcher processors at 50%~~

- ~~\_\_\_\_\_ • Allocations within the catcher vessel sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 47% and non-AFA at 3%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 45% and non-AFA at 5%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 42.5% and non-AFA at 7.5%~~
- ~~\_\_\_\_\_ • Allocations within the catcher processor sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 12.5% and non-AFA at 37.5%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 25% and non-AFA at 25%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 37.5% and non-AFA at 12.5%~~

~~\_\_\_\_\_ Suboption 10.4.3 \_\_\_\_\_ Catcher vessels at 75% and catcher processors at 25%~~

- ~~\_\_\_\_\_ • Allocations within the catcher vessel sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 72% and non-AFA at 3%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 70% and non-AFA at 5%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 67.5% and non-AFA at 7.5%~~
- ~~\_\_\_\_\_ • Allocations within the catcher processor sectors~~
- ~~\_\_\_\_\_ i. \_\_\_\_\_ AFA at 6.25% and non-AFA at 18.5%~~
- ~~\_\_\_\_\_ ii. \_\_\_\_\_ AFA at 12.5% and non-AFA at 12.5%~~
- ~~\_\_\_\_\_ iii. \_\_\_\_\_ AFA at 18.75% and non-AFA at 6.5%~~

~~Option 10.5 \_\_\_\_\_ PSC Transfers:~~

~~\_\_\_\_\_ Suboption 10.5.1 \_\_\_\_\_ (Status quo) PSC may not be transferred.~~



~~Suboption 10.5.2 PSC may be transferred within cooperatives and between operatives in the same sector.~~

~~Option 10.6 Rollover options for yellowfin sole threshold reserve.~~

~~Suboption 10.6.1 No rollover provisions for projected unharvested yellowfin sole threshold reserve.~~

~~Suboption 10.6.2 Any unharvested portion of the yellowfin sole threshold reserve that is projected to remain unused by a specified date shall be reallocated to the other trawl sectors. Further, yellowfin sole rollovers will be hierarchical in nature flowing to the sector most similar to the relinquishing sector before flowing to less similar sectors.~~

#### ~~Issue 4 Eligibility to Participate in a Sector~~

~~Component 11 Except as provided in component 13, a LLP license holder will be determined to be eligible for a given sector if they have proper area, gear, vessel type, and vessel length endorsements and meet minimum legal landings requirements (see the next component) in the years selected from the following:~~

~~Option 11.1 1995-1997~~

~~Option 11.2 1995-2002~~

~~Option 11.3 1997-2002~~

~~Option 11.4 1998-2002~~

~~Option 11.5 1999-2002~~

~~Option 11.6 2000-2002~~

~~Option 11.7 For <60' H&L/Pot CV sector~~

~~a. 1996-June 15, 2004~~

~~b. 1997-June 15, 2004~~

~~c. 1998-June 15, 2004~~

~~d. 1999-June 15, 2004~~

~~e. 2000-June 15, 2004~~

~~f. 2001-June 15, 2004~~

~~g. 2002-June 15, 2004~~

~~Suboption 11.7.1 Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.~~

~~Suboption 11.7.2 Exempt jig vessels from qualifying years.~~

~~Component 12 A holder of a license with the proper endorsements will be determined to be eligible for a given sector if, during the previously specified sets of years the vessel meets the minimum legal landings criteria selected from the following:~~

~~Option 12.1 At least one landing~~

~~Option 12.2 50 MT~~

- ~~Option 12.3~~ — ~~100 MT~~
- ~~Option 12.4~~ — ~~250 MT~~
- ~~Option 12.5~~ — ~~500 MT~~
- ~~Option 12.6~~ — ~~1,000 MT~~
- ~~Option 12.7~~ — ~~For <60' H&L/Pot CV sector~~
  - ~~a. At least one landing~~
  - ~~b. 5 MT~~
  - ~~c. 10 MT~~
  - ~~d. 20 MT~~
  - ~~e. 50 MT~~

~~Suboption 12.7.1~~ — ~~Exempt jig vessels and <60' fixed gear catcher vessels from minimum landings requirements.~~

~~Suboption 12.7.2~~ — ~~Exempt jig vessels from minimum landings requirements.~~

~~Component 13~~ Eligibility to participate in the BSAI Pacific cod fishery for the pot and hook and line vessels greater than or equal to 60' will be based on one of the following options:

- ~~Option 13.1~~ — ~~Requirements established in Components 11 and 12.~~
- ~~Option 13.2~~ — ~~Requirements established in Amendment 67.~~

**Components and Options for Amendment 80.b—Establishment of a Non-AFA Trawl CP Cooperative Program**

**Component 1** Identifies which species will be allocated among to the non-AFA trawl catcher processor sector cooperative under this program to include all groundfish species allocated under Amendment 80A.

~~Option 1.1~~ ~~Include all groundfish species allocated under amendment 80A for which trawling is allowed, except pollock (already allocated to AFA fishery cooperatives).~~

~~Suboption 1.1.1~~ ~~Exclude certain species to prevent allocations that are so small that they preclude persons from harvesting their allocation of species that are typically taken in directed fisheries. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.~~

~~Option 1.2~~ ~~Include only the following target species—Pacific cod, yellowfin sole, rock sole, flathead sole, Atka mackerel, Greenland turbot, Al Pacific Ocean perch. Species could be added or deleted through an amendment process. Allocations of groundfish species that are excluded would be regulated as they are under the status quo.~~

**Component 2** Establishes procedures for reducing prohibited species catch limits for the non-AFA Trawl CPs Sector. *Options selected from this component would be in addition to those PSC options selected in Component 9 from Amendment 80a.*

Option 2.1 No change in overall amount of the current PSC limits.

Option 2.2 Reductions in the PSC limit for halibut is accomplished by taxing in-season non-permanent transfers of PSC within the cooperative. The halibut PSC limit is restored to its original level the following year

Suboption 2.2.1 Transfers of PSC after August 1 are not taxed .

Suboption 2.2.2 Only un-bundled transfers of PSC are taxed.

Option 2.3 Reduce halibut PSC limits by 5% when PSC limits are linked to estimated biomass levels.

**Component 3** Identifies the license holders that are in the non-AFA trawl CP sector which would receive Sector Eligibility Endorsements. (It may be that some license holders identified as part of the sector in Amendment 80a, may not be issued Sector Eligibility Endorsements. License holders that do not meet the criteria identified in this component will not be eligible to participate in the cooperative or open access components of the fisheries included in the program.) Non-AFA qualified license holders with a trawl and catcher processor endorsement would be issued a Sector Eligibility Endorsement that will be attached to that holder's LLP identifying it as a member of the non-AFA Trawl CP Sector. **Only vessels that qualify for a Sector Eligibility Endorsement may participate in cooperatives under this program.**

Option 3.1 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1998-2002

- Option 3.2 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1998-2002
- ~~Option 3.3 Qualified license holders must have caught 500 mt. of groundfish with trawl gear and processed that fish between 1997-2002~~
- ~~Option 3.4 Qualified license holders must have caught 1,000 mt. of groundfish with trawl gear and processed that fish between 1997-2002~~

**Component 4** Establishes the percentage of eligible licenses that must join a cooperative before the cooperative is allowed to operate. **There may be more than one cooperative formed.** No later than December 1 of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year. In order to operate as a cooperative, members, as a percent of eligible LLP licenses with non-AFA Trawl CP endorsement, must be:

- Option 4.1 At least 30 percent
- ~~Option 4.2 At least 51 percent~~
- Option 4.3 At least 67 percent
- ~~Option 4.4 At least 75 percent~~
- ~~Option 4.5 At least 80 percent~~
- ~~Option 4.6 At least 90 percent~~
- Option 4.7 At least 100 percent
- Option 4.8 All less one distinct and separate harvesters using the 10 percent threshold rule.

**Component 5** Determines the method of allocation of PSC limits and groundfish between the cooperative and open access pools.

- Option 5.1 Catch history is based on total catch
- Option 5.2 Catch history is based on total retained catch

**Component 6** Determines which years of catch history are used **for establishing cooperative allocations in the calculation.** The allocation of groundfish between the cooperative and open access pool is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and open access pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component will be indicated on the Sector Eligibility Endorsement which indicates the license holder's membership in the Non-AFA Trawl CP Sector. The aggregate histories will then applied to either the cooperative or the open access pool.

- ~~Option 6.1 1995-2002, but each license holder drops its lowest annual catch during this period~~
- ~~Option 6.2 1995-2003, but each license holder drops its lowest annual catch during this period~~
- Option 6.3 1998-2002, but each license holder drops its lowest annual catch during this period

- Suboption 6.3.1 Each license holder does not drop its lowest annual catch during this period
- Option 6.4 1998-2003, but each license holder drops its lowest annual catch during this period
- Suboption 6.4.1 Each license holder drops two years during this period
- Option 6.5 1999-2002, but each license holder drops its lowest annual catch during this period
- Option 6.6 1999-2003, but each license holder drops its lowest annual catch during this period
- Component 7** Determines if excessive share limits are established in the non-AFA trawl catcher processor sector.
- Option 7.1 There is no limit on the consolidation in the non-AFA trawl catcher processor sector.
- Option 7.2 Consolidation in the non-AFA trawl CP sector is limited such that no single company can hold more than a fixed percentage of the overall sector apportionment history. The cap will be applied across the total allocation to the sector of all species combined. The cap will be applied using the individual and collective rule. Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.
- Component 8** Establishes measures to mitigate negative impacts of the cooperative on fisheries not included in the cooperative program (e.g. fisheries in the GOA).
- Option 8.1 Sideboards for ~~cooperative members~~ the non-AFA trawl CP sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the ~~cooperative non-AFA trawl CP sector~~ and open access pool until such time as these other fisheries are rationalized, when the allocations determined in these newly rationalized fisheries.
- ~~Option 8.2 The cooperative is required to prohibit members in the aggregate from exceeding their maximum percent of harvests in other target fisheries. Sideboards would not be established by regulation. This restriction would be discussed in the annual report of the cooperative submitted to the Council and NOAA Fisheries.~~

#### **Other Elements of Amendment 80b**

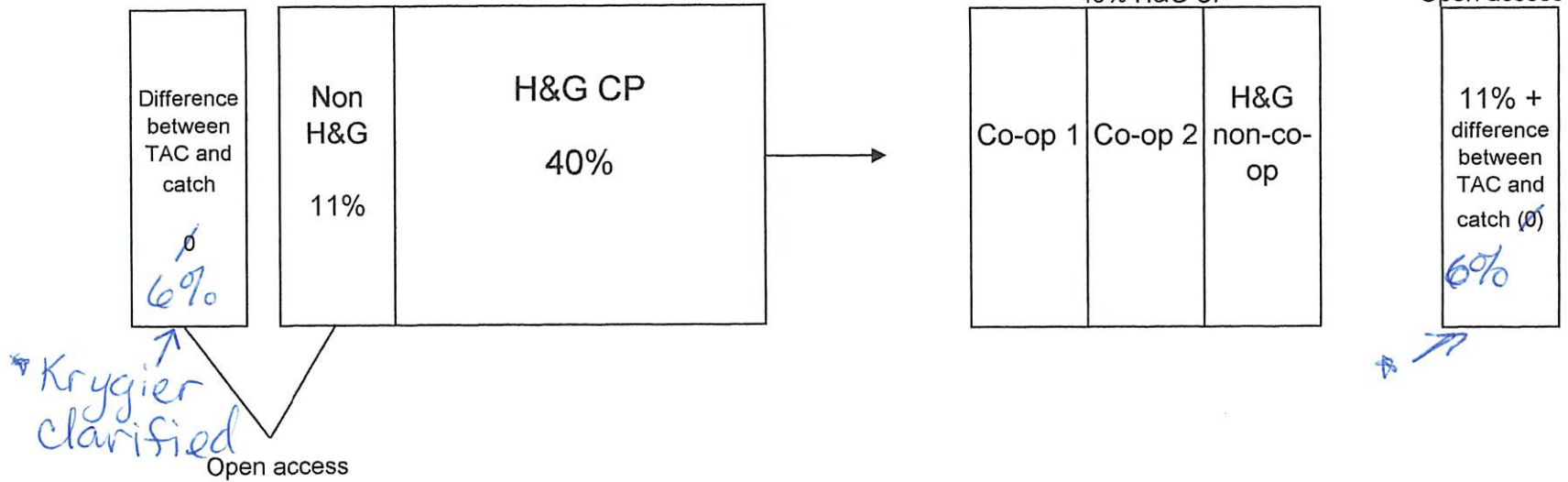
This section provides additional specifics and elements for the non-AFA trawl catcher processor cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b will not supersede pollock and Pacific cod IRIU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) will be applied to the cooperative as an aggregate and on those vessels who do not join a cooperative as individuals. If the cooperative, **in the aggregate**, cannot meet the standard ~~in the aggregate~~ over a period of two years then the standard GRS for the current year would be imposed on individual vessels within the cooperative.

- Non-AFA trawl catcher processor sector participants that elect not to join a cooperative will be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the non-AFA trawl catcher processor sector will need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license will also be enforced such that any new vessel entering the fishery may not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements will be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers must reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser must be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length limitations of the LLP that carries the catch history.
- Any non-trawl or non-BSAI catches by qualified license holders that are considered part of the non-AFA Trawl CP Sector will not be included in the defined cooperative program. In addition, these non-trawl or non-BSAI catches allocated to the non-AFA trawl catcher processor sector would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the non-AFA trawl catcher processor sector will not change as a result of the cooperative program developed in Amendment 80b.
- The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the non-AFA trawl catcher processor sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.
- PSC limits for the following species will be created and allocated between the non-AFA trawl catcher processor cooperative(s) and those sector participants that elect not to join a cooperative.
  - BSAI non-AFA trawl catcher processor multi-species halibut cap consisting of an apportionment of species identified in Component 1.
  - BSAI non-AFA trawl catcher processor multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
  - BSAI non-AFA trawl catcher processor multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for

- the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).
- BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
  - BSAI non-AFA trawl catcher processor multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.
- Bycatch limits for non-specified species or marine resources specifically for this program will not be established. However, should unreasonable bycatch or other interactions occur, specific regulations to minimize impacts will be considered.
  - The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
  - Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council and the non-AFA trawl catcher processor sector should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
  - A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
  - An economic and socioeconomic data collection initiative will be developed and implemented under the Non-AFA Trawl CP Cooperative Program. The collection would include cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. **This program will be similar to the data collection program in the BSAI crab rationalization program.** Details of the collection will be developed in the analysis of the alternatives.

YFS Catch = 51% of ABC



If pollock and cod biomass declines and 70% of the YFS is available under the 2,000,000 mt cap:

YFS Catch = 70% of ABC

