


MEMORANDUM

TO: Council and AP Members
FROM: Chris Oliver 
Executive Director
DATE: September 27, 2004
SUBJECT: CDQ Fisheries Management

ESTIMATED TIME
1 HOUR

ACTION REQUIRED

- a) Status report on analysis of alternatives to modify the management of the CDQ groundfish reserves
- b) Report on CDQ community eligibility
- c) Report on confidentiality of CDQ information submitted to NMFS

Background

- (a) Status report on analysis of alternatives to modify the management of the CDQ groundfish reserves

At the June 2004 Council meeting, NMFS staff presented an initial draft analysis of alternatives to revise the fisheries management regulations for the groundfish CDQ fisheries. These alternatives provided the Council with options to decide which species to allocate among the individual CDQ groups (CDQ group level) versus which species would be managed for all CDQ groups as a whole (CDQ reserve level). In June, the Council requested the addition of two alternatives to the analysis:

1. Allow after-the-fact transfers between CDQ groups during the year. This could allow a CDQ group to cover an overage of its allocated quota.
2. Allow the CDQ groups to manage the harvest of their respective allocations of target species among themselves in a cooperative manner, pursuant to a contract that is filed with the Council, NMFS, and the State of Alaska. This approach would be modeled on the harvest cooperatives that have developed under the American Fisheries Act.

NMFS has not been able to complete a revised analysis incorporating these new alternatives because of the priority of other CDQ-related projects this summer, such as development of two proposed rules related to Amendment 71, the first administrative appeal of a CDQ administrative determination, and the CDQ and Adak-related aspects of the crab rationalization program.

However, NMFS has reformulated the alternatives using a series of issue questions, with options and sub-options, to include the two new alternatives and to help clarify and better organize the analysis. The

reformulated alternatives were sent to the Council for review on September 21, 2004, and are provided as Attachment C-5(a)(1). NMFS will present the list of issues and options at this Council meeting and answer any additional questions that the Council may have about the analysis.

In addition, in late August, the Council received a copy of a letter from one of the CDQ groups, Aleutian Pribilof Island Community Development Association (APICDA), to NMFS.¹ The letter relates APICDA's concern regarding an overage of Greenland turbot CDQ by the F/V *Seafisher* in the Aleutian Islands. Upon confirmation from the North Pacific Groundfish Observer Program that the observer followed appropriate sampling protocol to obtain the species composition estimates of the haul in question, APICDA requested that NMFS allow the substitution of the *Seafisher*'s estimate of Greenland turbot catch for the observer's estimate in this specific haul. The rationale for this request is outlined in APICDA's letter, provided as Attachment C-5(a)(2). NMFS' response to this letter confirms the use of observer estimates as the basis for CDQ catch accounting and is provided as Attachment C-5(a)(3).

The APICDA letter references the Council's plan to review an amendment that would allow a CDQ group to continue fishing following an overage, providing the group secures sufficient CDQ to cover the overage prior to the end of the year. This is one of the two new alternatives added to the analysis described above, to modify the management of the CDQ groundfish reserves. Given that the Council recommended further analysis and review prior to releasing the document for public review, it may be appropriate to also discuss the schedule at this meeting.

(b) Report on CDQ community eligibility

The 1996 amendments to the MSA inadvertently created an inconsistency between the community eligibility criteria for the CDQ Program in the MSA and the community eligibility criteria in NMFS regulations at 50 CFR part 679. The eligibility criteria in NMFS regulations have been used to establish community eligibility since 1992. Section 305(i)(1)(B) of the MSA provides six eligibility criteria, all of which must be met by a community to be eligible for the CDQ Program. NMFS regulations include these eligibility criteria, but also state that a community can be eligible for the CDQ Program if it is listed on Table 7 to 50 CFR part 679. At least one community (King Salmon) was recognized by the Council to not meet the eligibility requirements for the CDQ Program, but was authorized to participate in the program in 1992 by being listed in Table 7.

In a legal opinion dated August 15, 2003, NOAA GC advised that NMFS regulations must be revised to be consistent with the MSA and that the eligibility status of all 65 communities currently participating in the CDQ Program must be reviewed to ensure consistency with the MSA eligibility criteria. At the October 2003 meeting, the Council was advised of the need for rulemaking to resolve the inconsistency between NMFS regulations and the MSA. The Council concurred, and recommended that staff develop a draft analysis to this effect, unless an act of Congress made this review unnecessary.

In a letter dated November 26, 2003, Senator Lisa Murkowski requested that NMFS "refrain from any actions which might aggravate the issue and make it more difficult to reconcile the technical requirements for eligibility with the clear spirit of the program itself." The Senator's letter stated that Congress would address the issue in 2004. NMFS agreed to suspend work on proposed regulatory revisions to resolve the

¹Letter from Larry Cotter, CEO of APICDA to Dr. James Balsiger, Regional Director, AKR NMFS. August 25, 2004.

inconsistency with the MSA and noticed the Council of this approach. Senator Murkowski introduced a bill to resolve the inconsistency (S. 2197) and Congressman Don Young included the provision in two bills (H.R. 3645 and H.R. 3550). At this time, none of these bills have passed.

The allocation of quota among the six CDQ groups depends on NMFS' ability to identify all eligible communities and not allocate quota to communities ineligible for the program. As long as community eligibility is in doubt, NMFS' administrative determination about CDQ allocations is vulnerable to legal challenge. NMFS staff will provide an update on CDQ community eligibility issues at this meeting.

(c) Report on confidentiality of CDQ information submitted to NMFS

NMFS will report to the Council about recent questions regarding the confidentiality status of documents submitted to NMFS by the CDQ groups. These documents include the Community Development Plans (CDPs), amendments to the plans, and annual and periodic reports. NMFS is providing a status report so that the Council and public are aware of the issue. At this time, NMFS is not requesting that the Council take action to initiate an analysis for a regulatory amendment.

In June 2004, NMFS received a request from one of the CDQ groups to read the CDPs for the other five CDQ groups. The purpose of this request was to assist the group in preparing legal arguments for its administrative appeal of NMFS's decision to disapprove two CDQ projects it had proposed. The CDPs contain confidential information. Sustainable Fisheries Division staff informed the requester that they would release only the information that was not marked "confidential" by the CDQ group that had submitted the CDP. However, because neither the State nor NMFS had made a legal determination about the confidentiality status of the CDPs, because some CDQ groups did not consider the information in question confidential, and because there was no clear reason why the information should be considered confidential, the Office of Administrative Appeals ruled that some of the information requested could be released.

Generally, such determinations are made in response to a Freedom of Information Act (FOIA) request. Although a FOIA request was not made in this case, the request from the CDQ group stressed the need for NMFS to clarify the confidentiality status of the CDPs, amendments to the CDPs, and other annual and periodic reports that the CDQ groups are required to submit to the State of Alaska and NMFS. NMFS expects to receive similar requests for information that either NMFS or the CDQ groups consider confidential during administrative appeals of the 2006 - 2008 CDQ allocations that may occur between June and December 2005. Thus, resolution of the confidentiality status of CDQ documents could require a regulatory amendment in the future.



**UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration**

*National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668*

**AGENDA C-5(a)(1)
OCTOBER 2004**

September 21, 2004

Stephanie Madsen, Chair
North Pacific Fishery Management Council
605 W. 4th Avenue, Suite 306
Anchorage, Alaska 99501

RECEIVED
SEP 23 2004
N.P.F.M.C.

Re: Agenda C-5(a)
Analysis of alternatives for management of the groundfish CDQ fisheries.

Dear Ms. Madsen:

At the June 2004 North Pacific Fishery Management Council (Council) meeting, NMFS staff presented an initial draft analysis of alternatives to revise the fisheries management regulations for the Community Development Quota (CDQ) Program groundfish fisheries. These alternatives provided the Council with options for which species to allocate among the individual CDQ groups versus which species would be managed as incidental catch for all CDQ groups as a whole. The Council requested the addition of the following two alternatives to the analysis:

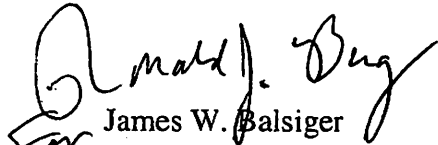
1. Allow after-the-fact transfers between CDQ groups during the year. This could allow a CDQ group to cover an overage of its allocated quota.
2. Allow the CDQ groups to manage the harvest of their respective allocations of target species among themselves in a cooperative manner, pursuant to a contract that is filed with the Council, NMFS, and the State of Alaska. This approach would be modeled on the harvest cooperatives that have developed under the American Fisheries Act.

Unfortunately, we have not been able to complete a revised analysis incorporating these new alternatives because of the priority of other CDQ-related projects this summer, such as development of two proposed rules related to Amendment 71, the first administrative appeal of a CDQ administrative determination, and the CDQ- and Adak-related aspects of the crab rationalization program. However, we have reformulated the alternatives using a series of issue questions, with options and sub-options, to help clarify and better organize the analysis (see attachment). We request that the Council review the revised alternatives to ensure that we have incorporated all of the relevant issues, options, and questions related to CDQ fishing cooperatives and after-the-fact quota transfers.



NMFS staff will discuss this list of issues and options at the October 2004 Council meeting and answer any additional questions that Council members may have about the analysis.

Sincerely,


for James W. Balsiger
Administrator, Alaska Region

Attachment

cc: Greg Cashen, State of Alaska
CDQ groups

Proposed Alternatives to Revise the Fisheries Management Regulations for the Community Development Quota Program Groundfish and Halibut Fisheries

NMFS's preliminary alternatives to amend the management of the CDQ reserves, which were presented to the Council at the June 2004 meeting, are being revised to incorporate additional alternatives requested by the Council. NMFS requests that the Council review and comment on the following issues and options to confirm that they represent the full range of alternatives that the Council wants analyzed.

Issue 1: Which BSAI groundfish species or species groups would be allocated to the CDQ Program?

Status quo: All BSAI groundfish species or species groups, except squid.

Option 1.1: All BSAI groundfish species or species groups.
This option would reinstate the 7.5% allocation of the BSAI squid TAC to the CDQ Program, making the allocation and management of squid under the CDQ Program consistent with all other BSAI groundfish TACs .

Issue 2: Which BSAI groundfish species or species groups would be allocated to individual CDQ groups?

All groundfish species and the halibut prohibited species quota (PSQ) allocated to individual CDQ groups are managed with "hard caps," meaning that a CDQ group is prohibited from exceeding its allocation of a given species. If catch by the CDQ group exceeds the amount available for a particular allocation, the CDQ group has an "overage" and faces enforcement action as a result.

Salmon and crab prohibited species quotas also are allocated to the individual CDQ groups, but attainment of these PSQs results in time and area closures, not overages.

Status quo: All BSAI groundfish species or species groups allocated to the CDQ Program, except "other species," are allocated among the CDQ groups. Salmon, crab, and halibut prohibited species quotas also are allocated among the groups.

In 2003, NMFS implemented the Council's recommendation to no longer allocate "other species" to individual CDQ groups.

Option 2.1: Select from the following list of species or species groups that currently are allocated to the CDQ Program. Those selected would continue to be allocated to individual CDQ groups and managed with hard caps.

Pollock	Greenland turbot	Northern rockfish
Pacific cod	Arrowtooth flounder	Shortraker rockfish
Sablefish	Flathead sole	Rougheye rockfish
Atka mackerel	Other flatfish	Other rockfish
Yellowfin sole	Alaska plaice	
Rock sole	Pacific Ocean perch	

Management area designations also may be added to these species or species groups if their TACs are specified by area and the Council wants to handle quota accountability in one area differently than in another area (e.g. BS Pacific Ocean perch vs AI Pacific Ocean perch).

Those groundfish species not selected to be allocated to individual groups would be managed as “soft caps” for all CDQ groups combined based on the following regulations. The concept of “soft caps” described below is what NMFS also refers to as “management at the CDQ reserve level.”

- The CDQ groups would be prohibited from directed fishing for species or species groups that are not allocated among the groups.
- Retention up to the maximum retainable amounts in current regulations would be allowed if the amount allocated to the CDQ Program was sufficient to allow retention. Otherwise, retention of the species or species group by any vessel fishing for any CDQ group would be prohibited at the beginning of each year.
- If retention were allowed, when catch of the species or species group not allocated to individual CDQ groups reached the amount of the CDQ allocation, then:

Sub-option 2.1.1: All vessels fishing for all CDQ groups would be prohibited from retaining the species or species group.

Sub-option 2.1.2: NMFS in-season managers would evaluate the status of the overall TAC for the species or species group and allow continued retention in the CDQ fisheries if it determined that total catch in the CDQ and non-CDQ fisheries combined for the remainder of the year was unlikely to exceed the overall TAC. This sub-option could limit unnecessary discards in species categories that would have enough remaining TAC to support retention in both CDQ and non-CDQ fisheries.

- Catch by all CDQ groups would accrue against the CDQ Program allocation until it was reached and then catch would accrue against the overall TAC for the species. No individual CDQ group would face enforcement action if catch by all CDQ groups combined exceeded the amount allocated to the program.
- If total catch of a species or species group by all sectors (CDQ and non-CDQ) approaches the overfishing limit, NMFS must limit some directed fishery(ies) in order to prevent overfishing. The fisheries that are limited to prevent overfishing is a decision made by the Regional Administrator under in-season management authority at 50 CFR part 679.20.

Issue 3: How could the list of species allocated to individual CDQ groups be changed from year to year?

Status quo: Changes currently are made through regulatory amendments recommended by the Council. In 2003, the Council recommended that “other species” no longer be allocated to individual CDQ groups. This was implemented through a regulatory amendment.

If, under Issue 2, Option 2.1, the Council selected certain species that would be allocated among the CDQ groups and others that would not be allocated among the CDQ groups, then under the status quo for Issue 3, these designations would be implemented through a regulatory amendment. Any future changes to the list of species or species groups that annually would be allocated among CDQ groups would require another regulatory amendment.

Option 3.1 The list of species or species groups allocated to individual CDQ groups could be specified annually as part of the groundfish specifications process.

This would allow the Council to recommend which CDQ species should be allocated among CDQ groups and managed with “hard caps” on an annual basis rather than conducting the lengthy rulemaking process for each change. It could more readily take into consideration annual biological or economic changes in the BSAI fisheries or the target fisheries in which the CDQ groups wish to engage. On the other hand, this option has the potential to further complicate the already complicated and time sensitive groundfish specifications process with additional analytical requirements.

Issue 4: Would CDQ groups be allowed to form cooperatives for quota management and quota monitoring purposes?

Status quo: No. Individual CDQ groups are individually accountable for quotas allocated to them.

Option 4.1 One or more CDQ groups could form a cooperative and the CDQ allocations made to individual CDQ groups in the cooperative would be combined into a CDQ cooperative allocation.

The cooperative would be prohibited from exceeding its allocation of all species allocated to the CDQ groups and combined under the cooperative. If the cooperative exceeded its CDQ allocation, enforcement actions would be initiated against the cooperative and the CDQ groups in the cooperative.

CDQ groups must form cooperatives before the fishing year starts. CDQ groups may not leave a cooperative or change cooperatives once the fishing year starts.

If a CDQ group joins a cooperative, then all groundfish and prohibited species allocated to the CDQ group would become part of the cooperative's allocation. NMFS would not manage some species for a CDQ group through a cooperative and other species at the CDQ group level. (See question below about halibut CDQ and the CDQ cooperatives.)

A cooperative contract would be required to contain information about the CDQ groups that are members of the cooperative, the vessels that would be fishing on behalf of the cooperative, and the name of the cooperative's agent for service of process (person authorized to receive and respond to any legal process issued in the U.S. with respect to all members of the cooperative).

Questions on Issue 4:

1. The Council or analysts may identify additional elements that NMFS would need in a CDQ cooperative contract.
2. Special consideration may be needed for how halibut CDQ allocations would be managed under CDQ cooperatives. Halibut CDQ could be excluded from those species allocated to CDQ cooperatives. Vessels less than 60' LOA that are halibut CDQ fishing probably could be excluded from CDQ cooperatives, because they generally operate completely independently from the multispecies groundfish CDQ fisheries. However, all groundfish incidental catch by vessels equal to or greater than 60' LOA that are halibut CDQ fishing currently is required to be accounted for against the CDQ groups' groundfish CDQ allocations. The analysis would need to examine how the halibut CDQ catch and the incidental catch of groundfish by these larger vessels would be accounted for under the CDQ cooperative option.

Issue 5: When could CDQ species allocated to individual CDQ groups be transferred among the CDQ groups (or among CDQ group cooperatives)?

Status quo (current): The CDQ groups may transfer annual amounts of groundfish CDQ among the groups at any time during the year and may transfer prohibited species quota only during the month of January and only together with groundfish CDQ. A CDQ group is prohibited from transferring quota after it has an overage in the particular quota category. Section 679.30(e) currently states that "NMFS will not approve transfers to coverage overages of CDQ or PSQ."

Status quo (expected by early 2005):

Under a proposed rule that will be published in the fall of 2004 (based on recommendations the Council made under BSAI Amendment 71, Issue 8), the CDQ groups would be allowed to transfer annual amounts of CDQ or PSQ at any time during the year. However, the prohibition against transfers to cover overages will remain in NMFS regulations.

Option 5.1 The CDQ groups may transfer annual amounts of groundfish CDQ and PSQ among the groups at any time during the year (this option would continue this element of status quo).

The prohibition against transferring CDQ from one CDQ group to another CDQ group to cover overages of groundfish CDQ allocations in § 679.30(e) would be removed.

Compliance with the requirement to not exceed any of a CDQ group's groundfish CDQ allocations would be assessed by NMFS at the end of the year rather than continuously during the year.

Questions on Issue 5:

1. The Council's motion for this new alternative refers to "after-the-fact" transfers of "CDQ." Did the Council intend to restrict this alternative to transfers of groundfish CDQ only, or did it intend for NMFS to also analyze the option of allowing "after-the-fact" transfers of prohibited species quota for halibut, salmon, and crab?

Analysis of this option would require consideration about how after-the-fact transfers would apply to salmon PSQ or crab PSQ because attaining these allocations results in time and area closures, but do not currently result in "overages."

2. The analysis should consider whether NMFS would have to curtail the CDQ fisheries if it observed that a CDQ group was continuing to fish after all CDQ groups had reached their allocation of a particular species. This would mean that continued catch by any CDQ group of this particular species could not be covered by a transfer at the end of the year, because no CDQ group would have quota to provide for such transfers.



Aleutian Pribilof Island Community Development Association

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□ Unalaska Office: P.O. Box 208 • Unalaska, Alaska 99685 • (907) 581-5960 • Fax (907) 581-5963

August 25, 2004

Dr. James Balsiger, Regional Director
Alaska Region, National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668


Dear Dr. Balsiger:

Earlier this week, the F/T *Seafisher* was harvesting CDQ Atka mackerel for APICDA in area 542. Observer sampling of Haul #423 showed an incidental harvest of 13.464 mt of Greenland turbot. APICDA's total Aleutian Islands CDQ Greenland turbot allocation for 2004 is 10.200 mt. In combination with previous year-to-date incidental bycatches of Greenland turbot, the harvest in Haul #423 brought the total year-to-date harvest of AI CDQ turbot to 17.019 mt, for an overage of 6.819 mt. As a result, all APICDA CDQ fishing activity which requires Greenland turbot as bycatch is now closed. This includes all of our remaining 541, 542, and 543 Atka mackerel and Pacific Ocean Perch, as well as our AI sablefish CDQ.

Attached is a fact sheet on Haul #423. To my knowledge, there is no dispute between the observer, the Observer Program, or the vessel regarding the statements contained therein. The Observer Program has concluded the observer acted properly and followed appropriate program protocol. We concur. The issue now rests with NMFS Sustainable Fisheries.

It appears undisputed that the observer's extrapolation overestimated the amount of Greenland turbot harvested in Haul #423 by approximately 7.131 mt. This was the result of the sampling technique employed, in this case where eight samples were taken from the first ten tons of the 135 mt haul. We believe the observer program acknowledges that such disproportionate sampling techniques may result in inaccurate estimates on a haul by haul basis. For that reason (as noted on the fact sheet), the observer (a "lead" observer) contacted the program manager after he commenced sampling to request a change in protocol. The request was granted for the next haul (which has not occurred), but declined for Haul #431 since sampling was already in progress.

Normally, we would not send you a letter regarding an overage. However, in this instance, we believe there are compelling reasons APICDA should be allowed to use the retained Greenland turbot catch (100% was retained and processed) round weight equivalent (using NMFS PRRs) as opposed to the observer's estimate. The reasons include the following:

Dr. James Balsiger
August 25, 2004
Page 2

- The observer's estimate is inaccurate.
- Use of the observer's estimate will result in an overage of APICDA's CDQ Greenland turbot allocation, thereby prohibiting APICDA from harvesting any CDQ which requires Greenland turbot as bycatch.
- The loss of CDQ harvests for APICDA in the Aleutian Islands will be in excess of \$30,000 in Atka mackerel and Greenland turbot royalties alone, with an additional loss in excess of \$200,000 in royalties, labor, and profit associated with our now foregone Aleutian Islands sablefish CDQ.
- The loss of APICDA's Atka mackerel and Pacific Ocean Perch CDQ harvests will be in excess of \$500,000 gross sales to the *Seafisher*.

We note the North Pacific Fishery Management Council will be taking final action on a plan amendment at its October meeting that, if approved, would allow a CDQ group to continue fishing following an overage without being in violation, providing the group secures sufficient amounts of the particular species to cover the overage prior to the end of the year. While that amendment would not rectify problems associated with the accuracy of observer estimates, it does provide an indication that the Council recognizes the occasional inevitability of overages and wishes to provide some flexibility to a current inflexible program.

The facts in this instance argue in favor of allowing APICDA to use the PRR round weight equivalent of the turbot harvested in Haul 423. To deny this request would be to impose an injustice upon APICDA, its member communities and residents, and the *F/T Seafisher*. To base such a decision on a clearly inaccurate weight "estimate" would be a pity.

Finally, time is of the essence. The *F/T Seafisher* is idle.

Sincerely,


Larry Cotter, CEO

Cc: APICDA Board of Directors
State of Alaska CDQ Team
North Pacific Fishery Management Council
Nancy Kercheval/Tim Meintz, *F/T Seafisher*

From the F/T Seafisher: 8-25-04

Facts on Haul # 423

1. Basket sample method was used to collect species composition
 - 8 baskets were collected
 - Total sample 323.54 kg
2. Partial sample was done for PSC
 - Started at 0 kg – 10,000 kg
 - Started at 33,308 kg – 72,831 kg
 - Total of 49,523 kg
3. Eight basket samples were done in the first 10 tons of 134.899 tons net.
4. Total round weight 100% retention of Greenland turbot = 6.333 mt
5. Total of the observer extrapolation weight for Greenland turbot = 13.464 mt, slightly over double the amount
6. The difference is 7.131 mt

3 Points to Review

1. The observer feels that the nets were not well represented due to small sample and they called Russ Seither to request to change their protocol during this net. It was rejected because they already started their sampling.
2. We were retaining 100% of our Greenland turbot and the observer can attest to that.
3. We retained all the Turbot and the observer data is 112% higher than our actual retained round weight amount.

Solution

Substitute the observer extrapolation weight for the whole haul weight, which is our retention weight of 6.333 mt of Greenland turbot.

Note: What triggered the observer to question his (Neil) sampling method is because we brought up the extrapolation weight difference for Dusky in the previous net: retained weight of Dusky = 126 kg, and the observer extrapolation weight was 1,132 kg.

**UNITED STATES DEPARTMENT OF COMMERCE**
National Oceanic and Atmospheric Administration*National Marine Fisheries Service*
P.O. Box 21668
*Juneau, Alaska 99802-1668*AGENDA C-50
OCTOBER 2004

September 2, 2004

Larry Cotter, CEO
Aleutian Pribilof Island Community Development Association
234 Gold Street
Juneau, Alaska 99801

Dear Mr. Cotter:

Thank you for your August 24, 2004, letter regarding the Community Development Quota (CDQ) harvest by the F/V SEAFISHER in the Aleutian Islands. You requested that NMFS allow the Aleutian Pribilof Island Community Development Association (APICDA) to substitute the SEAFISHER's estimate of Greenland turbot catch for the observer's estimate of turbot catch in haul 423, which was made on August 23, 2004. Using standard product recovery rates, you calculated that round weight equivalent of turbot was 6.333 metric tons (mt). The observer's estimate was 13.464 mt. Using the observer's estimate for catch accounting purposes would mean that APICDA exceeded its 2004 Aleutian Islands turbot CDQ.

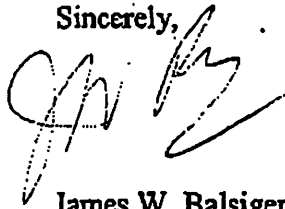
You raise certain concerns regarding the overage of APICDA's Greenland turbot allocation and the associated loss of revenue to APICDA and the F/V SEAFISHER if APICDA is unable to continue fishing in the Aleutian Islands subarea this year. However, as you also stated, the Observer Program confirmed that the observer followed appropriate sampling protocol for haul 423. Observer estimates are used as the basis for CDQ catch accounting. These catch accounting procedures are in regulations at 50 CFR 679.32, and APICDA agreed to use these catch accounting procedures in its Community Development Plan. The development of these procedures was based on a fisheries management decision that the CDQ Program requires independent, verifiable, timely, and enforceable estimates of catch weight. Observer estimates for species composition and catch weights meet these criteria. Therefore, we are using the observer's estimates for species composition for all CDQ hauls on the F/V SEAFISHER, including haul 423.

We acknowledge that the North Pacific Fishery Management Council has tasked staff to develop an analysis of alternatives that would allow CDQ groups more flexibility in addressing overages of CDQ. The time frame for Council action and implementation of an alternative accounting program is uncertain and does not warrant a change in our management of CDQ at this time.



We appreciate your frustration in facing an untimely overage of your Greenland turbot CDQ and hope to seek your input as we work toward a long term approach for enhanced flexibility in management of CDQ.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Balsiger', written over a dotted line.

James W. Balsiger
Administrator, Alaska Region

Public Testimony Sign Up Sheet

Agenda Item C5-CDQ

	NAME (PLEASE PRINT)	AFFILIATION
1	Gerry Davis	YDFDA - CDQ group
2	DON MITCHELL	NSEDC
3	XXXXXXXXXX	XXXXXXXXXX
4	EUGENE ASIKLSIK	NSEDL
5	SIMON KINDEEN	NSEDC
6	ERIK OLSON	BRADC
7	Phillip Kostinoff	CBSEA
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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.

MS CDQ/PSQ Annual Allocation Matrix 2004

National Marine Fisheries Service
Alaska Regional Office
Community Development Quota Program



CDQ Group Allocations/Amounts

CDQ Reserve Category	Amount	APICDA		BBEDC		CBSFA		CVRF		NSEDC		YDFDA		Totals	
		%	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%	Amount
BS Pollock	149,200.000	14	20,888.000	21	31,332.000	5	7,460.000	24	35,808.000	22	32,824.000	14	20,888.000	100	149,200.000
Pacific Cod	16,163.000	15	2,424.450	21	3,394.230	9	1,454.670	18	2,909.340	18	2,909.340	19	3,070.970	100	16,163.000
BS FG Sablefish	290.000	15	43.500	20	58.000	16	46.400	0	0.000	18	52.200	31	89.900	100	290.000
AI FG Sablefish	465.000	14	65.100	19	88.350	3	13.950	27	125.550	23	106.950	14	65.100	100	465.000
BS Sablefish	109.000	21	22.890	22	23.980	9	9.810	13	14.170	13	14.170	22	23.980	100	109.000
AI Sablefish	58.000	26	15.080	20	11.600	8	4.640	13	7.540	12	6.960	21	12.180	100	58.000
WAI Atka Mackerel	1,550.000	30	465.000	15	232.500	8	124.000	15	232.500	14	217.000	18	279.000	100	1,550.000
CAI Atka Mackerel	2,333.000	30	699.900	15	349.950	8	186.640	15	349.950	14	326.620	18	419.940	100	2,333.000
EAI/BS Atka Mackerel	843.000	30	252.900	15	126.450	8	67.440	15	126.450	14	118.020	18	151.740	100	843.000
Yellowfin Sole	6,456.000	28	1,807.680	24	1,549.440	8	516.480	6	387.360	7	451.920	27	1,743.120	100	6,456.000
Rock Sole	3,075.000	24	738.000	23	707.250	8	246.000	11	338.250	11	338.250	23	707.250	100	3,075.000
BS Greenland Turbot	203.000	16	32.480	20	40.600	8	16.240	17	34.510	19	38.570	20	40.600	100	203.000
AI Greenland Turbot	60.000	17	10.200	19	11.400	7	4.200	18	10.800	20	12.000	19	11.400	100	60.000
Arrowtooth Flounder	900.000	22	198.000	22	198.000	9	81.000	13	117.000	12	108.000	22	198.000	100	900.000
Flathead Sole	1,425.000	20	285.000	21	299.250	9	128.250	15	213.750	15	213.750	20	285.000	100	1,425.000
Other Flatfish	225.000	26	58.500	24	54.000	8	18.000	8	18.000	8	18.000	26	58.500	100	225.000
Alaska Plaice	750.000	14	105.000	21	157.500	5	37.500	24	180.000	22	165.000	14	105.000	100	750.000
BS Pacific Ocean Perch	106.000	17	18.020	21	22.260	6	6.360	21	22.260	19	20.140	16	16.960	100	106.000
WAI Pacific Ocean Perch	389.000	30	116.700	15	58.350	8	31.120	15	58.350	14	54.460	18	70.020	100	389.000
CAI Pacific Ocean Perch	219.000	30	65.700	15	32.850	8	17.520	15	32.850	14	30.660	18	39.420	100	219.000
EAI Pacific Ocean Perch	229.000	30	68.700	15	34.350	8	18.320	15	34.350	14	32.060	18	41.220	100	229.000
→ Northern Rockfish	375.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
→ Shortraker Rockfish	39.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
→ Roughey Rockfish	15.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
BS Other Rockfish	35.000	21	7.350	19	6.650	7	2.450	17	5.950	17	5.950	19	6.650	100	35.000
AI Other Rockfish	48.000	21	10.080	18	8.640	8	3.840	17	8.160	17	8.160	19	9.120	100	48.000
→ Other Species	2,040.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000

PSQ Reserve Category	Amount	%	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%	Amt	%	Amount
Zone 1 Red King Crab	14,775.000	24	3,546.000	21	3,103.000	8	1,182.000	12	1,773.000	12	1,773.000	23	3,398.000	100	14,775.000
Zone 1 Bairdi Tanner Crab	73,500.000	26	19,110.000	24	17,640.000	8	5,880.000	8	5,880.000	8	5,880.000	26	19,110.000	100	73,500.000
Zone 2 Bairdi Tanner Crab	222,750.000	24	53,460.000	23	51,233.000	8	17,820.000	11	24,503.000	10	22,275.000	24	53,460.000	100	222,751.000
Opilio Tanner Crab	326,250.000	25	81,563.000	24	78,300.000	8	26,100.000	10	32,625.000	8	26,100.000	25	81,563.000	100	326,251.000
Pacific Halibut	343.000	22	75.460	22	75.460	9	30.870	12	41.160	12	41.160	23	78.890	100	343.000
Chinook Salmon	2,175.000	14	305.000	21	457.000	5	109.000	24	522.000	22	479.000	14	305.000	100	2,177.000
Non-Chinook Salmon	3,150.000	14	441.000	21	662.000	5	158.000	24	756.000	22	693.000	14	441.000	100	3,151.000

For additional information on this report, contact:
Inseason Staff, Sustainable Fisheries Division
Phone (907) 586-7228 Fax (907) 586-7465

Prepared on 03/25/04 10:56 AM
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→ Species categories allocated to the CDQ Program, but not allocated among the groups in 2004.

1:35p Agenda C-5(a)
10, October 2004
Sally Pibb HD

Sally Bibb H-O
Oct 10, 2004
1:35pm
Agenda C-5
October 2004

CDQ Program Projects and Priorities

1. Amendments to Community Development Plans (CDPs). Ongoing task and highest priority for staff work because NMFS must issue a decision to approve or disapprove amendments within 30 days of receipt of proposal.

2. Proposed and final rulemaking to reduce requirements for CDQ transfers, eligible vessels, and alternative fishing plans (Issue 8 from Amendment 71).

Anticipated schedule:

Publish proposed rule by November 1, 2004

30 day comment period would end on December 1, 2004

Publish final rule by February 1, 2005

3. Proposed and final rulemaking for Amendment 71a (non-fisheries investments).

Anticipated schedule

Publish proposed rule by December 1, 2004

30 day comment period would end January 1, 2005

Date to publish final rule will depend on extent of public comment. March 1, 2005?

4. 2006-2008 CDQ Allocation Process

Review proposed CDPs starting in November 2004.

State will consult with Council on its recommendations at the April 2005 meeting.

Receive State's allocation recommendations on April 15, 2005

Issue NMFS's initial administrative determination on CDQ allocations on June 1, 2005.

Remainder of 2005 for administrative appeals, if submitted, and final NMFS action.

5. Review of CDQ groups' annual budget reports in December 2004. NMFS decision to approve or disapprove annual budget revisions is due by December 31, 2004.

6. Assist with response to comments and preparation of final rule for CDQ and Adak related aspects of crab rationalization (late Dec 2004 - Jan 2005).

7. CDQ fisheries management analysis - revise initial draft analysis of proposed revisions to the CDQ fisheries management regulations.

Verify the list of alternatives (issues and options) at October 2004 Council meeting.

Present revised analysis for another initial review in either February or April 2005.

8. Amendment 71b - The analysis prepared for the Council in June 2002 must be updated to add additional legal and procedural issues related to role of NMFS and the State in oversight of the CDQ Program. This primarily involves expanded analysis of Issue 3 in Amendment 71 (role of government in oversight).

9. Draft analysis to implement the fee on CDQ allocations required under the MSA.

**COMMERCIAL HALIBUT FISHING
ON ST. PAUL ISLAND WITH
SIMEON SWETZOF, J.R.'S FAMILY AND CREW**



C-6 Pub. Test.
Handout
10-11-04
Simeon Swetzoff, Jr.



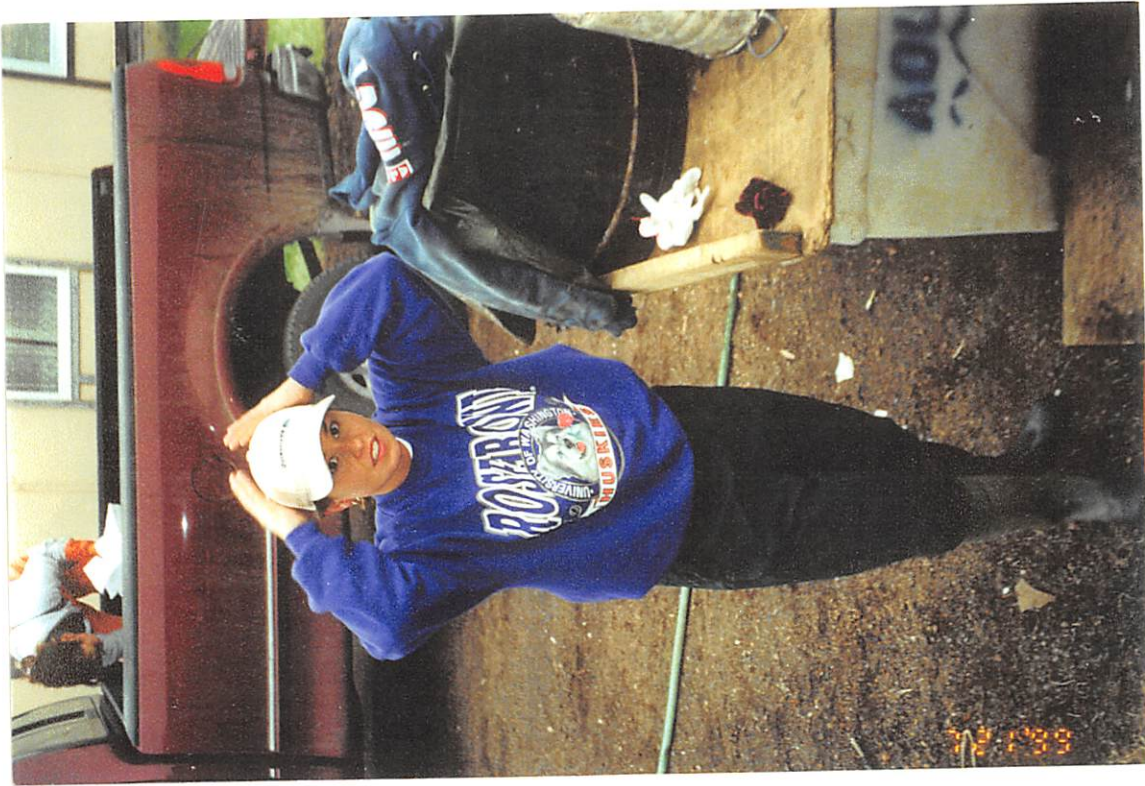
My daughters, Leatha and Marissa, and their friend Effa enjoying a pre-season boat ride.

My 32-foot boat, the Wind Dancer, impatiently waiting for a break in the St. Paul weather.





My daughter, Juanzetta, baiting halibut gear for the next opener.



Leatha gearing up for a long day of baiting.



Neighborhood kids working with the Wind Dancer crew for summer employment.

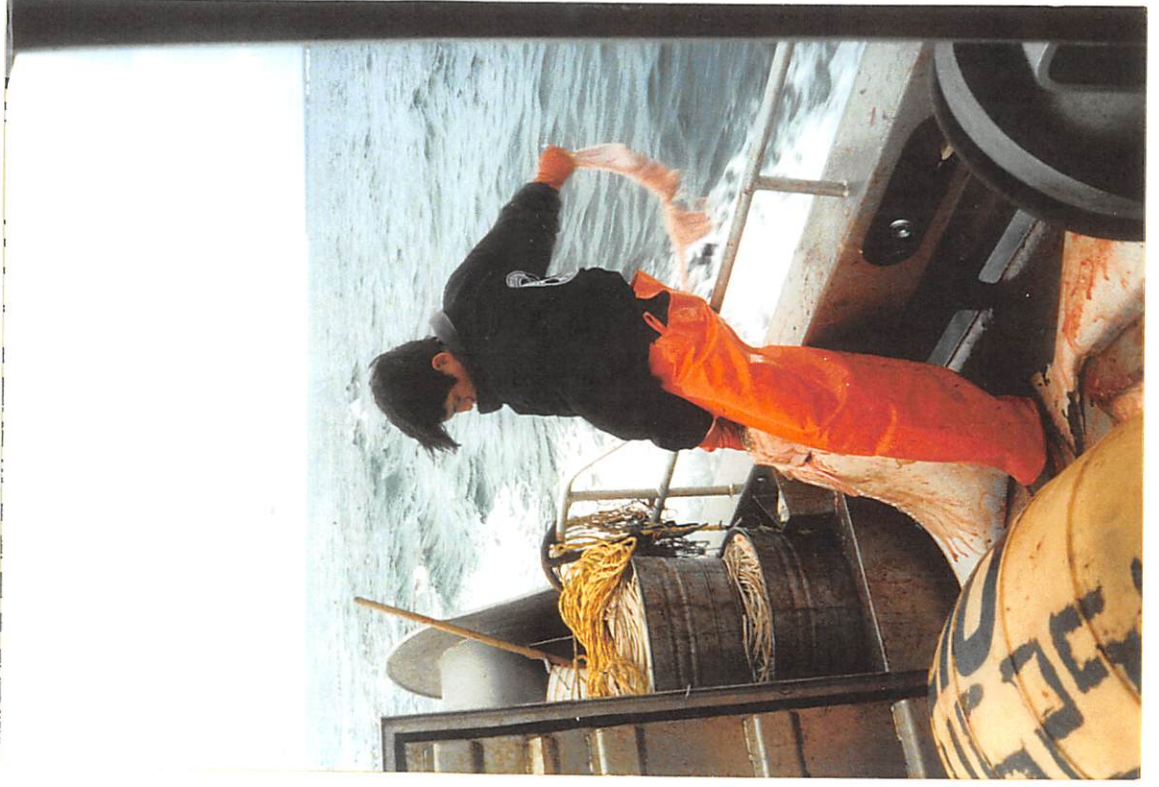
Leatha, Effa, and Juanzetta, the "Master Baiters", working long hours re-baiting gear.





Effa and Leatha clean up while Juazetta jokes with a potential future employee.

My son, Simeon III, gutting while underway to the next set.





Crewmembers, Dino and Ricardo, setting gear.

Former baiter and now greenhorn crewmember Martin learns the trade from the inside out.

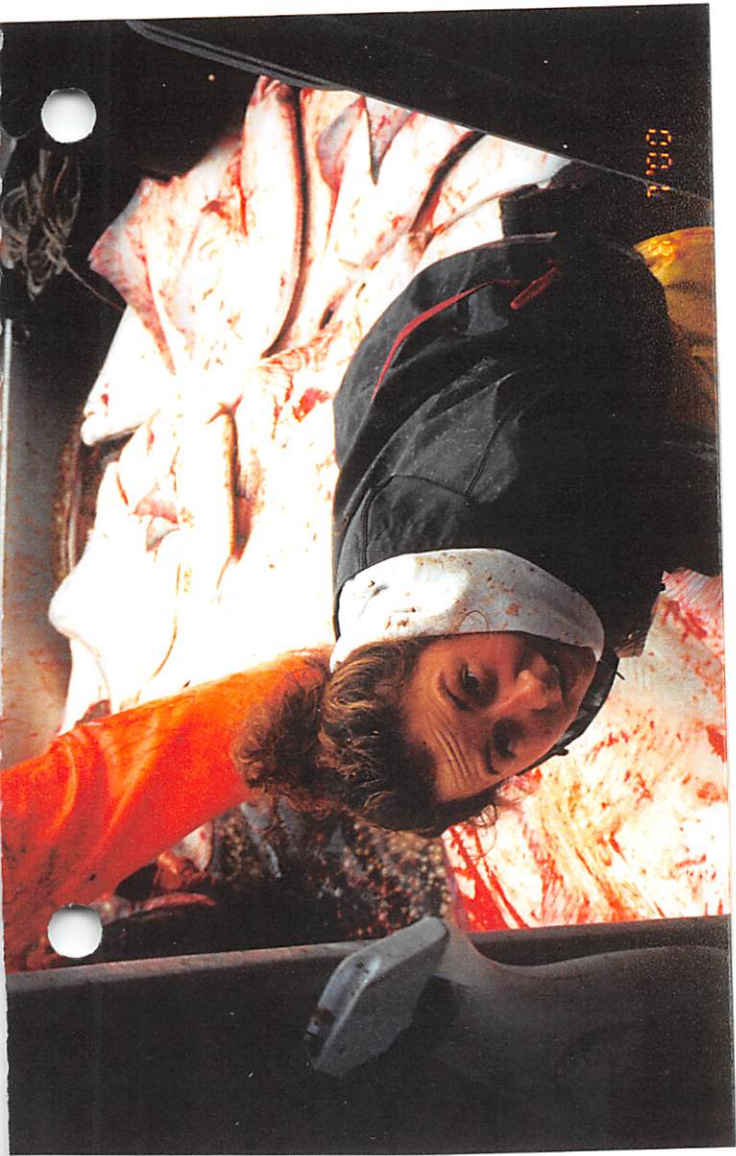




Me, jigging to add to our daily catch while the longline soaks.

Juanzetta and Marissa collecting halibut stomachs for research biologists.





Juanzetta loving her job and a big fish.

Juanzetta gutting after hauling a good set.





Marissa, Juanzetta and I offloading gear to truck back to our house for re-baiting.



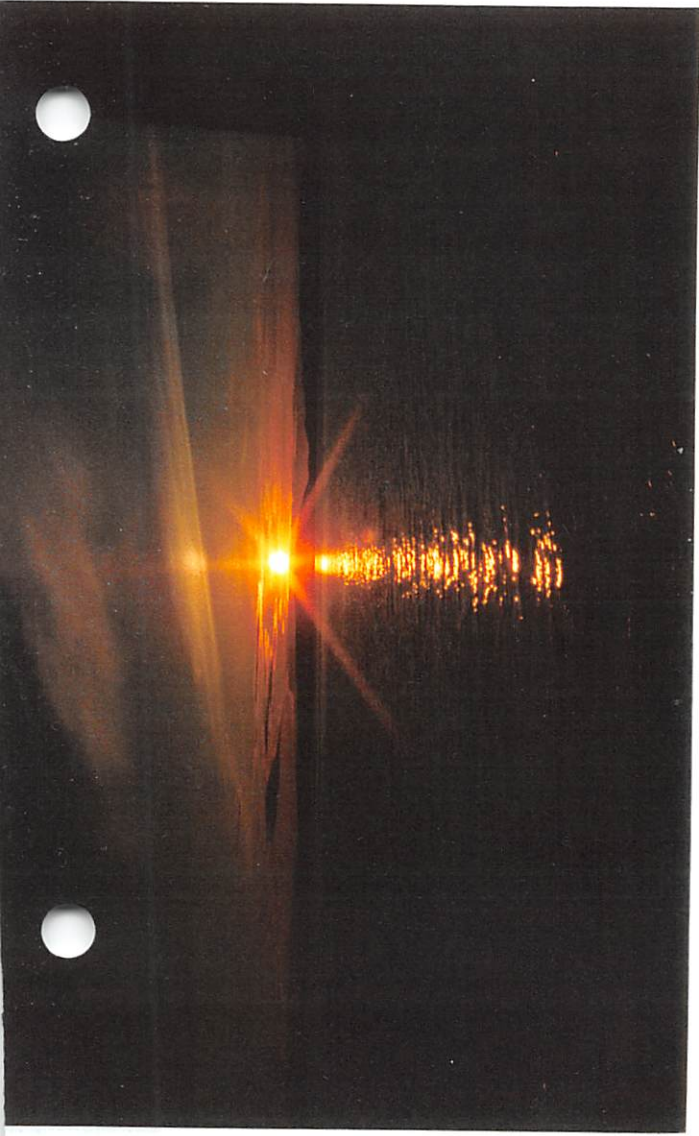
Marissa and I offloading our day's catch.



Juanzetta standing by to set a string.

Juanzetta deep in thought.





Just one of our competitors.



Sunset on the season.