Dan Hull, Chair
North Pacific fishery management Council
605 W 4th Avenue, Suite 306
Anchorage, AK 99501

Re: Agenda Item C-7: GOA Trawl Bycatch Management

October 8, 2014

Chairman Hull:

This letter is in regards to agenda item C 7 for the October 2014 meeting of the North Pacific Fishery Management Council. The undersigned organizations and companies represent a significant portion of the harvesters and processors participating in the Gulf of Alaska trawl fisheries.

Over the past few years the Council has adopted a number of actions to reduce prohibited species bycatch in the Bering Sea/Aleutian Islands (BSAI) and Gulf of Alaska (GOA) fisheries. The Council recently introduced Chinook salmon PSC limits in the GOA pollock and non-pollock fisheries, and adopted measures for reducing halibut PSC caps in the trawl and catcher-vessel fixed gear fisheries in the GOA by 15%. The groundfish trawl fisheries in the Gulf of Alaska do not have the management structure or the tools to fully adapt to these new PSC reductions.

The Council has recognized that there is a need to develop a new management structure whereby fishery participants are able to work cooperatively to adapt fishing practices to accommodate these reduced PSC allocations. Such a structure needs to balance the interests of the catcher processors, catcher vessels, and inshore processors in these fisheries while meeting conservation objectives and preventing harm to communities dependent on the fisheries.

Alaska's trawl industry participants strongly support the Council's continuing effort to design a cooperative management program as described in the Council's April 2014 motion. We believe that the cooperative program is necessary and appropriate for the conservation and management of the fishery, and will provide industry with the tools and management structure necessary to better manage and control bycatch, achieve OY, and provide greater economic stability and opportunity for harvesters, processors, and communities.

SUGGESTIONS FOR THE PRESENT COUNCIL MOTION

There are multiple sections of the discussion document that ask for input with regards to the council motion for a new trawl cooperative program. We offer industry input on selected issues. Our recommendations are incorporated in the April Council motion as amended (see attachment 1).

4. Sector Eligibility

Discussion document (page 31 – 32): If the Council intends that Amendment 80 vessels without a GOA trawl endorsed LLP can participant in the program (i.e. join a cooperative) only by acquiring an eligible license, then the language in Part 4 of the April motion could be revised by inserting "GOA trawl".

Industry response: **The program should only permit vessels with Gulf endorsed licenses to participate in the program.**

In addition, the current eligibility language should be clarified to provide that offshore eligible vessels should be Amendment 80 vessels (as listed in Table 31 CFR Part 679); their replacement vessels; and the current GOA trawl LLP's for the Amendment 80 vessels and their replacement vessels.

5. Allocated species

Target Species – Discussion document (page 76 – 81 in document).

Industry response: To determine which target species should be allocated, additional information and analysis should be sought. Clearly, pollock and Pacific cod should be allocated to the inshore sector. Neither of the species should be allocated to the offshore sector, but they should continue to be managed under MRAs.

Other target species allocations should be decided on a case-by-case basis considering historical harvests and dependence on those targets and potential for the TAC to be fully utilized in the near future. Fisheries that historically closed on TAC, such as the Western Gulf rockfish fishery and West Yakutat Pacific ocean perch, should be analyzed as an additional allocation option in recognition of dependence of historical participants on those fisheries. The analysis should explore and identify likely management complications that would arise in the absence of an allocation in these fisheries.

Fisheries with substantial unharvested TAC or ABC tonnages may not be appropriate for allocation, as leaving those fisheries unallocated may increase incentives for PSC avoidance. In addition, making allocations substantially greater than historical harvest amounts will unjustly reward participants based on relatively small harvest histories. On the other hand, if the future TAC of a species is likely to be fully harvested under the new management program, allocations could be important in preventing a race for that TAC that results in excessive PSC usage. Balancing these various factors will require some consideration of both extended catch histories and historical TACs, as well as some discussion of changes likely to arise under the new management program.

An additional consideration is whether only a portion of a TAC should be allocated for any species. **We do not support such a "hybrid" approach where a portion of the TAC is allocated to historical participants and a portion remains open to any trawl participant.** Such a partial allocation could be intended to provide historical participants with a share of the allocation that represents and acknowledges their historical dependence without over-crediting that dependence, while preserving opportunities for others to build history in the fishery by accessing the share of the fishery that was historically unutilized. Although this approach has some conceptual appeal, whether such allocations can be made in a manner that truly achieves its intended goals is uncertain. First, it is unclear how allocations and the unallocated portions of the fishery would be managed. If historical participants are forced to use their shares prior to fishing the unallocated fishery, those participants may gain nothing but a possible future allocation should the fishery's TAC ever become binding. In addition, if there is potential for the Council to allocate the unallocated portion in the future based on its harvest, the holder of an allocation may perceive a need to race to fish its allocation and a share of the unallocated fish to potentially gain a share of that allocation in the future. Attempting to account for harvests of allocations and unallocated portions of the fishery will be complicated by the cooperative structure. If some members of a cooperative hold allocations and others do not, should cooperative harvests be debited against the allocation or the unallocated share of the fishery?

A possible approach is to allocate few species and plan to revisit the issue of making allocations of other species in the 5 year review. This approach could create a substantial incentive for clean fishing. If TACs appear to be problematic for unallocated species, the Council could decide to make allocations or other program changes at that time.

Based on these criteria the options for species grouping would be as follows for analysis:

Table 1. Target species that meet the available TACs and should be considered for allocation to historical participants or managed under MRA's:

Regulatory Area	Species	Sector	Management
GOA wide	Pollock	inshore	Co-op Allocation
GOA wide	Pollock	Offshore	MRAs
CGOA	Pacific cod	Inshore	Co-op Allocation
CGOA	Pacific cod	offshore	MRAs
WGOA	Pacific cod	inshore	Co-op Allocation
WGOA	Pacific cod	offshore	MRAs
WYAK	Pacific Ocean Perch	inshore	Co-op Allocation or MRAs
WYAK	Pacific Ocean Perch	offshore	Co-op Allocation
WGOA	Pacific Ocean Perch	inshore	MRAs
WGOA	Pacific Ocean Perch	offshore	Co-op Allocation
WGOA	Northern Rockfish	inshore	MRAs
WGOA	Northern Rockfish	offshore	Co-op Allocation

MRAs would be the management choice if co-op allocations are too small to manage along with co-op accountability measures and NMFS management tools. The analysis should also consider whether an ICA should be set aside for rockfish target fisheries to support expanded flatfish harvests in both the WGOA and WYAK areas for both those co-ops that receive a rockfish allocations and those co-ops that do not. Under this approach (modeled after the Bering Sea), a vessel would choose its target fishery within a set time of completing the haul, after which catches would be accounted for out of the rockfish allocation or MRA associated with the flatfish target, depending on the choice of target fishery.

Table 2. Target species with substantial unharvested TAC or ABC; **Options for analysis should include sector allocations or no allocations.**

Regulatory Area	Species
CGOA	Arrowtooth Flounder
WGOA	Arrowtooth Flounder
CGOA	Flathead Sole
WGOA	Flathead Sole
CGOA	Shallow water flats
WGOA	Shallow water flats

Table 3. Target species that may likely be fully harvested under the new management regime for which a race for TAC could occur that would result in excessive PSC usage.

Regulatory Area	Species
CGOA	Rex sole
WGOA	Rex sole
CGOA	Deep Water Flatfish
WGOA	Deep Water Flatfish
WYAK	Dusky Rockfish
WGOA	Dusky Rockfish

Careful consideration and further analysis needs to be performed for these target fisheries to determine the correct treatment.

Rex sole is the most valuable flatfish species in the GOA. In the CGOA there has been increased participation by the inshore sector where catches have increased from 27% of the trawl landings in 2010 to 48% in 2013. Allocating to historical participants only may be perceived as unfair since on average 60 to 70% of the TAC has been harvested. Exclusively allocating to this subset of trawl participants may be perceived as unfair. Leaving a portion of the TAC unallocated most likely will create a race for fish suggesting that the entire TAC needs to be controlled by the co-ops. The analyst should consider these effects to inform treatment of this species and possible allocation methods that balance historical participants and incentives for other participants to prosecute other underutilized species. Analysts could also consider the potential for sector allocations to prevent excessive behavior in one sector from infringing on the other sector.

The Deep Water Flatfish TAC in the WGOA is small (129 mt to 529 mt) while in the CGOA it is more substantial (2,308 mt to 3,919 mt). In both cases little of the available quota has been harvested. Dover sole is the main species in this group and can be effectively targeted if ex-vessel price and markets create a demand. In the early 1990's the inshore sector harvested a substantial portion of Dover sole. There is concern that if the Deep Water flatfish species group is not controlled via the co-ops that a race for fish could occur with the TAC being exceeded and bycatch performance diminished. The analysis should consider whether these concerns are warranted to determine if this species should be allocated or if other management measures may effectively address a potential race for fish or other constraints that could arise from this species. This discussion should balance the objectives of meeting OY and bycatch management.

Dusky rockfish in both the WGOA and WYAK is the final species group that needs special consideration. It is unclear if the species should be fully allocated to historical participants with or without some MRA management measure can address management concerns. The analysis should consider the tradeoffs for the different management options for the objectives of the overall program.

Secondary Species – Discussion document (page 81 –82 in document).

Industry response: Secondary species considered for MRA management, allocation, or cooperative management include sablefish, skates, thornyhead rockfish, shortraker rockfish, rougheye/blackspotted rockfish and other rockfish. Management decisions for these species will require additional analysis. **In all cases, options for analysis should be for management under 1) Current MRA, 2) reduced MRA to control harvests, 3) allocations, and 4) required cooperative measures to control harvests.** If a

secondary species is allocated to historical participants and made available via the cooperative formation structures, directed harvests of these species would be allowed (similar to the CGOA rockfish program) since the co-ops will be held to these species allocations. In addition, the Council should consider whether for certain species where MRA management is maintained and with a history of TAC overages each cooperative would be required to adopt measures to ensure that ICAs are not exceeded, as a prerequisite for cooperative formation.

In general, allocations may be the most limiting because of the constraint arising from overharvest and may not allow for achieving OY.

Future analysis should consider incidental catch rates of these species.

6. Sector allocation of target species, secondary species and PSC

Sector allocations of target species and secondary species (discussion document page 11): "The Council's motion states that sector allocations of target and secondary species will be based on each sector's harvest share during the qualifying period selected. Harvest is defined in regulations as the catching and retaining of any fish. Staff assumes that, as written, this means that at-sea discards will not count toward the percentage of a species that was harvested in each of the two sectors."

Industry Response: **For allocations of target species the analysis should evaluate allocations for each target based on total catch, retained catch with meal, or retained catch without meal should be analyzed.**

In determining the basis for making secondary species allocations, total catch, retained catch with meal, or retained catch without meal should be analyzed. Species that are caught in quantity by multiple gear types must be carefully considered. Species that are managed by MRAs can change management status over the calendar year from bycatch status to PSC status so retained catch may not be a good metric for the needs of the different sectors. In these cases, total catch may be a better metric. For sablefish allocated to the trawl sector, both retained catch and total catch should be considered for possible allocation and management complications arising from allocation of the species should also be considered. Additional information will be required for making these determinations, including incidental catch rates, MRA percentages, maximum retainable tonnages based on catches of basis species and catch status of the fishery. Well-structured analysis of each species may be used to prevent this analysis from becoming excessive.

PCS sector allocations (discussion page 12 – 15): The analysts have approached allocation at the species level rather than at the complex level (deep-water and shallow-water) for two reasons: (1) PSC rates vary by target within each complex, and (2) rollovers to the fifth halibut PSC season (from the CGOA Rockfish Program and from other halibut PSC not used in the previous seasons) – which is not divided between the deep and shallow-water complexes- would need to be assigned to some target fishery. A species-by-species approach makes the allocation of PSC limits more straight forward.

Industry response: **Figure 1 on page 15 shows a division of PSC that recognizes the relative PSC needs of the different sectors in their respective fisheries.** We support this approach for initial allocation understanding that PSC restrictions by area, season and fishery complex are removed and that a

cooperative's PSC apportionment could be used to support harvests in any target fishery in any Gulf area.

At the sector level, Chinook PSC currently apportioned for multispecies groundfish (i.e., non-pollock) is divided based on the recently decided apportionments. In the catcher vessel sector, a set aside is made to the CG Rockfish program based on potential needs of that fishery. The catcher processor apportionment and the remaining catcher vessel apportionments are then divided by area based on the relative PSC usage across areas. Within each area, these apportionments would then be divided based on NMFS target designations further recognizing the different PSC demands in the different target fisheries and of their participants. Use of this methodology will maintain allocations based on historical participation patterns and PSC demands of the different fisheries and their participants

Similarly, halibut PSC would be first apportioned by sector based on relative PSC usage by the sectors. This distribution recognizes current participation patterns and historical demands of the sectors. As with Chinook PSC, within each sector distributions would be made to each management area and then to each target fishery based on historical usage. These distributions recognize historical usage.

The proposed distributions recognize historical PSC demands and usage of current participants in the fisheries. These patterns of usage are consistent with prior distributions of the Council throughout its management programs. Differentiating PSC distributions by sector and management area are important to recognizing not only the different distribution of PSC in those areas and in the different fisheries of the sectors, but also the different distribution of effort by the sectors.

WYAK Chinook allocation: In developing the sector allocations of Chinook salmon for the non-pollock and pollock fisheries, the Council failed to include any limit for Chinook salmon catch for WYAK fisheries. **Since WY catches of Chinook are currently unlimited, industry supports the development of Chinook limit in WYAK trawl fisheries based on historical Chinook catches in the fisheries; This Chinook limit should be apportioned to licenses in the same manner as the prescribed for other PSC limits in figure 1 on page 15.**

Rockfish program rollovers for Halibut and Chinook PSC (page 85): "NMFS in-season will need clear protocols defining to whom unused Rockfish Program PSC is rolled over. The Council could to choose divide all rolled over halibut PSC equally among cooperatives (perhaps accounting for CV and CP cooperatives separately), or it could link the rolled-over halibut PSC to groundfish cooperatives on the basis of whether their member LLPs fished in the Rockfish Program. The latter option would enhance the incentive of vessels fishing under the Rockfish Program to minimize halibut PSC, since their groundfish cooperatives would directly benefit from the rollover."

Industry response: **The rockfish cooperatives will designate which groundfish co-ops shall receive the remaining halibut PSC and Chinook salmon PSC.** Use of this approach will ensure that members who avoid halibut receive any benefit from the rollover.

7. Voluntary Inshore Cooperative structure

With regard to the Council framework for a voluntary cooperative program for the inshore sector, we continue to believe the program should recognize and be founded on historical participation and investments by both harvesters and processors in these fisheries. The analysis of elements and options

should address the principle that the new management structure should not result in devaluation of one sector's investments or capital assets to benefit a different sector. From our perspective, the overall objective should be to develop a program that balances the interests of both sectors, does not erode the assets of either sector, and provides similar opportunities for increased benefits to all participants in these fisheries while meeting conservation goals and community needs.

a. Catcher vessel intra sectoral histories: **In considering qualifying year options in the inshore sector, the Council should consider drop zero year for each set of qualifying years along with drop 1 year for each set.**

Multiple cooperatives associate with the same processor - Discussion document (page 35 – 36): "Though it has not developed a full legal opinion on the matter, NOAA GC suggested that the Council might need to consider whether a single processor could be in more than one cooperative. If a processor is limited to one cooperative, then all eligible CVs whose licenses have that plant as the majority of delivery processor (MDP) could choose only that cooperative and limited access. This could force together CV license holders (harvesters) who would prefer not to be associated with one another. The Council could still choose to limit processors to forming one cooperative, but it would eventually need to state why that is the best way to accomplish the overall goals of the program."

Industry response: **Besides having one co-op associated with a processor analyzed, the analysis should evaluate options for multiple cooperatives to associate with the same processor.** The option that would allow for multiple co-ops should include a minimum threshold of LLPs to form a cooperative to prevent multiple one LLP cooperatives associated with the same processor. The effect of multiple cooperatives versus single cooperatives associated with a processor should be evaluated in comparison to the Council's purpose and need statement including the overall bycatch management objectives. The analysis should also consider the effects of the two options on the relationship between harvesters as well as between harvesters and the associated processor.

Harvesters in separate co-ops by region - Discussion document (page 36): "The Council may wish to consider the implications of including a quota "regionalization" measure if a single license cannot be enrolled in more than one cooperative. If a portion of the catch history on a license with a CGOA MDP is regionalized for the WGOA, then the vessel using that license will have to deliver some of its catch to a processor outside of its cooperative. This requirement might weaken the operational relationship between the harvesting vessel and its cooperative processor, which is key to the improved management goals of the program."

Industry response: **LLPs should be allowed to join a cooperative in any region where the LLP has an appropriate area endorsement and qualifying catch history.** The co-op and the associated processor will be working together to meet the objectives of the new fishery management structure. Being segregated from the other harvesters fishing for that processor within the region by belonging to a different co-op (in the other region) could create two different sets of rules for vessel behaviors fishing for the same processor since the co-op membership agreements and fishing plans may vary by co-op.

e. CV cooperative formation threshold: The inshore sectors supports expanding the co-op formation threshold range from the current range of 51 percent to 80 percent of the LLPs associated with a processor. **The cooperative formation threshold range for analysis should be increased to include up**

to 90 percent of the LLPs associated with a processor. The Council could consider requiring that any LLP have associated Gulf QS to be counted toward meeting the threshold.

e. Community sign off: **We do not believe Community representation is necessary in the co-op contracting negotiations and that sufficient community protections are already incorporated into the proposed program.**

8. Voluntary catcher processor Cooperative structure

a. Catcher processor intra sectoral histories: **In the offshore sector the Council should add qualifying year options to drop 1 year for all year sets, drop 2 years for the 2007-2012 and 2003-2012 year sets, and drop 3 years for the 2003-2012 year set**. These options would provide for contingencies and other disruptions that may have prevented a vessel from participating in fisheries during some of the qualifying years.

b. CP history assignment: **CP history should attach to the LLP assigned to the vessel at the time of implementation of the program. CP allocations should be based on Amendment 80 vessel CP trawl landings during the qualifying years that were both harvested and processed aboard the same Amendment 80 vessel.**

c. Number of entities/LLPs to form a CP cooperative (page 38): The Council motion includes cooperative formation threshold options requiring 2 entities and between 2 and4 LLPs. While these are adequate, **the Council could consider requiring that any LLP have associated Gulf QS to be counted toward meeting the threshold.**

9. Fishery dependent community stability (applies to inshore cooperatives)

a. QS or CQ basis for use caps – Discussion document (page 90 - 91): "Part 9 of the Council's motion provides additional resolution on how CV quota control and use limits – caps on quota holdings and vessel caps are currently envisioned. Given that these measures are part of the Council's approach to fishery dependent community stability, they apply exclusively to inshore sector of the proposed program. The Council's motion is not clear on the units by which quota control, use, and processing caps would be monitored."

Industry Response: Applying caps on quota share holdings and vessel harvests in a multispecies fishery is complicated by the variety of allocations. As noted in the discussion paper, **basing share holdings caps on QS units will simplify the application of caps by removing the potential for TAC changes resulting in a shareholder inadvertently exceeding a cap.**

Vessel harvest caps, likewise, could be set as a share of the available QS then applied to annual harvests based on the tonnage of allocations that are yielded by the QS limit. Applying limits in this manner would similarly prevent a vessel cap from becoming overly constraining or liberal because of changes in the relative TACs of species.

a. Processing caps - Discussion document (page 99): "The Council may wish to consider whether setting processor use caps at the aggregate level, as opposed to the allocated species level, might allow a facility to "corner the market" for a valuable species." (Footnote 52 – page 99) "Secondary species will be regionalized indirectly, since the target species they are harvested in association with may be regionalized."

Industry response: Pollock is the dominant landed species for the trawl industry. Setting caps based on aggregated groundfish could potentially lead to a facility "cornering the market for a valuable species" since other species may be landed in minor amounts compared to pollock. For the CGOA rockfish program, separate processing caps are set for (1) aggregated rockfish species; (2) secondary species Pacific cod; and (3) secondary species sablefish. If the Council chooses to allocate secondary species managed under a cooperative structure and remove the MRA regulations, these species may or may not be delivered in a mixed load as suggested by Council staff. The Council should include the following options for analysis:

1) **Processor caps set based on aggregate groundfish (Council Motion)**
2) **Separate caps for Pollock and cod.**
3) **A cap for all allocated secondary species in the aggregate, with a sub-option for a separate cap for sablefish.**

We do not believe a cap is necessary for flatfish species. **If processors have control of some portion of the PSC then options should be analyzed that include caps on processor controlled PSC as well as no cap on processor controlled PSC.**

b. Regionalization - deliveries requirements - in and out of Kodiak - Discussion document (page 101):
"The Council may want to consider whether quota that is regionalized for the CG (but does not have a port landing requirement, if that option is selected) may be delivered to Kodiak, or whether it must be delivered to CG processors outside of the city of Kodiak".

Industry response: For Pollock and Pacific cod quota that does not carry a Kodiak City port of landing requirement and this quota is regionalized for the CG, **this regionalized (but non-Kodiak City) quota may need to be required to be delivered to the community where that quota was originally delivered if a processor is available to accept these deliveries.** If no processor in that community wants to accept these deliveries, then the quota could be delivered to processors within the region including the city of Kodiak. For other target species that may be allocated, the Council should require a port of Kodiak landing requirement for only that percentage of the 1) ABC or 2) TAC that has been harvested.

10. Transferability

a. (Annual) Full transferability for annual use within the cooperative. Cooperatives can engage in inter-cooperative agreements on an annual basis (page 106) - PSC severability:

The Council's motion could be read to permit annual transfers of PSC, but the discussion paper suggests that question has not been fully decided. **To be clear, annual transfers of PSC are important to ensuring that incentives for improvements in PSC usage are greatest and should be permitted**. These annual transfers are important in any structure that has several cooperatives (as is contemplated by the current structure) to ensure that participants can efficiently distribute efforts in the various target fisheries and realize benefits from PSC allocations. Transferable PSC may also be important to addressing variability in PSC rates in the different target fisheries. In the absence of transferability, substantial declines in PSC rates in one fishery may lead to a substantial decrease in PSC avoidance incentives if participants are unable to transfer PSC to others, particularly if the cooperative has little access to other target species.

b. Long term The LLP is transferrable, with the associated history of the target species: Target species history is severable from a CV trawl license.

Non-severability of CP QS: **CP QS should not be severable from licenses**. Limiting this flexibility is important to maintaining fleet composition.

Use caps for CP sector: With non-severable Gulf CP QS, caps in the GOA may not be necessary and could wind up impeding transfer of Amendment 80 QS in the future.

Further analysis of the interaction of the allocations under this program with those in the Amendment 80 program should reveal that **caps are not needed for the catcher processor sector.**

Program Cooling off period - Discussion document (page 107): "If quota is severable from a license, the Council may wish to consider whether the transfers should be limited to members of the same cooperative for the first two years of the program. The proposed inshore cooperative structure would require that, for the first two years of the program, any license holder that joins a cooperative must be in the cooperative associated with the shoreside processor to which the vessel named on that license delivered a majority of its catch during the qualifying period. If inter-year quota transfers between cooperatives are disallowed during the first two years, sales between members of the same cooperative could be allowed. Alternatively, the Council could only allow intra-year transfers during the first two years."

Industry response: **The inshore sector supports a two year cooling off period before long term transfers of QS can occur for the sector.** This allows time for the historical participants to understand the new management structure versus selling out upon implementation due to concerns about the uncertainty of the new program.

For the offshore sector different rules should apply. Any offshore consolidation will likely occur in a more holistic manner that considers activities in both the Bering Sea/Aleutian Islands and Gulf of Alaska. While the Gulf is important to sector participants, Bering Sea/Aleutian Island interests will have a dominant role in these decisions. Since Amendment 80 has been in effect for several years, it is unlikely that the implementation of this program in the Gulf will stimulate any radical change in ownership interests. Consequently, **no limitation on transferability of QS in the CP sector is merited at the implementation of the program.**

13. Sideboards

Non-exempt AFA CV sideboards limits: Discussion document (page 119): "NMFS AKRO SF staff supports eliminating non-exempt AFA CV sideboards for the target and secondary species considered/chosen by the Council for inclusion in the GOA trawl bycatch management plan. The non-exempt AFA fleet will be distributed across 9 co-ops which will make sideboard management complicated. The AFA sideboard restrictions are vessel based while the proposed new program is licensed based. Implementing caps on quota holdings and use in the new program could be an equally effective means to accomplishing the Council objectives."

Industry response: **Removing the Non-exempt AFA GOA sideboard limits for both the allocated and non-allocated species** is appropriate.

GOA Non-AFA Crab Vessel groundfish Harvest sideboards (page 121): "NMFS AKRO SF staff supports eliminating non-AFA Crab Vessel harvest sideboards for the target and secondary species considered/chosen by the Council for inclusion in the GOA trawl bycatch management plan. The Council could consider retaining the sideboards for pot catcher vessel, as these have historically been the only non-AFA vessel sideboards that are large enough to support a directed fishery. There is only one license trawl that is also endorsed for non-trawl gear with a Pacific cod endorsement for both the WGOA and CGOA."

Industry response: **Removing the Non-AFA crab vessel groundfish harvest sideboards limits for both the allocated and non-allocated species is appropriate.** If the Council is concerned about the one trawl license that can participate in the GOA pot cod fishery then **the Council could consider retaining the sideboards that are applicable to the pot catcher vessel sectors in both the Central and Western GOA.**

*Amendment 80 Sideboard Limits (page 122): "*NMFS AK RO SF staff supports removing/eliminating Amendment 80 sideboards if the Council includes the species subject to Amendment 80 sideboards in the GOA trawl bycatch management program. These species include Pacific cod, Pollock, WGOA POP, WGOA northern rockfish, WGOA dusky rockfish, WYAK POP and WYAK dusky rockfish fisheries. In addition, seasonal halibut PSC limits are established for the deep-water and shallow-water complexes. Amendment 80 GOA flatfish eligibility should be maintained."

Industry response: **Removing/eliminating Amendment 80 sideboards and maintaining Amendment 80 GOA flatfish eligibility is appropriate.**

Central GOA Rockfish Program GOA Sideboards Limits (page 123): "NMFS AKRO SF staff supports removing/eliminating RP restrictions and sideboards if the Council includes the Rockfish Program in the GOA trawl LAPP. Allocating the rockfish species currently subject to either restrictions or sideboards to GOA trawl bycatch management program cooperatives would eliminate the need for such sideboards."

Industry response: **The CGOA Rockfish Program sideboards should be removed even if the Rockfish Program LAPP is not rolled into the GOA trawl bycatch management program, except for West Yakutat where removal of sideboards is contingent on whether WYAK rockfish is allocated. All halibut PSC will be allocated to historical participants so halibut PSC exclusive seasonal sideboards that address halibut PSC usage should be removed for both the CP and CV sector.**

CV Pacific cod / pollock – BSAI/GOA exclusivity/time Stand downs: "Vessels leaving the BSAI to fish in the GOA, and vice versa, are required to offload all fish caught before deploying trawl gear in the other regulatory areas of the GOA. Operators of vessels may not deploy trawl gear until the third day after the date that offloading was completed. Vessels transiting from the Western Regulatory Area to the BSAI are also subject to a 3-day stand down requirement. Vessels transiting for the Central Regulatory Area to the BSAI are subject to a 2-day stand down. Stand down regulations were initially implemented to better manage the fisheries, so TACs were not exceeded."

Industry response: **Stand downs should be removed between oceans to allow for harvest efficiencies for both the GOA and BSAI** since cooperatives will have exclusive harvesting privileges a portion of the TAC for the trawl fisheries across the North Pacific.

Halibut management (page 61): "Many potentially adverse impacts of the present GOA trawl halibut PSC management framework could be avoided or reduced if the PSC limit were apportioned between

trawl cooperatives. Allocating trawl PSC could reduce or eliminate the need for halibut PSC to be divided between vessels targeting species in the shallow-water species complex and those targeting species in the deep water species complex."

Industry response: **All complex and seasonal apportions of halibut PSC should be removed.** The current fishery complex and seasonal apportions of halibut PSC are intended to balance effort and maintain a fair distribution of PSC to participants in the different targets. In a fishery with cooperative allocations, there is no need for maintaining these distributions. With each cooperative receiving both target allocations and PSC apportionments, the participants will have an incentive to preserve PSC for use in the various target fisheries (allocated and unallocated) available to its members.

WYAK Pacific cod sideboards: The Council's April motion directs staff to "consider sideboards for prohibition of directed fishing for Pacific cod in the West Yakutat area with trawl gear". NMFS AKRO SF staff does not support this proposal.

Industry response: **No new sideboards are needed for the WYAK Pacific cod fishery.** The TAC has never been reached in this area and one of the goals of the action is to meet OY.

<u>New Section 16. Maximized retention</u>

Full retention - Discussion document (page 49 – 50): "Retention of all primary, secondary, and salmon PSC would be required for CVs fishing under this program. To ensure that all allocated species make it to the plant, NMFS is considering prohibitions on sorting and discarding groundfish while at sea. However, a broad prohibition on sorting and discarding would necessitate changes to regulations regarding MRAs and would have to incorporate provisions for regulatory discards such as halibut PSC and lingcod during certain times of year."

Industry response: Full retention of all *allocated* primary and secondary species and salmon PSC is a reasonable goal depending on the species allocated and also the ability to modify some of the present SSL restrictions. Full retention of all groundfish catches is not practical. While this section of the document suggests full retention conflicts with current MRA regulations, there are also conflicts with Stellar Sea Lion regulations (retention limits for pollock and cod within haul outs, retention limits after Nov 1st, discard requirements for trip limit and retention limits for both pollock and cod due to directed fishery seasonal structures). Arrowtooth flounder degrades quickly and is unmarketable after 24 to 36 hours; requiring full retention of Arrowtooth could require vessels to deliver large amounts of unmarketable fish.

Allocated target rockfish: **Full retention of all allocated target rockfish should be required for those sectors that receive an allocation.**

WY salmon retention (page 60): **The Council should consider requiring retention of salmon caught in West Yakutat trawl fisheries.** This requirement would mirror regulations in the Central and Western GOA and thus remove confusion for fishermen. The present motion requires any Chinook caught to come off the cooperative Chinook PSC cap so retention would allow for the appropriate monitoring via census accountings.

To accomplish **<u>maximized</u> retention of Pacific cod and Pollock** the following modifications to the present regulations should be considered:

Trip limits (page 59): Consider the effects of revising the trip limits – both the prohibition on landing more than 136 mt during a calendar day and landing more than 136 mt in a fishing trip. To balance the concerns of excessive fleet consolidation, efficiencies and retention requirements, **the analysis should consider revising the trip limit from 136 mt to 159 mt and removing the calendar day landing restriction.** The higher amounts recommended reflect many of the present fleet's tanking capacities. **The analysis should also consider declassifying trip limit violations as SSL violations to a regulatory violation under which violations are more likely to result in the vessel surrendering the excessive catch instead of the large fines currently imposed for SSL violations.**

Seasonal Pollock structure (page 61): **Change the pollock fishery structure from the present four seasons to two seasons: Jan 20 to June 10 and June 10 to Nov 1 with 50% of the pollock allocated to the first season and 50% to the second season for the Central/Western stock.** The allocation of pollock for the first half of the year and second half of the year would not change from current GOA-wide percentages.

Seasonal Pacific cod structure (not discussed in the document): The present Pacific cod A and B seasons are defined as Jan 20 to June 10 and June 10 to Nov 1, with historical catch percentages allowed by season, sector, and regulatory area. Directed fishing for the B season opens on Sept 1. **Change the Pacific cod fishery structure to allow B season directed fishing from June 10 to Nov 1.** The present catch limit for the A and B season would not change and would remain as specified in A83 (GOA sector split).

Nov 1 to Dec 31 prohibition of targeting Pacific cod and Pollock: **Allow directed fishing of pollock and cod from Nov 1 to Dec 31 but require that the co-ops continue to limit each species to their seasonal allocations: for Pollock -- 50% first season / 50% second season for the Central/Western stock and for cod the A/B season split as described in A83.**

Prohibition of directed fishing for both Pacific cod and Pollock within haul outs: (not discussed in the document): We suggest **modifying the current regulations to match those for the modified non-pelagic trawl gear requirements: a trip is considered in the flatfish target is if more than 50% of the landed catch (round pounds) is flatfish (shallow water flatfish, deep water flatfish, arrowtooth, flathead sole, and rex sole in the aggregate).** Retained catch in this instance is what is kept after the vessel has sorted the catch at sea. This standard is more lenient than the present MRA standard for retention for cod and pollock in the flatfish target: 20% or less for the flatfish basis species on a tow-by-tow basis. Additionally, **changing the MRA enforcement period for all fisheries in the GOA to an offload-to-offload basis** will help maximize retention as well (council discussion document to change to "MRA Enforcement Period").

INDUSTRY COMMENTS ON OTHER RECOMMENDATIONS IN THE DISCUSSION DOCUMENT

Inshore Monitoring:

ATLAS requirement - Discussion document (page 50): "The CVs participating in the CGOA Rockfish Program are currently required to provide the computer for the ATLAS software but are not required to provide the ability to transmit data while at sea. Under these regulations, observers enter all their data into the ATLAS software that is installed on a computer provided by the vessel. Once the vessel returns to port to offload catch, the observer downloads their data to a memory stick and transmits the data

from a shore-based computer with internet access at the processing plant. However there can be delays in the availability of the observer data if the observer was unable to get access to a computer. One way to avoid these problems and to increase the timeliness of the data while still minimizing costs to the vessel might be to require processing plants to provide wireless access to the internet at the dock." Industry response: Both transmission options should be available with the processor being allowed to choose between the two options; memory stick with transmission from a shorebased computer or wireless transmission at the dock. Allowing the processor to choose the most reliable transmission method for their facility will improve observer data delivery timelines. While virtually all the processors have wireless access at the dock, in many cases it is not dependable and the ability to connect is influenced by which portion of the dock the vessel is positioned as well as high/low tides.

Processor 200% observer coverage - Discussion document (page 51 – 52): "Additional tools would be needed if the Council recommends transferrable allocations of Chinook salmon PSC that are based on a census count at the processing plant. To support A91 in the Bering Sea, shoreside processors are also required to have 200% observer coverage so that all deliveries can be monitored and that the entire offload for each delivery can be monitored to sort and sample salmon. The same provision would apply in order to implement transferable salmon PSC in the GOA that is based on a census."

Industry response: The GOA processors are not of the same size and scale as in the Bering Sea and the expense of 200% observer coverage along with other costs of processor monitoring would be excessive. The costs of monitoring could prevent new processors from entering the fishery or cause consolidation of the present processor participants. The Council should explore a different combination of monitoring tools for GOA processors that include expanding the shorebased Catch Monitoring and Control Plan (CMCP) specialist role, vessel observers that monitor vessel offloads as currently occurs in the GOA pollock fisheries, expanded CMCP requirements for processors versus just repeating what is presently in place in the Bering Sea for A91 and requiring 200% observer coverage.

<u>CGOA Rockfish program:</u>

Merging the Rockfish Program with the new program (page 56 -58): "The Council may wish to consider whether the CGOA Rockfish Program could be integrated with the proposed GOA Trawl LAPP. NMFS has contributed a recommendation for the incorporation of the Central GOA Rockfish Program into the proposed GOA trawl LAPP."

Industry response: Rolling the rockfish program into the main program will add a layer of complexity that will delay the main program. The rockfish program is required to be reauthorized once it sunsets in 2022 which is the appropriate timeline to consider whether it is appropriate to merge the two programs. The different target fishery allocations and MRA structures will complicate any effort to merge the programs. If not carefully considered, a merged program could prevent Council objectives from being met in either the rockfish fishery or other Gulf fisheries, or both. **The position of the industry is not to merge the two programs at this time.**

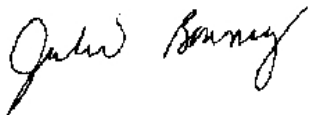
CONCLUSION

The industry workgroup developed the attached revised Council motion for development of elements and options for an alternative (Attachment 1) for analysis for a GOA wide trawl bycatch management

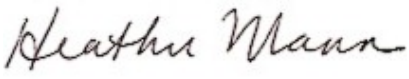
plan. We have provided options to assist the analysts, and specific and final design elements will be refined based on this analysis.

The appropriate program structure is critical to industry so that we can continue to provide current or expanded harvest levels into the global fish market. Allowing our industry to be competitive in a global market place is the key to a successful program along with meeting Council objectives for a GOA trawl bycatch management program.

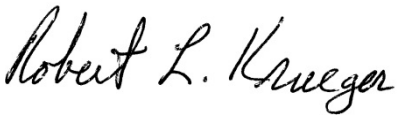
Thank you for your consideration of our comments.



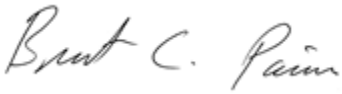
Julie Bonney
Alaska Groundfish Data Bank



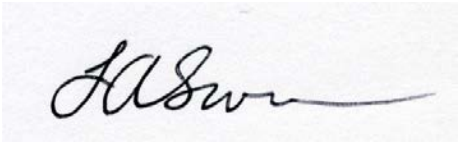
Heather Mann
Mid-water Trawlers Cooperative



Robert Krueger
Alaska Whitefish Trawlers Association



Brent Paine
United Catcher Vessels



Lori Swanson (for Chris Woodley)
Groundfish Forum

Glenn Reed
Pacific Seafood Processors Association

Attachment 1 (additions in **bold**, deletions in ~~strikeout~~)

~~C-2~~ GOA Trawl Bycatch Management
Council motion April 11, 2014 **with industry recommendations**

The Council requests that staff provide a paper reviewing the expanded program structure described below and a preliminary evaluation of the combined effects of several primary elements. The paper should continue to evaluate whether and how the elements of this design address the objectives in the Council's purpose and need statement. The intent is to receive feedback characterizing: 1) how the fishery would operate under the new design; 2) how well it may meet the Council's stated objectives; and 3) which decision points are necessary to transform the program structure into alternatives for analysis.

GOA Trawl Bycatch Management Program

1. Bycatch management

The primary objective of this action is to improve incentives for PSC reduction and PSC management, achieved in several ways through this program design.

a. Reduced PSC: The Council intends to adopt a program to: (1) minimize Chinook salmon bycatch, and (2) achieve more efficient use of halibut PSC, allowing some efficiency gains to provide additional target fishery opportunity while leaving some halibut PSC savings in the water for conservation and contribution to exploitable biomass.

b. Cooperative management: A system of cooperative management is best suited to managing and reducing bycatch (such as, hotspot program, gear modifications, excluder use, incentive plan agreements) while maximizing the value of available target species. Cooperatives are intended to facilitate a flexible, responsive, and coordinated effort among vessels and processors to avoid bycatch through information sharing and formal participation in a bycatch avoidance program.

c. Gear modification. Option: gear modifications for crab protection.

2. Observer Coverage

All trawl catcher vessels in the GOA will be in the 100% observer coverage category, whether they participate in the voluntary cooperative structure or the limited access fishery with trawl gear. NMFS will develop monitoring and enforcement provisions necessary to track quota, harvests, and use caps for catcher vessels and catcher processors.

3. Areas

Western Gulf, Central Gulf, West Yakutat

4. Sector eligibility

Inshore sector: Shoreside processors and harvesters that meet the qualifications under the cooperative program. Allocations are based on trawl landings during the qualifying years with a CV trawl LLP or a CP trawl LLP that did not process catch onboard. Any CP LLP not used to process catch offshore during the qualifying years will be converted to a CV LLPs at the time of implementation.

Offshore sector: ~~Am 80 vessels, and their replacement vessels, defined in Table 31 CFR Part 679, and their current LLPs. Allocations are based on trawl landings during the qualifying years with a CP trawl LLP that processed catch onboard.~~

Offshore eligible vessels should be Amendment 80 vessels (as listed in Table 31 CFR Part 679); their replacement vessels; and the current GOA trawl LLPs on the Amendment 80 vessels and their replacement vessels.

5. Allocated species

Target species:

Pollock (610/620/630/640) **– inshore sector allocations/offshore sector MRA**
Pacific cod (WG/CG) – **inshore sector allocations/offshore sector MRA**
WGOA Pacific Ocean Perch – inshore sector MRA/offshore sector allocations
WGOA Northern Rockfish – inshore sector MRA/offshore sector allocations
WYAK Pacific Ocean Perch – inshore sector MRA or allocations/offshore sector allocations

CGOA Arrowtooth flounder – no allocation or sector split
WGOA Arrowtooth flounder – no allocation or sector split
CGOA Flathead sole – no allocation or sector split
WGOA Flathead sole – no allocation or sector split
CGOA Shallow water flatfish – no allocation or sector split
WGOA Shallow water flatfish – no allocation or sector split
~~Additional target species for consideration include:~~
~~CGOA flatfish: Rex sole, arrowtooth flounder, and/or deep water flatfish~~
~~WGOA rockfish and WY Pacific ocean perch~~

For the following species, additional analysis should be done to determine the correct management measures:
WGOA Dusky rockfish
WYAK Dusky rockfish
CGOA Rex sole
WGOA Rex sole
CGOA deep water flatfish
WGOA deep water flatfish

Secondary species **management**:

For each of the following species, options should be for management that should be considered are 1) Current MRA, 2) reduced MRA to control harvests, 3) allocations, and 4) required cooperative measures to control harvests.

Sablefish (that not allocated under the CG Rockfish Program)
~~CG~~Skates (big and longnose)
Thornyhead rockfish **(that are not allocated under the CG Rockfish Program)**
Shortraker rockfish **(that are not allocated under the CG Rockfish Program)**
Rougheye/blackspotted rockfish **(that are not allocated under the CG Rockfish Program)**
Other rockfish
Consider whether **continued maximum retainable amounts (MRA) management at present levels/reduced levels or** cooperative measures would be an effective approach to managing secondary species, as opposed to cooperative allocations.

For all allocated target species, the analysis should consider the feasibility of using management options under which non-directed catches of allocated species would be deducted from an ICA, rather than a cooperative allocation.

PSC species: Halibut and Chinook salmon

6. Sector allocations of target species, secondary species, and PSC

Allocations to the trawl CV sector for WG and CG Pacific cod (Am 83), CGOA rockfish program (Am 88), and GOA pollock (Am 23) are maintained. Allocations to the trawl CP sector for the CGOA rockfish program are maintained. GOA flatfish eligibility for the trawl CP sector under Am 80 is maintained.

Pollock and Pacific cod:
Pollock and Pacific cod TACs would be allocated to the inshore sector; the offshore sector would receive an incidental catch allowance (ICA) for Pacific cod and pollock and be managed under ~~maximum retainable amounts (~~MRAs~~)~~.

Other target species and secondary species: If other target and/or secondary species are allocated under the program, sector allocations would be based on each sector's ~~harvest share~~ **retained catch (with or without fish meal) or total catch** from:

Option 1. 2008 – 2012
Option 2. 2007 – 2012
Option 3. 2003 - 2012

In addition to the options based on catch history above, options for establishing WG and WY rockfish sector allocations include:

Option 1. Allocate based on Am 80 sideboards (dusky rockfish would be recalculated based on dusky rockfish harvest only)
Option 2. Allocate to the CP sector only. The CV sector is prohibited from directed fishing and managed under MRAs.

PSC sector allocations:
Chinook salmon PSC apportionments to support the non-pollock trawl CV and CP sectors (excluding CG rockfish program for the CV sector) are based on GOA Amendment 97. The Chinook salmon PSC limit to support the pollock trawl fisheries **(Amendment 93)** is a CV allocation only. ~~Any Chinook salmon PSC caught in WY comes off the cooperative's Chinook salmon PSC limit.~~

Since WY catches of Chinook are currently unlimited, a Chinook limit in WYAK trawl fisheries should be developed based on historical Chinook catches in the fisheries. This Chinook limit should be apportioned to licenses in the same manner as the prescribed for other PSC limits

Halibut PSC apportionment between the CP and CV sectors will be based on halibut PSC use during:

Option 1. 2008 - 2012
Option 2. 2007 – 2012
Option 3. 2003 - 2012

Rockfish program PSC

Any rockfish program PSC that would rollover for use in other fisheries under the current rules (i.e., after the set aside for halibut savings) will be rolled over for use by the sector of the rockfish cooperative that has remaining halibut PSC. Remaining halibut and chinook PSC will be distributed to Gulf program cooperatives as directed by the rockfish program cooperative with unutilized PSC.

7. Voluntary inshore cooperative structure

    a. Annually allocate target species at the cooperative level, based on aggregate retained catch histories associated with member vessels' LLPs:

        Option 1. 2008 – 2012 **(no drop year or 1 drop year)**
        Option 2. 2007 – 2012 **(no drop year or 1 drop year)**
        Option 3. 2003 - 2012 **(no drop year or 1 drop year)**

b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of GOA trawl vessels in the cooperative [such as, pollock Chinook salmon PSC cap divided based on pollock landings; non-pollock Chinook salmon cap divided based on non-pollock landings (excluding rockfish); halibut PSC apportioned in proportion to target groundfish landings associated with cooperative members' LLPs.] PSC ~~could~~ **would** be further divided based on use in target fisheries or fisheries groupings, prior to being allocated to each cooperative on a pro rata basis. Once in the cooperative, PSC **restrictions by area, season and fishery complex are removed and** can be used to support any target fisheries within the cooperative.

   Option: Each processor controls a portion of PSC within a cooperative and negotiates terms of access through private agreement. The processor would activate the incremental PSC through NMFS, making it accessible to the cooperative. PSC made available by these agreements cannot be used by processor-owned vessels.

c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. Harvesters would need to be in a cooperative with a processor by November 1 of the previous season to access a transferable allocation.

d. Initial (2 years) cooperative formation (suboption: in the first two years of each harvester's participation in a cooperative) would be based on the majority of each license's historical landings (aggregate trawl groundfish deliveries, excluding Central GOA rockfish harvested under a rockfish cooperative quota allocation) to a processor during:
   Option 1. The qualifying years for determining target species allocations
   Option 2. 2011 – 2012, or the two most recent qualifying years they fished

e. LLP licenses will be allowed to form one cooperative based on the QS of the license for each region (CGOA/WYAK and WGOA). If they have qualifying history for each region then the LLP can be in a cooperative in each region. Initial formation of the cooperative would require a cooperative contract with their affiliated processors signed by (options: 51% - 90%) of the license holders eligible for the cooperative and the processor. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract.

Option: Multiple cooperatives would be allowed to form with a processor within a region. A minimum of 2 or 3 (range for analysis) LLPs are required to form a cooperative.

An LLP is eligible for cooperative membership in any area in which it carries an area endorsement.

~~f. Each cooperative would be required to have an annual cooperative contract filed with NMFS. Initial formation of the cooperative would require a cooperative contract signed by (options: 51% - 80%) of the license holders eligible for the cooperative and the processor (option: and community in which the processor is located). Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract.~~

f. The annual cooperative contract must include:

- Bylaws and rules for the operation of the cooperative
- Annual fishing plan
- Operational plan for monitoring and minimizing PSC, with vessel-level accountability, as part of the annual fishing plan
- Clear provisions for how a harvester and processor may dissolve their contract after the cooling off period of two years. If a harvester wants to leave that cooperative and join another cooperative or the limited access sector, they could do so if they meet the requirements of the contract.

- Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law.

g. Additional contract elements (such as, bycatch management, active participation, mechanism to facilitate entry, community provisions) may be required to ensure the program is consistent with Council objectives.

h. Full transferability for annual use by other harvesters within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations **(including PSC)** to other cooperatives on an annual basis. Inter-cooperative transfers must be processed and approved by NMFS. Inshore allocations can only be transferred to and used by inshore cooperatives.

i. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species and PSC allowances, as may be adjusted by annual inter-cooperative transfers.

j. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

k. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

8. Voluntary catcher processor cooperative structure

a. ~~Annually allocate target species at the cooperative level, based on aggregate total catch histories associated with member vessels' LLPs~~**CP history should attach to the LLP assigned to the vessel at the time of implementation of the program. CP allocations should be based on Amendment 80 vessel CP trawl landings during the qualifying years that were both harvested and processed aboard the same Amendment 80 vessel. Qualifying years:**

Option 1. 2008 – 2012 **(drop 1 year)**
Option 2. 2007 – 2012 **(drop 1 or 2 years)**
Option 3. 2003 – 2012 **(drop 1 year, 2 years or three years)**

b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, non-pollock Chinook salmon cap divided based on non-pollock landings; halibut PSC apportioned in proportion to target groundfish landings associated with cooperative members' LLPs.] PSC ~~could~~ **would** be further divided based on use in target fisheries or fisheries groupings, prior to being allocated to each cooperative on a pro rata basis. Once in the cooperative, PSC **restrictions by area, season and fishery complex are removed and** can be used to support any target fisheries within the cooperative.

c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. No later than November 1 of each year, an application must be filed with NMFS by the cooperative with a membership list for the year. In order to operate as a cooperative, membership must be comprised of:

Option: at least 2 separate entities (using the 10% individual and collective rule) and/or
Option: at least [2 – 4] eligible LLP licenses
Suboption: an LLP must have associated QS to count toward the threshold.

d. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

e. The contract would require signatures of all LLP holders in the cooperative. The annual cooperative contract must include:
   - Bylaws and rules for the operation of the cooperative
   - Annual fishing plan
   - An operational plan for monitoring and minimizing PSC, with vessel level accountability, as part of the annual fishing plan
   - ~~Specification that processor affiliated harvesters cannot participate in price setting negotiations except as permitted by general anti-trust law.~~
   - A cooperative may adopt and enforce fishing practice codes of conduct as part of their membership agreement.

f. Full transferability for annual use by other harvesters within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations to other cooperatives on an annual basis. CP annual cooperative allocations may be transferred to inshore cooperatives; inshore annual cooperative allocations cannot be transferred to CP cooperatives. Inter-cooperative transfers must be processed and approved by NMFS.

g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species, secondary species, and PSC, as may be adjusted by annual inter-cooperative transfers.

h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

i. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

9. Fishery dependent community stability (applies to inshore cooperatives)
   a. Consolidation limits
      - Vessel **and individual use** caps and limits**.** ~~on the percentage of the total allocation that a person can hold (accessible only through a cooperative).~~

      Harvester use caps in each region (WG and CG/WY). **Individual use caps define the percentage of quota share units that a person can hold (accessible only through a cooperative).** Harvesters that exceed these percentages **on initial allocation** are grandfathered into the program. No person may hold or use more than the following percentage of target species CV shares **of 1) pollock, 2) Pacific cod, and 3) sablefish (if allocated)**, using the individual and collective rule:
      Option 1. 3%
      Option 2. 5%
      Option 3. 7%

      Vessel use caps are applicable within the cooperative. **Vessel use caps define the portion of the total allocation that may be harvested by a vessel (based on the tonnage of annual quota derived from a specified percentage of the quota share pool).** A vessel may not be used to harvest more than the following percentages of target species cooperative quota issued to the CV sector:
      Option 1. 3%
      Option 2. 10%
      Option 3. 15%

      - Processor use caps **in quota share units**

      Processor use caps (facility-based) in each region (WG and CG/WY). Processors that **historically** exceed**ed** these percentages **in the qualifying years** are grandfathered into the program. No

processor shall receive or process more than the ~~following~~**processing cap limit. Options for analysis include**~~percentage of~~ **1) aggregate groundfish;** ~~aggregate~~ **2) pollock and cod** target species cooperative quota**; and 3) allocated secondary species (with a suboption to define a separate limit for sablefish)** issued to the CV sector.

Processing cap percentage options:

Option 1. 10%
Option 2. 20%
Option 3. 30%

Suboption: If processors control a portion of PSC within a cooperative the Council should analyze options that include 1) setting an appropriate cap limiting the portion of the processor controlled halibut and Chinook PSC ; and 2) no cap.

b. Target species quota would be required to be landed in the region in which it is designated (WG or CG/WY designation) based on historical delivery patterns during the following years:
   Option 1. The qualifying years for determining target species allocations
   Option 2. 2011 - 2012
   Option 3. Target species CG quota that has historically been landed in **the City of** Kodiak would have a port of landing requirement to be delivered ~~to~~ **in the City of** Kodiak; CG quota not historically landed in **the City of** Kodiak would be regionalized (WG or WY/CG)~~.~~ **and be required to be delivered to the community in which the qualifying landing was historically processed, if a processor is available to process those landings. If no processor in that community wants to accept these deliveries, then the quota could be delivered to processors within the region including the City of Kodiak.**

c. Require individuals or entities to meet fishery participation criteria in order to be eligible to purchase an eligible trawl license with associated history.

10. Transferability
    a. (Annually) Full transferability for annual use within the cooperative. Cooperatives can engage in inter-cooperative agreements on an annual basis~~.~~ **of any allocations including target species, secondary species, and PSC.**

    b. (Long-term) The LLP is transferable, with the associated history of the target species (which, when entered into a cooperative, brings with it a pro rata share of PSC.)

    Target species history is severable from a CV trawl license and transferable to another eligible CV trawl license (which, when entered into a cooperative, brings with it a pro rata share of PSC). Transferred history retains the regional delivery designation. **A two year cooling off period for long-term transfers of CV QS is required.**

    QS is non-severable from the associated CP trawl license and no two year cooling off period applies.

11. Gear conversion

Upon further development, the Council could include gear conversion provisions that allow Pacific cod trawl CV allocations to be fished with pot gear, although any harvest would continue to be deducted from the vessel's annual trawl quota account and would not affect the pot gear Pacific cod sector allocations.

12. Limited access trawl fisheries (CV and CP)

If a license holder chooses not to join a cooperative, it may fish in the limited access fishery. Under the limited access fishery, the LLP's historic share of (non-transferable) target species will be fished in a competitive fishery open to all trawl vessels in the sector who are not members of a cooperative. The catcher vessel limited access fishery will be subject to all current regulations and restrictions of the LLP and MRAs.

PSC limits in the limited access fishery will retain status quo apportionments by area, season, and/or fishery. Halibut and Chinook salmon PSC limits are annually apportioned to the limited access fishery on a pro rata basis relative to groundfish catch histories associated with LLPs that are not assigned to a cooperative, as reduced by [options: 10% - 30%].

13. Sideboards

~~Consider whether~~ **Remove 1)** sideboards **in the GOA** that apply under the Rockfish Program for the CV and CP sectors, **2) Gulf sideboards on** non-exempt AFA CV ~~sideboard limit~~s, **3) Gulf groundfish sideboards on** non-AFA crab vessel**s** ~~groundfish sideboards,~~ **(except for sideboards applicable to pot fishing), 4)** ~~and~~ Amendment 80 groundfish and halibut PSC sideboard limits ~~in the GOA should be removed~~ **and 5) CV Pacific cod/pollock – BSAI/GOA exclusivity/time stand downs.**

The removal of West Yakutat rockfish program sideboards is contingent on whether WYAK rockfish is allocated.

~~Consider sideboards for or prohibition of directed fishing for Pacific cod in the West Yakutat area with trawl gear.~~ Consider sideboards on directed fishing for Pacific cod with pot gear in the WG and CG (harvest that accrues to the Pacific cod pot sector allocations).

14. Program review

Per the Magnuson Stevens Act, a program review would be conducted five years after implementation and every seven years thereafter.

15. Cost recovery and loan program

Per the Magnuson Stevens Act, a cost recovery program would be implemented to recover the incremental agency costs of the program related to data collection, analysis, and enforcement, up to a maximum of 3% of the ex-vessel value from landings of species allocated under the program. Up to 25% of cost recovery fees may be set aside to support a loan program for purchase of shares by fishermen who fish from small vessels and first-time purchases of shares under the program. Loan qualification criteria would need to be defined.

~~The Council also requests further information on latent trawl licenses and their effect on the proposed cooperative program, to evaluate the need for further recency criteria in the WG and CG trawl CV sectors.~~

16. Maximize Retention

Full retention of allocated target rockfish, pollock, Pacific cod and any allocated secondary species as allowed by regulation.

Consider modifying SSL regulations as follows:

Trip Limits: Remove daily landing limit and revise the fishing trip limit to 159 mt. Declassify the trip limit violation from a SSL violation to a regulatory violation.

Pollock Seasonal Structure: Change the pollock fishery structure to two season: Jan 20 to June 10 and June 10 to Nov 1. The allocation of pollock for the first half of the year and second half of the year would not change from current GOA-wide percentages.

Pacific cod Seasonal Structure: Change the Pacific cod fishery structure to allow B season directed fishing from June 10 to Nov 1.

Nov 1 to Dec 31 prohibition of targeting Pacific cod and Pollock: Allow directed fishing of pollock and cod from Nov 1 to Dec 31 but require that the co-ops continue to limit each species to their seasonal allocations.

Prohibition of directed fishing for both Pacific cod and Pollock within haul outs: Revise the flatfish trip target definition where a trip is considered in the flatfish target if more than 50% of the landed catch is flatfish.

Change the MRA enforcement period for all fisheries in the GOA to an offload-to-offload basis.