

North Pacific Fishery Management Council

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Certified Richard B. Lauber
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Date 12/15/96

MINUTES

**123rd Plenary Session
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
June 11-14, 1996
Red Lion Hotel--Downtown
Portland, Oregon**

The North Pacific Fishery Management Council met June 11-14, 1996 at the Red Lion Hotel in Portland, Oregon. They met jointly with the International Pacific Halibut Commission on Tuesday afternoon, June 11. The Advisory Panel and the Scientific and Statistical Committee met June 10-12 at the Red Lion. The following members of the Council, staff, SSC and AP attended the meetings.

Council

Richard Lauber, Chairman
Morris Barker for Robt. Turner
CAPT Bill Anderson for RADM Riutta
Linda Behnken
David Fluharty
Dave Hanson
Bob Mace for R. Rosen

Walter Pereyra, Vice Chair
Kevin O'Leary
Steve Pennoyer
Everett Robinson-Wilson
H. Robin Samuelsen, Jr.
Dave Benton
Clem Tillion

NPFMC Staff

Clarence Pautzke, Executive Director
Darrell Brannan
Marcus Hartley
Jane DiCosimo
David Witherell

Chris Oliver, Deputy Director
Helen Allen
Gail Bendixen
Linda Roberts

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Support Staff

Lisa Lindeman, NOAA-GCAK
Ron Berg, NMFS-AKR
Earl Krygier, ADFG
Steve Meyer, NMFS Enforcement
Seth Macinko, ADFG
Ken Griffin, ADFG
Peggy Murphy, ADFG
Lew Queirolo, NMFS-AFSC

Kent Lind, NMFS-AKR
Bill Karp, NMFS-AFSC
Joe Terry, NMFS-AFSC
Jay Ginter, NMFS-AKR
Galen Tromble, NMFS-AKR
John Lepore, NMFS-AKR
Nick Hindman, NMFS-AKR

Scientific and Statistical Committee

Keith Criddle, Chair
Jim Balsiger
Doug Eggers
Doug Larson
Rich Marasco

Jack Tagart, Vice Chair
Marc Miller
Phil Rigby
Al Tyler
Hal Weeks

Advisory Panel

John Bruce, Chair
Dave Benson
Al Burch
Bruce Cotton
Craig Cross
Dan Falvey
Kris Fanning

Stephanie Madsen, Vice Chair
Dave Fraser
Arne Fuglvog
Justine Gundersen
Spike Jones
John Lewis
Hazel Nelson

Dean Paddock
John Roos
John Sevier
Robert Wurm
Grant Yutrzenka
Lyle Yeck

Other Attendees

The following people signed the attendance register:

Bob Alverson
Steve Hughes
Frank Kelty
Phillip Addison
John Iani
Robert W. Miller
Arni Thomson
Joe Plesha
Vince Curry
Vince O'Shea
Brian Bigler
Joe Kyle
Steve Toomey

Ed Glotfelty
Jim McManus
Richard Sharpe
Bern Shanks
Aaron Sarna
Greg Baker
Brent Paine
Terry Shaff
Jolene Unsoeld
Glen Moscatello
Shawn P. O'Brien
Chris Blackburn
Lee O. Kueckelhon

Bill Orr
Jo Seel
Dan Waldeck
Greg Williams
Gary Bailbreath
Ron Rogness
Dennis J. Phelan
Allen Kimball
John Henderschedt
Rich Morgan

A list of those who gave public testimony during the meeting is found in Appendix I to these minutes.

A. CALL TO ORDER/APPROVAL OF AGENDA/MINUTE(S) OF PREVIOUS MEETING(S)

Chairman Rick Lauber called the meeting to order at 8:15 a.m. on Tuesday, June 11, 1996.

Agenda. Wally Pereyra expressed concern that comprehensive rationalization issues were not put on the agenda. Comprehensive rationalization and individual bycatch quotas were removed from the agenda by the Executive Director following passage of an appropriations bill which included provisions prohibiting the Department of Commerce from expending funds to develop new fishery management plans, amendments or regulations which create new individual fishing quota, IFQ, or new individual transferable effort allocation programs developed after January 4, 1995 until offsetting fees to pay for administration costs of such actions are expressly authorized under the Magnuson Act. NMFS has interpreted this mandate to include development of individual vessel bycatch accounts or allocations. The restrictions would remain in place until the end of the fiscal year unless the Magnuson Act is amended earlier.

Wally Pereyra moved to add to the agenda a general discussion of comprehensive rationalization and Council options in light of the current prohibition. The motion was seconded by Morris Barker and carried, 5 to 4, with Krygier (for Benton), Berg (for Pennoyer), Samuelsen, and Lauber voting no. (Council members Behnken and Mace were not present for the vote.)

The agenda was approved with this addition.

CRP Discussion

Council members discussed the future of their comprehensive planning agenda in light of the restrictions on expenditure of funds. Some felt that since the process was already ongoing that the Council could at least proceed to discuss and plan for programs that could be implemented after the restrictions are lifted.

Mr. Pereyra pointed out that several Council actions, including the license limitation and inshore-offshore programs, have been predicated on the Council's plans to proceed with the comprehensive rationalization programs, including IFQs and individual vessel bycatch accounts.

One question raised was whether the Secretary can consider approval of the license limitation program at this point. Steve Pennoyer responded that they have reviewed the regulatory actions in progress and have determined that none are affected by the ruling. The regulations for the licensing program are being finalized this summer and then the package will be forwarded for Secretarial review. If approved, implementation would be in 1998.

Another question was whether the CDQ programs would be affected by the ruling. Lisa Lindeman, NOAA General Counsel, responded that they have determined that CDQs are not included in this action.

Mr. Pereyra also pointed out that the proposed amendments to the Magnuson Act could restrict the Council's ability to implement any individual harvest allocations. He suggested that the Council send a strong letter expressing concern over this action and express disapproval of restrictions that hamper the ability of the councils

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to conduct business. He referred to a letter dated June 12 from Susan Eismann, acting general counsel for NOAA, to the Senate Commerce Committee which states that the administration opposes provisions in S.39 which limit the ability of regional fishery management councils to design individual harvest share programs or other management tools for specific fisheries which they feel will best manage those fisheries.

Wally Pereyra moved to send a letter expressing the concerns he has mentioned. The motion was seconded by Morris Barker.

Lisa Lindeman pointed out that the Council cannot send a letter to Congress on pending legislation unless there has been a specific request for their opinion. Mr. Pereyra clarified that the letter is more of a response to the regulatory restrictions placed on the councils at this time; a letter to the administration might be more appropriate.

Mr. Pennoyer pointed out that the Secretary is already on record opposing the restrictions in S.39 and that nothing can be done about the appropriations bill restrictions at this time. He suggested that the council chairmen discuss the issue at their meeting in July.

Linda Behnken moved to table the motion. The motion was seconded by Robin Samuelsen and carried without objection.

Minutes of Previous Meetings. The Council had received draft minutes for the December 1995 and January and April 1996 meetings. Approval of the minutes was deferred to the end of the meeting with the understanding that they would be finalized if no comments were received.

B. REPORTS

Written reports included: Executive Director's Report (Agenda item B-1), Domestic Fisheries Report by Alaska Department of Fish and Game (Agenda item B-2), National Marine Fisheries Report on groundfish fisheries, current amendments, and regulations in progress (Agenda item B-3), and Enforcement Reports by the United States Coast Guard and National Marine Fisheries Service (Agenda item B-4). Jim Balsiger, Director of Science and Research, Alaska Fisheries Science Center, briefed the Council on current pollock research activities.

DISCUSSION/ACTION RESULTING FROM REPORTS

Salmon FMP. The Executive Director reported on the withdrawal of the Salmon FMP by the Secretary. He suggested the Council may wish to obtain an independent legal opinion on the Secretary's authority to take this action. Ron Berg reported that the plan will not be withdrawn until October so that it will still be in force for the current season for the purposes of Section 7 consultations and ESA provisions.

Earl Krygier moved to approve the Executive Director's suggestion to request a formal legal opinion from NOAA General Counsel on the Secretary's implied authority to withdraw an FMP. The motion was seconded by Robin Samuelsen and carried without objection.

Mr. Pautzke expressed a desire to have the opinion in time for consideration at the Chairmen's meeting in July. He also suggested that if NOAA can't complete the task, perhaps an outside attorney should be retained to provide an opinion.

The Council also indicated approval of exploring independent counsel to look into the issue for all the councils.

AP/Plan Team Changes. The Council approved the appointment of Grant Yutzrenka to replace Pete Maloney on the AP for the remainder of 1996 and the following changes to the groundfish plan teams:

GOA Groundfish Team Replace Richard Ferrero with John Sease
 Add Vivian Mendenhall

BSAI Groundfish Team Replace Richard Merrick with Richard Ferrero
 Add Vivian Mendenhall and Andy Smoker

Inseason Openings/Closings

Industry testified during the NMFS Management Report that they have concern over the way NMFS manages openings and closings of the fisheries inseason. In particular, they requested that the Council ask NMFS not to re-open the BSAI cod trawl fishery on June 14 as had been announced. The fishery is being reopened because of a surplus of halibut PSC for the trawl cod fishery. Industry members were concerned about the possibility of an overrun of the halibut PSC cap and also said that the unanticipated opening could impose an economic disadvantage for vessels that left the area when the regular season closed. Council member Morris Barker made a motion to recommend to NMFS that they not re-open the BSAI trawl cod fishery in June as scheduled and apply the surplus of halibut PSC for trawl cod to the trawl cod openings in October. The motion was withdrawn after Steve Pennoyer said that industry has already been notified of the June opening and it would be impractical at this time to cancel it. The Council agreed with an industry suggestion that NMFS and industry work together to review the history of these types of openings and explore ways to handle them in a more efficient manner.

Morris Barker moved to recommend to NMFS that they use a conservative approach in the management of the BSAI trawl cod fishery scheduled to open on June 14. The motion was seconded and carried without objection. As a friendly amendment, NMFS was also requested to meet with industry as mentioned above.

Ecosystems Committee

The Council discussed the make-up of an Ecosystem Committee to be chaired by Dr. Fluharty. The committee would perform a facilitating function to identify Council needs in regulation decisions and to bring ecosystem information to the attention of the Council. Dr. Fluharty suggested a core group consisting of Council members Linda Behnken, Robin Samuelsen, industry representative Chris Blackburn, and a representative of the environmental community, yet to be named. Expert advisors to the committee will include Jim Balsiger (NMFS), Gordon Kruse (ADF&G), and Everett Robinson-Wilson (USF&W). Ad hoc subcommittees would be formed on an as-needed basis.

FORMAT FOR COUNCIL MEETING MINUTES:

Each agenda item requiring Council action will begin with a copy of the original "Action Memo" from the Council meeting notebook. This will provide a "historical" background leading up to the current action. This section will be set in a different type than the actual minutes. Any attachments referred to in the Action Memo

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(e.g., C-1(a), etc.) will not be attached to the minutes, but will be part of the meeting record and available from the Council office on request. Following the Action Memo will be the reports of the Scientific and Statistical Committee, Advisory Panel, and any other relevant committee or workgroup on the subject. Next will be a section for discussion and motions on the subject. Finally, there will be a brief summary of actions taken, unless there is only one action and it is self-explanatory.

C. NEW OR CONTINUING BUSINESS

C-1 Halibut IFOs

ACTION REQUIRED

Final review of a regulatory amendment to increase halibut use caps in the Bering Sea/Aleutian Islands.

BACKGROUND

At their January 1996 meeting, the Council initiated an analysis to increase halibut use caps for QS holders in the Bering Sea/Aleutian Islands regulatory areas (Area 4). Current regulations stipulate that halibut Area 4 use caps may not exceed ½ percent of the total amount of halibut QS for IFQ regulatory areas 4A, 4B, 4C, 4D, and 4E, combined. QS holders are allowed to harvest the QS received during initial issuance, however, second generation QS holders may not exceed the ½ percent cap.

The use cap was created to address concerns that an unrestricted market for QS could result in a few powerful interests controlling most of the landings and result in excessive decreases in the number of vessels and fishermen participating in the fixed gear halibut fishery. The ½ percent cap limits consolidation to a theoretical minimum of 200 participants. The block cap and vessel category restrictions, however, make the maximum consolidation unlikely.

Industry has reported that the ½ percent cap is insufficient to justify the expense of traveling to remote areas in the western Aleutian Islands and Bering Sea to harvest halibut. The 1996 QS pool totals 33,002,937 QS units for Area 4. The ½ percent cap for all of Area 4 limits QS holders to 165,015 units. The cap amounted to 26,500 lb based on combined Area 4 1994 TACs and 23,610 lb based on 1995 and 1996 TACs. Most QS, however, is distributed among multiple areas, further exacerbating the problem of low use caps. The status quo QS use cap of 165,015 units converted to 1996 IFQ pounds for each Area 4 subarea is listed above for each of the proposed alternatives.

<u>Area</u>	<u>½% IFO</u>	<u>1% IFO</u>	<u>2% IFO</u>
4A	21,573	43,146	86,292
4B	32,813	65,626	131,252
4C	16,005	32,010	64,020
4D	18,980	37,960	75,920
4E	0	0	0

The draft Environmental Analysis/Regulatory Impact Review was distributed on May 16. The document analyzes the following alternatives:

Alternative 1. Status quo. Halibut QS use will be limited to ½ percent of the total amount of halibut QS for IFQ regulatory areas 4A, 4B, 4C, 4D, and 4E, combined.

Alternative 2. Increase Halibut QS use of the total amount of halibut QS for IFQ regulatory areas 4A, 4B, 4C, 4D, and 4E, combined to:

Option A. 1.0 percent;

Option B. 2.0 percent.

Two alternatives were included in the analysis: (1) status quo of ½ percent; and (2) an increase to either 1 or 2 percent. Alternative 1 is the “no Action” or status quo alternative. Alternative 2, the proposed alternative submitted by representatives of the industry in Area 4, could theoretically reduce the number of QS holders by 50 or 25 percent.

Alternative 2, Option A would allow an additional 32 QS holders (7% of the total) to increase their QS to the proposed 1 percent cap of 333,029 units. This alternative would allow the transfer of a theoretical maximum of 2,536,373 units to 32 currently capped QS holders to reach the higher cap.

Alternative 2, Option B would allow an additional 50 QS holders (10% of the total) to increase their QS to the 2 percent cap of 660,058 QS units. The theoretical maximum QS units required to allow all 50 QS holders to reach the cap under this alternative exceed the available QS units held by the 509 QS holders under the current cap.

Approximately 500 halibut QS holders in Areas 4A-D would benefit from an increase in the Area 4 individual use cap, either as QS buyers or sellers. Over 14 million unblocked QS units in Areas 4A-D held by 198 persons and 17.8 million blocked QS units held by 397 persons are the likely source of QS for those wishing to increase their holdings. Blocked QS are limited by block and vessel category restrictions. The unblocked QS units, more likely to be transferred, equal approximately 2.1 million lb of halibut worth more than \$4.6 million ex-vessel.

A review of the economic and socioeconomic impacts of the alternatives indicates that either option under Alternative 2 will provide a net economic benefit to the nation.

None of the alternatives is expected to have a significant impact on endangered, threatened, or candidate species.

There was no SSC Report on this agenda topic.

Report of the Advisory Panel

The AP recommended that the Council adopt Alternative 2, Option B, modified to 1½%, and including language that would allow initial quota share holders who currently exceed the second generation cap level to trade and sell their QS in the Area 4 region for halibut, but not such that they may exceed their initial allocation.

DISCUSSION/MOTIONS

Bob Mace moved to approve the AP recommendation:

Increase halibut QS use of the total amount of halibut QS for IFQ regulatory areas 4A, 4B, 4C, 4D, and 4E combined to 1½% and allow initial quota share holders who currently exceed the second

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generation cap level to transfer and sell their QS in the area 4 region for halibut, but not such that they may exceed their initial allocation. The motion was seconded by Morris Barker.

Linda Behnken moved to amend to change the percentage to 1%. The motion to amend was seconded by Robin Samuelsen and carried, 6 to 5, with Barker, Fluharty, Mace, O'Leary, and Pereyra voting against.

Ms. Behnken stated that with only one year's experience with the program and no progress report, the Council should proceed cautiously. After talking with industry and receiving public testimony, she feels that 1% is adequate. A jump to 1½% would be significant and would allow a large amount of consolidation in some of the areas.

David Benton moved to amend to allow for a one-time only transfer and sale, but subsequently withdrew the motion after discussion indicated that the IFQ Implementation Committee discussed transfers at length and followed advice of the RAM Division which indicated that tracking such transactions would bog down the system and that simply raising the cap would be the better choice.

Linda Behnken moved to remove the transferability provision from the main motion. The motion was seconded by Dave Benton. This was accepted as a friendly amendment.

Morris Barker moved to amend the amendment to raise the percentage to 1½% without the transfer provision. The motion was seconded by Wally Pereyra and carried, 6 to 5, with Behnken, Benton, Lauber, Samuelsen and Tillion voting against.

The main motion, as amended, carried, 7 to 4, with Behnken, Benton, Samuelsen, and Tillion voting against.

Linda Behnken asked NMFS about implementation of the buydown amendment. She suggested that if there is a way to expedite implementation before the weather becomes hazardous for smaller vessels that may have invested in the shares in anticipation of implementation earlier in the season. If it is necessary to split off the other provisions of the amendment to expedite the buydown measure, she would like to recommend that. It was suggested that perhaps the cooling off period could be waived.

SUMMARY

The Council approved a regulatory amendment to increase the Bering Sea/Aleutian Islands (Area 4) halibut quota share use caps to 1½% from the status quo of ½% of the total amount of halibut QS for regulatory areas 4A, 4B, 4C, 4D, and 4E, combined. The 1½% cap would raise the use cap to 495,044 units for the 513 Area 4 QS holders. The increased cap will allow 13 persons who had been previously constrained to increase their holdings. Nine individuals remain above the recommended cap. Implementation is planned for the 1997 IFQ fishing season.

C-2 Halibut Issues

The Council met jointly with members of the International Pacific Halibut Commission (IPHC) to receive reports on several halibut issues of mutual interest. IPHC Commissioners present were: Richard Beamish (Chair); Gregg Best, Ralph Hoard, Kris Norosz, Steve Pennoyer, and Brian Van Dorp. IPHC Chair Beamish served as chair for the joint meeting.

ACTION REQUIRED

- (a) Introduction.
- (b) Area 4 biomass distribution and effects on catch sharing plan.
- (c) Bycatch compensation model and stock assessment change.
- (d) Halibut gridsorting in the groundfish fisheries.
- (e) Halibut bycatch in the groundfish fisheries.
- (f) Public comments.
- (g) General IPHC-NPFMC discussion.

BACKGROUND

(a) Introduction

At their January 22-25, 1996 annual meeting, the IPHC commissioners again noted their concern over halibut bycatch in U.S. groundfish fisheries, and passed a joint resolution (item C-2(a)(1)) that reaffirmed their bycatch recommendations from 1991 and encouraged development of a vessel incentive bycatch reduction program. The Commission called for a special U.S.-Canada meeting to discuss bycatch, and requested to meet in June with the Council to discuss bycatch issues.

In arranging the agenda for this joint meeting, and to facilitate our Council meeting, I went beyond bycatch to include other issues of mutual interest on halibut management, namely, IPHC staff reports on Area 4 biomass distribution and bycatch compensation, and a review of the halibut grid-sorting issue. Following those staff reports, we will have an overview of the bycatch issue, then receive public comments, and proceed into Council-Commission discussion.

(b) Area 4 biomass distribution and effects on catch sharing plan.

Steve Hoag, IPHC staff, will present two reports pertaining to setting Area 4 catch limits under Commission jurisdiction (item C-2(b)(1) & (2)). The IPHC staff intends to recommend biomass-based catch limits for Areas 4A, 4B, and combined 4C-E to the Commission in November 1996. They are very similar to the traditional allocations adopted in the Council's Area 4 catch sharing plan (CSP) for 1996.

To use the new percentages in 1997, the Secretary would need to issue a rulemaking removing Areas 4A and 4B from the Council's CSP. The CSP would still be used to split up the combined 4C-E catch limit: 46% - 4C, 46% - 4D, 8% - 4E. The Council could task staff at this meeting with preparing an EA/RIR to amend the CSP, contingent upon IPHC action in January 1997. Alternatively, if the IPHC waits until 1998 to use the new limits, the Council could amend its CSP to reflect the IPHC change as part of the 1997 IFQ cycle.

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(c) Bycatch compensation model and stock assessment changes.

IPHC staff will review modifications to bycatch compensation and stock assessment methodology, which includes dividing bycatch into two components: a recruited component (length > 80 cm) and a migratory component. Recruitment compensation will occur in the region where the bycatch occurred. The migration component in the model will compensate juvenile bycatch "downstream" of the bycatch area. For 1985-94, the halibut stock assessment used a "catch-at-age" methodology known as CAGEAN. The new assessment model will modify how fishing mortality will affect each age class in each year included in the analysis. The new model better incorporates the effects of changing growth rates of halibut which has shown a rapid reduction in body growth in recent years. Average length-at-age is 20-25% lower than it was 15 years ago. No action is required now by the IPHC or Council.

(d) Halibut gridsorting in the groundfish fisheries.

IPHC staff prepared a draft regulatory amendment to evaluate a potential requirement that the deck crew on all factory trawlers and catcher boats that dump groundfish directly to a stern tank before sorting, use a grid over the entrance to the hold and sort out as much halibut bycatch as practicable for immediate return to the sea. The EA/RIR was distributed on December 14, 1995. The Executive Summary is included as item C-2(d)(1). Prior to final Council action, however, the IPHC withdrew its support of the deck-sorting program due to its concerns over the degradation of bycatch estimates, conflict with the Vessel Incentive Program, enforcement, and opportunities to presort other species in advance of observer sampling (item C-2(d)(2)).

The Council did not approve the amendment at their January meeting, but expressed strong support of the proposal because of the magnitude of projected savings in halibut discard mortality. The Council noted that grid-sorting was allowed under existing regulations, and may be undertaken voluntarily on unobserved vessels and during unobserved tows on observed vessels. The Council requested that NMFS provide a report addressing VIP and data quality issues related to grid-sorting. The NMFS report, first distributed at the April 1996 Council meeting, is attached under item C-2(d)(3) for informational purposes. No action is required now unless the Council wants to move ahead again on this issue.

(e) Halibut bycatch in the groundfish fisheries.

The 1996 IPHC resolution (referring back to item C-2(a)(1)) on bycatch refers to a special meeting of the Halibut Commission in July 1991 and resulting agreements on bycatch reduction. In advance of that special 1991 meeting, a Halibut Bycatch Work Group, co-chaired by Richard Beamish and Steve Pennoyer, met six times from March to July. I have a copy of the Work Group's full report, but have placed in the notebooks just their recommendations on reducing bycatch (item C-2(e)(1)). Under item C-2(e)(2) is a copy of an August 7, 1991 letter from Steve Pennoyer to Minister Crosbie with formal recommendations of the IPHC from their extraordinary meeting held July 22-24, 1991. The Council received these materials at the August 1991 extension of their June meeting.

Since 1991, there have been changes in halibut bycatch and in the measures that the Council uses to manage bycatch. As shown in item C-2(e)(3) halibut bycatch mortality was at a relative maximum of just over 18 million pounds (8,164 mt) in 1990, the year our observer plan was first implemented for the domestic groundfish fleet. This high level of bycatch could have provided much of the basis for heightened concern and for the work group activities in the first half of 1991. Overall bycatch declined 17% from 1990 to 1995. In Areas 3 and 4, there was a decline of 16%.

Several management measures have been implemented since 1991. These are listed along with an earlier history of measures in item C-2(e)(4). As noted there, the Council is in the process of developing

a vessel bycatch allowance program, but further development has been stalled by recent legislation. Recent bycatch measures must be viewed in light of other more comprehensive measures whose purpose went beyond the bycatch issue, but contributed significantly to its mitigation. Comprehensive observer coverage is a good example. It has provided managers the best catch database ever available for North Pacific fisheries. Also, the Council has not raised the 2 million metric ton cap on groundfish harvests in the BSAI despite numerous proposals to raise it throughout the 1980s and a full General Accounting Office audit on the issue in 1990 and 1991. Halibut bycatches likely would have been much higher if the cap had not been maintained. Using 1995 as an example, the combined acceptable biological catches for all groundfish species exceeded 2.8 million mt, but the cap and other management measures restricted catch to only about 1.8 million mt. If the full combined ABC had been taken, there would have been an additional 1,500 mt of halibut bycatch mortality, a 26% increase over the 5,700 mt actually used in the combined GOA and BSAI groundfish fisheries. Also, the move away from using bottom trawls for BSAI pollock in recent years has reduced halibut bycatch in this largest fishery in the United States.

Halibut bycatch limits have proven to be the major constraint in groundfish fishing seasons off Alaska. Halibut PSC-related closures back to 1991 in the Gulf of Alaska and Bering Sea and Aleutians are shown in the tables compiled in item C-2(e)(5). Item C-2(e)(6) shows recent halibut PSCs by fishery and how much was actually taken.

This was an informational agenda item; neither the AP nor the SSC provided recommendations to the Council.

DISCUSSION

The Council and IPHC heard staff reports on halibut Area 4 biomass distribution and its effects on the Council's halibut catch sharing plan, the bycatch compensation model and stock assessment changes, a recap of the halibut gridsorting issue, and halibut bycatch in the groundfish fisheries.

Chairman Beamish presented the following statement issued by the IPHC with regard to bycatch of halibut in the U.S. groundfish fisheries:

We realize that the Commission is a single species management entity and that the Council has many species to manage which further complicates fishery management. We recognize also the need for fleet incentives to provide for reductions in halibut bycatch. We are extremely frustrated, however, with the very limited success of the VIP program. We agree that individual accountability promises the most success. Such a program, however, may be two to four years away from implementation in the North Pacific. We strongly believe that constructive steps need to be taken immediately.

Therefore, we respectfully request the Council to:

1. Have a vessel incentive program in place that allows a bycatch cap reduction of 10 percent in 1998 and further reductions in 1999.
2. Make decisions which favor lower bycatch rates and mortality by promoting cleaner gear types, gear modifications, and fishing practices. We are not asking for major disruptions in

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allocations to gear types, rather that each gear type must continue to strive to reduce its bycatch.

3. Recognize the need to create incentives for cleaner fishing practices. We believe bycatch savings should not be reallocated to other fisheries, but instead, these savings should be split between the fleet making the savings and the lowering of the bycatch caps. We ask the Council to consider this mechanism for 1997.
4. Create or encourage the immediate development of industry pools or joint efforts that encourage, promote, and reward success in reducing bycatch and mortality.

Further, we:

- recommend the promotion of voluntary grid-sorting on an experimental basis in 1996, providing additional observers are employed to verify its viability and potential for success in reducing bycatch mortality; and
- urge the Council to join us in making bycatch and wastage reduction the number one priority, and that future funding of bycatch research be promoted and fully supported.
- propose that the Commission meet with the Council annually to coordinate bycatch management and facilitate formal and informal exchange of ideas.

Council members stressed their desire to reduce the bycatch of halibut in groundfish fisheries and provided information on programs developed to achieve reductions, but also pointed out the need to provide an opportunity for American fishermen to achieve the optimum yield in groundfish fisheries. Council member Pereyra also suggested that the IPHC may wish to send their statement to the U.S. government in order to advise them of the need for cooperation with the Council(s) with regard to fisheries management.

The Council and IPHC agreed that an annual joint meeting would be beneficial.

C-3 BSAI Pacific Cod Allocations

ACTION REQUIRED

Final Decision on a preferred alternative.

BACKGROUND

Amendment 24, adopted by the Council in 1993, and implemented for the years 1994, 1995, and 1996, allocates the BSAI Pacific cod TAC between trawl gear (54%), fixed gear (44%), and jig gear (2%). Because this amendment sunsets at the end of this year, the Council initiated an analysis of a new plan amendment to continue these allocations with potential changes in the percentages allocated to trawl gear and fixed gear (jig gear would remain at 2%). The amendment also includes a potential further split of the trawl gear apportionment between catcher vessels and catcher/processor vessels. More specifically, the following alternatives were identified:

Alternatives Under Consideration

Alternative	Trawl	Fixed	Jig
1	No Action-Current allocation will expire at the end of 1996.		
2	54%	44%	2%
3	44%	54%	2%
4	59%	39%	2%
5	39%	59%	2%
6	49%	49%	2%

Under each of the main alternatives listed above, the Council is also considering splitting the trawl portion of the TAC between catcher vessels and catcher processors. The splits being contemplated are 60% CV / 40% CP, 40/60, and 45/55 (the three year average).

A draft EA/RIR/IRFA for public review was made available to the public on May 10, 1996. This document was considerably different than the document presented to the Council at the April meeting and takes into account comments and concerns of the Council, the SSC, and the AP. The Executive Summary of the document is included as Item C-3(a).

At the April meeting the Council, at the request of industry, formed a committee consisting of seven representatives of the longline, pot, and trawl sectors, and tasked them with negotiating an agreement which was acceptable to all parties involved. This committee members are shown below:

Mothership Trawler	Bob Desautel
Shoreside Trawler	Fred Yeck
Pot Gear	Gordon Blue
Ice Longliner	John Bruce
Freezer Longliner	Thorn Smith
Factory Trawler	Sam Hjelle
Shoreside Processor	John Iani

Dave Hanson served as the facilitator.

The Committee met on May 23-24, and agreed upon an acceptable allocation of the BSAI Pacific Cod TAC. The terms of the negotiated agreement are included as Item C-3(b). The negotiated allocation agreement would allocate 51% of the BSAI Pacific cod to the fixed gear sector and 47% to the trawl sector, with the remaining 2% allocated as in the past to the jig gear. The trawl sector, in a separate negotiation, agreed to split their apportionment 50/50, between catcher processors and catcher vessels. Other provisions of the agreement would set the maximum amounts of halibut which could be apportioned to the Pacific cod fisheries for trawl sector (1,600 mt) and to the longline gear (900 mt), and stipulate that any unused portion of the jig fishery would be reallocated to the fixed gear sector only. The agreement also asks that the Council review the Pacific cod fisheries after four years following the date of implementation, but the allocation would not sunset if no action were taken by the Council. A brief analysis of the negotiated agreement is included as Item C-3(c).

Item C-3(d) contains correspondence received on this issue.

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Report of the Industry Negotiating Committee

As stated in the "Action Memo," the Council appointed a committee of industry representatives to negotiate a satisfactory compromise for the allocation of BSAI Pacific cod. The agreement reached by the committee is as follows:

- 1) **TAC Apportionments:**
The trawl sector will be allocated 47% of the Bering Sea and Aleutian Islands Pacific cod TAC. The trawl apportionment will be split between catcher vessels and catcher processors 50/50.

The Fixed gear sector will be allocated 51% of the Bering Sea and Aleutian Islands Pacific cod TAC.

The jig gear sector will be allocated 2% of the Bering Sea and Aleutian Islands Pacific cod TAC.
- 2) **Rollovers:**
On September 1st of each year, the Regional director shall reallocate 100% of any projected unused amount of the Pacific cod allocated to jig vessels to the fixed gear vessels.

If during a fishing year the Regional Director determines that vessels using trawl gear or hook-and line or pot gear will not be able to harvest the entire amount of Pacific cod allocated to those vessels, then NMFS shall reallocate the projected unused amount of Pacific cod to vessels using the other gear type(s).
- 3) **Halibut PSC Mortality Caps:**
The trawl halibut PSC mortality cap for Pacific cod will be no greater than 1,600 mt.

The hook and line gear halibut PSC mortality cap for Pacific cod will be no greater than 900 mt.
- 4) **Review:**
The Council will review this agreement at 4 years following the date of implementation.
- 5) **Industry Support:**
All parties here below signed will support this agreement at the North Pacific Fishery Management Council meeting and through Secretarial review and approval. The Committee strongly recommends that the NPFMC approve this agreement without change. Any substantive change from this agreement releases the parties from supporting said agreement.

The agreement was signed by all members of the negotiating committee.

Report of the Scientific and Statistical Committee

The SSC noted that the May 10, 1996 draft of the EA/RIR for the options to allocate BSAI Pacific cod addresses issues raised by the SSC in April and felt that the document contained information that would benefit the Council's discussion of the allocation of Pacific cod. The SSC had several other comments specific to data limitations and presentation of model results. Please see the SSC Minutes (Appendix II to these minutes) for detailed comments. The SSC did not have a recommendation regarding a preferred alternative.

Report of the Advisory Panel

The AP recommended the Council approve the agreement reached by the industry negotiating committee.

DISCUSSION/MOTIONS

Bob Mace moved to approve the agreement reached by the Industry Negotiating Committee (as reported above). The motion was seconded by Robin Samuelsen.

Steve Pennoyer suggested that under item 2, the date for reallocation of unused Pacific cod in the jig fishery be reworded to read, "on or about September 1." Dave Hanson pointed out that the industry committee discussed this wording and felt it would be too uncertain for the fleet to make business plans and to ensure the fish could be harvested.

Dave Benton moved to amend to change the date to September 15. The amendment was accepted as a friendly one by the maker of the main motion.

The motion, with the September 15 amendment, carried without objection.

SUMMARY

The Council adopted the provisions negotiated by the industry committee with one change - to request the Regional director to reallocate 100% of any projected unused amount of the Pacific cod allocated to jig vessels to the fixed gear vessels on September 15 of each year, instead of September 1.

C-4 BSAI Crab Bycatch Issues

ACTION REQUIRED

- (a) ADF&G report on status and management of Bristol Bay red king crab.**
- (b) Final review of analysis of crab caps and trawl closure areas in Bristol Bay.**

BACKGROUND

Status and Management of Crab Stocks

The Council, SSC, and AP requested that ADF&G provide a presentation on the State's efforts regarding crab assessment and rebuilding at the April or June Council meeting. Staff from ADF&G will be on hand to summarize their findings.

Final Review of Proposed Crab Bycatch Management Measures

In January, the Council identified three potential management measures to reduce crab bycatch in Bering Sea trawl fisheries:

- 1. Revise the trawl closure time period for the Bristol Bay Red King Crab Savings Area,**
- 2. Modify existing crab PSC bycatch limits, and initiate bycatch limits for snow crab, and**
- 3. Establish a trawl closure area in nearshore waters of Bristol Bay.**

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At the April meeting, the Council reviewed a draft Environmental Assessment/Regulatory Impact Review (EA/RIR) for these management measures, and released it for public review with several modifications suggested by the Advisory Panel. Modifications include the addition of two closure options that would continue to allow trawling in a portion of northern Bristol Bay, a 7-month closure for the Red King Crab Savings Area, options for further reduced PSC caps, and rescision of the trawl exemption area off Port Moller. A revised analysis was distributed to the public on May 10. The executive summary is attached as Item C-4(a).

Note that management measure 1 examines changing the closure duration for the Bristol Bay Red King Crab Savings Area. The Council previously adopted a January 1 to March 31 closure for Amendment 37 in September, 1995. Though the amendment has not been sent to Secretarial review, it does represent a Council final action, and thus is considered status quo. No additional action would be required if the Council were to keep these dates as the preferred option. If a change in closure duration is desired, the Council would need to rescind their previous action (by majority vote) before making a motion to modify Amendment 37.

Management measures 2 and 3 are proposed as a separate amendment, tentatively identified as Amendment 41. The suite of management measures has been examined together in one package, so that the impacts of these proposed measures can be analyzed comprehensively. At this meeting, the Council will take final action on a preferred alternative for each management measure. If adopted and approved, management measures would be implemented in January 1997.

The revised crab bycatch analysis was reviewed by the crab plan team, and their recommendations are included in their minutes (Item C-4(b)). Recommendations from the Crab Rebuilding Committee are attached as Item C-4(c). Comments received on crab bycatch issues are under Item C-4(d).

Report of the Scientific and Statistical Committee

The SSC reviewed proposed changes to Amendments 37 and 41 to the BSAI Groundfish FMP and provided comments relating to net benefits and costs and model and data limitations. Please see the SSC Minutes (Appendix II to these minutes) for specific comments. Although the SSC did not have a recommendation regarding preferred alternatives, they did point out that negative effects on the trawl fleet imposed by any of the measures could be significantly reduced by allowing trawlers to fish the two-block area between 159° and 160°W longitude and 58° and 58°43'N latitude. They also indicated a need for research to increase the level of biological interpretation of the effects of caps and area closures.

Report of the Advisory Panel

The AP had the following recommendations:

Bristol Bay Red King Crab Savings Area

Adopt Alternative 2, Option B with a modification allowing the ability to set a sub-area cap for the area bounded by 56° to 56°10'N of 35% of rocksole red king crab bycatch cap.

Northern Bristol Bay Trawl Closure Area

Adopt Alternative 3, Option A with modifications proposed by the Crab Plan Team — to prohibit all trawling on a year-round basis in the area east of 162°W with the exception of an area bounded by 159° to 160°W and 58° to 58°43'N that would remain open to trawling during the period April 1 to June 15 each year.

The AP further recommended rescinding the regulations allowing trawling for Pacific cod off Port Moller.

PSC Bycatch Limits

Snow Crab: Adopt Alternative 1, status quo, no action.

Red King Crab: Adopt Alternative 1, status quo, no action.

Tanner Crab: The AP was unable to pass a motion on Tanner crab caps.

Additional AP Recommendations:

Support the Crab Rebuilding Committee's recommendations on the necessity of re-evaluating closures and caps on a regular basis because crab abundance and distribution change over time.

Recommend 100% observer coverage for all fishing for groundfish in the Red King Crab Savings Area and the 159° to 160°W area.

The AP also suggested that an industry committee, similar to the Pacific cod negotiating committee, be appointed to consider management options for controlling crab bycatch.

Report of the Enforcement Committee

With regard to closures to protect crab, the Enforcement Committee noted that the most enforceable closure would be for all trawling. The next level of enforceability to afford fishing flexibility would be to close bottom trawling for all species. The least enforceable measure would be to ban trawling for a specific species. Closures would be best defined as geographical areas with linear boundaries. The Committee noted that the northern Bristol Bay and near-shore Bristol Bay closure alternatives are all enforceable; the geographic boundaries are well defined and all options are either an all-trawl or bottom closure. The Bristol Bay closure areas already have year-round patrol coverage.

Report of the Pacific Northwest Crab Industry Advisory Committee

The PNCIAC endorsed the recommendations of the Crab Plan Team on king and Tanner crab bycatch caps and trawl closure options for the Red King Crab Savings Area and the northern Bristol Bay area. They also endorsed the stair-step framework with one exception - the PNCIAC recommended a sliding scale for a *opilio* cap based on the EA/RIR which analyzes a range of .1 to .25% sliding scale. They also endorsed a floor of 4 million animals and a cap of 11 million animals. The Committee recommends that when size frequency data can be analyzed that the Council consider basing crab caps on mature animal abundance.

DISCUSSION/MOTIONS

Bob Mace moved to approve the following Advisory Panel recommendations:

- **Bristol Bay Red King Crab Savings Area: Adopt Alternative 2, Option B, modified to allow the ability to set a sub-area cap for the area bounded by 56° to 56°10'N of 35% rocksole red king crab bycatch cap.**

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Alternative 2, Option B is as follows: Close the Bristol Bay Red King Crab Savings Area to non-pelagic trawling from January 1 through December 31 to provide increased protection for red king crab. [Note: The area bounded by 56° to 56°10'N latitude would remain open during the years in which a guideline harvest level for Bristol Bay red king crab is established.]

- **Prohibit all trawling on a year-round basis in the area east of 162°W with the exception of an area bounded by 159° to 160°W and 58° to 58°43'N that would remain open to trawling during the period April 1 to June 15 each year.**
- **Appoint an industry committee, chaired by Dave Hanson, to come back to the Council in September with an industry agreement on crab bycatch caps.**
- **Rescind regulations allowing trawling for Pacific cod off Port Moller.**
- **Support the Crab Rebuilding Committee's recommendations on the necessity of re-evaluating closures and caps on a regular basis because crab abundance and distribution change over time.**
- **Require 100% observer coverage for all fishing for groundfish in the Red King Crab Savings Area and the 159° to 160°W area.**

The motion was seconded by Wally Pereyra.

Dave Benton moved to amend the motion to include the Crab Plan Team recommendation for a stair-step PSC limit for red king crab, as follows:

PSC limits for red king crab in Zone 1: In years when red king crab in Bristol Bay are below threshold, a PSC limit of 35,000 red king crab would be established in Zone 1. This limit was based on the level of bycatch observed in the 1995 flatfish fisheries operating in Zone 1 with the Red King Crab Savings Area closed to trawling. In years when the stock is above threshold but below the target rebuilding level of 55 million lb effective spawning biomass, a PSC limit of 100,000 red king crab would be established. A 200,000 PSC limit would be established in years when the Bristol Bay red king crab stock is rebuilt (above threshold and above 55 million lb effective spawning biomass).

<u>Abundance</u>	<u>Zone 1</u>
Below Threshold = 8.4 million mature crabs +effective Spawning Biomass (ESB) <14.5 million lb.	35,000
Above Threshold + ESB <55 million lb.	100,000
ESB > 55 million lb.	200,000

The motion to amend was seconded by Linda Behnken and carried, 7 to 4, with Barker, Fluharty, Mace and Pereyra voting against.

Those voting against the amendment expressed the desire to allow the negotiating committee to have the opportunity to address caps for all species before the Council expresses any desired option.

Linda Behnken moved to amend the motion to require 100% observer coverage in the Red King Crab Savings Area and the 159° to 160°W area to apply only to pot and trawl gear. The motion was seconded by Morris Barker, but was subsequently withdrawn.

Dave Benton moved to amend the motion to defer action on PSC limits for *bairdi* and *opilio* and appoint an industry committee, similar to the Pacific cod negotiating committee, to (1) Review PSC limits for these species and bring recommendations to the Council in September; and (2) Review crab PSC allocation among trawl fisheries. The motion was seconded by Steve Pennoyer and carried without objection. Mr. Benton stressed that his intent would be for the Council to address PSC limits for *bairdi* and *opilio* at the September Council meeting with the expectation that they would be in place and effective for the 1997 season.

The main motion, as amended, carried without objection.

The Chairman will appoint an industry committee based on nominations from industry. Council members suggested the committee consist of three crabbers, three trawlers, and one shoreside processor representative, with Council member Dave Hanson as the chairman.

Kevin O'Leary pointed out that although the Council welcomes industry-negotiated solutions to management problems, it should be understood that the Council is not obligating itself to approve those solutions if they feel the resource is not being adequately protected.

SUMMARY

The Council recommended a year-round closure to non-pelagic trawling in the red King Crab Savings Area. The area bounded by 56° to 56°10'N latitude would remain open during years in which a guideline harvest level for Bristol bay red king crab is established in order to allow some access to productive rock sole fishing areas. A separate bycatch limit for this area would be established at no more than 35% of the red king crab prohibited species catch limits apportioned to the rock sole fishery. The Council also recommended that all trawling be prohibited on a year-round basis in the nearshore waters of Bristol Bay, with the exception of the area bounded by 159° to 160°W and 58° to 58°43'N, which would remain open to trawling during the period April 1 to June 15 each year. The Council will also recommend that NMFS rescind regulations allowing trawling for Pacific cod in the area off Port Moller as those regulations are out of date given the current status of red king crab and scientific knowledge of critical habitat. The Council approved a stair step-based approach to reduction of the PSC limits for red king crab taken in trawl fisheries in Zone 1, and agreed to defer action on PSC caps for *bairdi* and *opilio* crab until an industry committee meets and develops recommendations for Council consideration in September. In addition, the Council recommended 100% observer coverage be required for all vessels fishing for groundfish in the Red King Crab Savings Area and the 159° to 160°W area.

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C-5 Improved Retention and Utilization

ACTION REQUIRED

Review draft analysis of proposed BSAI IR/IU program for public review.

BACKGROUND

In April the Council discussed the IR/IU program and reviewed a lengthy report from its appointed industry IR/IU Committee which met in February and March. The Council requested that the analysis continue, including the adoption of several recommendations of the Committee. One of the key recommendations was to reject the alternative of a target fishery-based retention requirement, and focus on the species-based alternative - the four program species (pollock, Pacific cod, rock sole, and yellowfin sole) would be retained whenever and wherever they are caught, unless disallowed by regulatory prohibitions on retention. The draft analysis mailed to you last week relates to the Bering Sea/Aleutian Islands only, with the Gulf of Alaska to be addressed in a later analysis. Implementation of the program, possible for 1998, could be concurrent for both the GOA and the BSAI.

Though the Council has narrowed the retention alternatives of this program, there are still three major alternatives regarding the utilization of fish that are retained. In summary, these are: (1) Subject species may be processed into any form; (2) a minimum percentage of the subject species must be processed into human consumptive product forms (options include 50%, 70%, and 90%); and, (3) amount of subject species which may be processed into meal is limited to 50%, 30%, or 10%. A potential phase-in period for flatfish species is also included as an alternative. The Committee's report from April is included for reference under Item C-5(a). Dr. Lew Queirolo, lead analyst on this initiative, will present the draft analysis.

A final decision on this issue is scheduled for September. The analysts will have some time after this meeting to finalize the analysis prior to public review, depending on revisions or additions from the Council, SSC, and AP.

Report of the Scientific and Statistical Committee

The SSC recommended sending the document out for public review after minor clarifications (see SSC Minutes for details). The SSC indicated that Option 1 may be the least costly of the alternatives being considered because it offers producers the greatest flexibility to meet the retention and utilization standards. As the SSC reported in April, they remain concerned that there may be more effective and less costly ways to achieve the Council's IR/IU objectives.

Report of the Advisory Panel

While the AP remains committed to developing a workable IR/IU program in a timely manner, they felt that some of the issues raised in the draft EA/RIR require further development and identification of alternatives before final action can be taken.

The AP requested that the Council release the draft EA/RIR for public comment during the month of July and that the Council refer the draft EA/RIR, and public comments received, to the industry IR/IU Committee to explore some of these unresolved issues in August before further Council action in September.

The AP specifically requested public and committee comments on:

1. Implications of target fishery switching caused by IR/IU.
2. Effects of IR/IU on VIP rates.
3. Extent of conflict between IR/IU and moratorium/license limitation upgrade provisions.
4. Monitoring of the IU portion of the program.

Report of the Enforcement Committee

The Enforcement Committee endorses a species-specific rather than target fishery approach for IR/IU. Increased resources will likely not be available for observer coverage, compliance monitoring, or enforcement. The Committee noted that enforcement can only realistically occur at 100% retention, and that any phase-in should occur under industry initiative, not under regulations, with industry reporting annually to the Council on their progress with achieving phase-in goals. The Committee recommends that a date be set, such as three years after initiation of a voluntary program, for an industry committee to report on their achievement of 100% retention to the Council.

Report of the IR/IU Industry Committee

The primary purpose of the committee was to work through the implementational issues which have been identified for the proposed alternatives, to identify any additional implementational issues which need to be considered, and to provide information and industry perspective to the analysts working on this project. Committee members recognized the necessity of addressing the waste and discard issue and expressed the hope that it can be accomplished in a way that industry can live with. The committee believes that the IR/IU initiative and attendant analyses need to be considered in a comprehensive manner, keeping all other major Council initiatives and regulations in mind as the specific of the IR/IU programs are developed. Joe Kyle, chair of the committee, reviewed the suggestions and recommendations of the committee. A summary of these extensive comments are included as Appendix III to these minutes.

DISCUSSION/MOTIONS

Linda Behnken moved to send the EA/RIR out for public review with a request for comments on the specific issues identified by the Advisory Panel. The motion was seconded by Dave Benton and carried without objection.

Mr. Pereyra pointed out that the document lacks cost information which he feels is critical to any decisions the Council may make. Lack of information on these kinds of impacts could result in unintended consequences such as forcing effort into other fisheries which the Council is already having difficulty managing. He expressed the hope that the public review process will provide needed information.

SUMMARY

The Council approved for public review a draft analysis for the BSAI Improved Retention and Utilization initiative. The program focuses on pollock, Pacific cod, yellowfin sole and rock sole in all BSAI groundfish fisheries, with a potential phase-in period for the flatfish species. Comments received during the summer will be reviewed by the IR/IU industry committee prior to final action by the Council at their September meeting.

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C-6 Ban on Night Trawling for Cod

ACTION REQUIRED

Review updated information and provide further direction.

BACKGROUND

In January, the Council indicated that it wished to re-examine the issue of a ban on night trawling for cod as a means to reduce halibut bycatch in that fishery. A proposal to ban night trawling was discussed by the Council in 1993, and they decided not to proceed with such a ban. Although studies based on 1990 data indicated that halibut bycatch rates in the cod fisheries may be higher at night, and some savings could be expected, the Council did not proceed with the proposal, primarily because of enforcement concerns (see NMFS enforcement letter attached as Item C-6(a)).

Item C-6(b) is a recent letter from the IPHC (dated April 2, 1996) which addresses the Council's current considerations of this proposal. They reiterate the earlier findings that cod come off the bottom at night, and that a cessation of night trawling would reduce bycatch of halibut and crab, perhaps as much as 15%, and increase the CPUE for cod. However, they also note the potential implementation problems with this proposal; in addition to enforceability, they cite the difficulties associated with very short daylight hours during much of the year. Their letter requests that the Council weigh the possible benefits of this program against the benefits of alternative programs such as the VBA proposal.

In April, the Council requested that NMFS examine recent observer data for information regarding day/night differences in bycatch rates of crab and halibut in the Pacific cod trawl fishery. The NMFS report summarizing day/night bycatch rates is attached as Item C-6(c). Their report indicates no day/night differences in bycatch rates using 1994 and 1995 data. At this meeting, the Council will determine whether or not further analysis is warranted.

There was no SSC Report on this agenda item.

Report of the Advisory Panel

The AP recommended that the analysis move forward with the following considerations:

1. Night should be defined as 11:00 pm until 5:00 am.
2. Check-in requirement for Pacific cod fishery (to deal with enforcement concerns).
3. Halibut bycatch data rates to be looked at by area (EBS, Aleutians, North of Pribilofs).
4. Enforcement issues about what constitutes a violation, i.e., doors on surface, bag in water, cod on board, short-wiring).

Report of the Enforcement Committee

The Committee noted that comments made in a NOAA Enforcement letter dated February 16, 1993 still apply. Defining night can be addressed by setting a specific hour by season/month for start/stop. Enforcement of a species-specific ban on night trawling would be impeded because (1) directed fishing standards cannot be tied to individual hauls; (2) use of the directed fishing standard would not prevent vessels from targeting on Pacific cod at night; (3) only individuals voluntarily complying would be prevented from fishing, while nonparticipants would be advantaged. In this case, that advantage is considerable given the added fishing time gained during night periods. Therefore, there would be a greater potential gain with minimal risk to the violator. The Committee further noted the possibility for increased discarding.

The most enforceable approach to reduce halibut bycatch in the Pacific cod fishery would be to close all trawling on certain Pacific cod fishing grounds that have demonstrated high bycatch in the past. The Committee recommended to the Council that an industry group identify a geographic area for a night trawling ban that would have minimal impact on other fisheries and not be tied to a species fishing standard. The Committee also discussed that any night trawling ban would be an interim measure until improved retention/improved utilization and/or vessel bycatch allocation measures were implemented.

The Committee requested that the Council designate a catcher vessel and catcher/processor representative to meet with the Enforcement Committee in September to discuss other possible time and area closure alternatives.

DISCUSSION/MOTIONS

Bob Mace moved to adopt the AP recommendation to continue with analysis of a ban on night trawling for Pacific cod in the Bering Sea/Aleutian Islands, including the four considerations listed in their report. The motion was seconded by Linda Behnken and carried without objection.

SUMMARY

The Council instructed staff to begin an analysis of a proposed ban on night trawling for Pacific cod in the BSAI in order to reduce halibut bycatch. Halibut bycatch rates will be examined by specific areas for possible differential treatment: Eastern Bering Sea (horseshoe area), the Aleutians, and north of the Pribilof Islands. According to recommendations of the Advisory Panel, the analysis will also address a check-in requirement for the cod fisheries, defining a specific time for "night," i.e., 11:00 pm - 5:00 am, and enforcement issues.

C-7 Overfishing Definition

ACTION REQUIRED

Final review of plan amendment to revise the overfishing definition for BSAI and GOA groundfish.

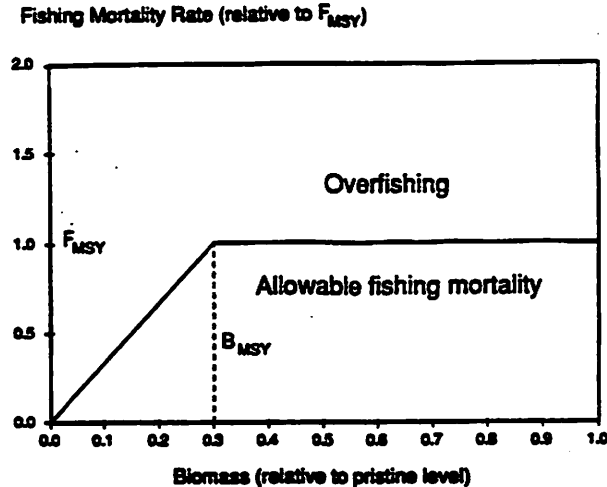
BACKGROUND

In 1990, the **602 Guidelines** mandated that overfishing be defined in FMPs as follows:

"Overfishing is a level or rate of fishing mortality that jeopardizes the long-term capacity of a stock or stock complex to produce maximum sustainable yield on a continuing basis", and that "Each FMP must specify, to the maximum extent possible, an objective and measurable definition of overfishing for each stock or stock complex covered by that FMP, and provide an analysis of how the definition was determined and how it relates to reproductive potential."

The Council added overfishing definitions to the GOA (Amendment 21) and BSAI (Amendment 16) fishery management plans in 1990, defining a maximum fishing mortality rate that declines at low stock sizes. Specifically, for any stock or stock complex under management, the maximum allowable mortality rate is set at the level corresponding to maximum sustainable yield (F_{msy}) for all biomass levels in excess of the level corresponding to maximum sustainable yield (B_{msy}). For lower biomass levels, the maximum allowable fishing mortality rate varies linearly with biomass, starting from a value of zero

at the origin and increasing to a value of F_{msy} at B_{msy} , consistent with other applicable laws. These relationships are shown in the figure below.



If data are insufficient to calculate F_{msy} or B_{msy} , the maximum allowable fishing mortality rate will be set equal to the following (in order of preference):

- (1) the value that results in the biomass-per-recruit ratio (measured in terms of spawning biomass) falling to 30% of its pristine value;
- (2) the value that results in the biomass-per-recruit ratio (measured in terms of exploitable biomass) falling to 30% of its pristine value; or
- (3) the natural mortality rate (M).

If data are insufficient to estimate any of the above, the TAC shall not exceed the average catch taken since 1977.

The current overfishing definitions do not necessarily provide a buffer between acceptable biological catch (ABC) and the overfishing level (OFL). The Plan Teams and SSC have expressed concern about harvesting stocks to the OFL level as an acceptable target. In April 1996, the Council made an initial review of the Environmental Assessment/Regulatory Impact Review of the analysis for Amendment 44 and released it for public review with minor changes. An executive summary is attached as Item C-7(a). The groundfish plan teams reviewed the analysis and recommended adoption of Alternative 2. (see attached plan team minutes, Item C-7(b)). Grant Thompson, NMFS-AFSC will be on hand to present his analysis.

Report of the Scientific and Statistical Committee

The SSC recommended adoption of Alternative 2 which revises the overfishing definition to provide a buffer between ABC and OFL and to reflect current scientific knowledge about conservative fishing practices. The SSC agreed to changes and corrections to the document suggested by the groundfish plan teams.

There was no AP Report on this agenda item.

DISCUSSION/MOTIONS

Linda Behnken moved to approve Alternative 2, with the revisions recommended by the groundfish plan teams and SSC. The motion was seconded by Wally Pereyra and carried without objection.

C-8 Halibut Charterboat Issue

ACTION REQUIRED

Finalize alternatives and scope of study for sport/charter halibut fishery management program.

BACKGROUND

In early 1995, after hearing reports from its Halibut Charter Working Group, the Council developed a Problem Statement and list of alternatives to be studied to address the expansion of the sport/charter fleet off Alaska (Item C-8(a)). Work on this issue has been on hold pending staff availability and potential Council funding which would allow for all or part of the study to be contracted to outside consulting. The Council funding issue, for the remainder of FY 1996 as well as for FY 1997, should be resolved shortly after this Council meeting; it is likely that some money will be available, either this fall or early in 1997, which could be devoted to this study. It is also likely that in-house staff will be available during this same time period to work on this study, depending on new amendments initiated this fall and also depending on the outcome of ITQ developments in the Magnuson Act reauthorization.

The scope of this study has the potential to be extremely large with the existing suite of alternatives, likely exceeding what could be completed with an outside contract. For example, inclusion of alternatives which cap the entire sport fishery (as opposed to the charter boat fleet only) has the potential to more than double the scope of the study, in terms of both costs and timelines. Alternatives for development of a stand-alone IFQ management system for the charter fleet also greatly expand the scope of the study required, and may be precluded by Magnuson Act reauthorization (the option to allow the charter fleet to buy into the existing program may still be viable). A DRAFT Request for Proposals (RFP) was developed prior to the April 1996 meeting and was reviewed by the SSC. Their comments are included under Item C-8(b). A discussion of the alternatives and scope of study is necessary prior to finalizing this RFP and putting it on the streets for potential bidders. Once a final list of alternatives is determined by the Council, we will have to determine what to specifically ask for in the RFP and what can be completed in-house. It still appears possible to do the study over the fall of 1996 and spring of 1997, with a management program in place as early as 1998, though that may be optimistic. If a survey is required, and thus OMB review, it may take all of 1997 to complete the study. In that case, 1999 would be a better bet for implementation.

Neither the SSC nor AP discussed this agenda item.

COUNCIL DISCUSSION/MOTIONS

Council members discussed the scope of alternatives to be studied for halibut charterboat management. It was determined that the major focus should be on the commercially-oriented segment of the industry and not the unguided sport fishery. Council members also discussed using some method of capping the industry or license limitation as a first step to a possible IFQ program in the future.

Linda Behnken moved to proceed with analysis of the following alternatives (found in agenda item C-8(a), dated June 1996):

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Alternative 1: Status quo.

Alternative 2: Implement Reporting Requirements. Guided sport operators will be required to fill out a federally mandated catch report for all retained and discarded catch for all species on each trip. (This option could be implemented concurrent with any of the other alternatives.)

Alternative 3: Annually allocate the TAC between guided sport and commercial fisheries. (Guided sport includes lodges, outfitters and charter operators.)

Option 3a: Annually allocate the TAC between guided sport and commercial fisheries. The allocation will be based on a range between 8.8% and 11.7% of the TAC being allocated to the guided sport fleet, under the statewide area alternative. These percentages are based on the guided catch for 1994 listed in Table 1 (agenda item c-8(a)). That catch (and the attendant percentages) is based on data from the ADF&G Sport Fish Division and the CFEC.

Suboption: Implement a moratorium on the guided sport halibut fleet with options 3a or 3b.

Delete Alternative 4 from consideration (absolute poundage catch cap on guided fleet).

Alternative 5: Delete implementation of IFQ program. Retain only Option 5c:

Implement a provision where guided sport operators could purchase or lease IFQ from the commercial fleet, for continuous operation after their cap was reached in a given year.

Each alternative will also include the following three area options:

- 1. Statewide**
- 2. IPHC areas 2C and 3A only**
- 3. By zone:**

Zone 1 Southeast: ADF&G areas A, B, C, D, E, F, G, & H	% of '94* guided sport
Zone 1 Prince William Sound: ADF&G area J	% of '94* guided sport
Zone 3 Cook Inlet/Kenai: ADF&G areas K, L, N. and P	% of '94* guided sport
Zone 4 Kodiak: ADF&G area Q	% of '94* guided sport
Zone 5 Alaska Peninsula: ADF&G area R	No limit
Zone 6 Bering Sea: ADF&G areas T, U, V, W, X, Y and Z	No limit

***or most recent data available.**

The motion was seconded by David Benton.

Morris Barker requested input from General Counsel in the analysis with regard to Alternative 5c and the current prohibition on implementing new IFQ programs. David Benton also expressed concern over having this option included. Clarence Pautzke pointed out that at this time the Council is simply outlining the scope of a possible analysis in order to issue an RFP. There will be adequate time to revise the options if necessary.

With regard to timing, Clarence indicated that it may be April or later before an analysis can be completed for initial Council review. Linda Behnken pointed out that because the guided sport fishery takes place in the summer months, a review couldn't be scheduled for June. She asked that if there is any way to expedite the

analysis for a review by April that it be done. Clarence suggested that if staff could work with the chairman and get a contract approved before the September meeting, it might expedite the process. Council members agreed with this approach.

The motion carried without objection.

SUMMARY

The Council approved alternatives to be analyzed for management of the halibut guided sport fleet. A Request for Proposals will be issued by July 1 inviting contractors to bid for the study. A progress report will be expected in December with possible final Council action in April of 1997.

C-9 Electronic Reporting

ACTION REQUIRED

Initial Review of a regulatory amendment to require groundfish processors to utilize electronic recordkeeping and reporting.

BACKGROUND

The proposed regulatory amendment prepared by NMFS staff would require groundfish processors in the Bering Sea, Aleutian Islands, and Gulf of Alaska to utilize an electronic recordkeeping and reporting system for NMFS-required documents. The analysis was mailed to you on May 30. The two alternatives discussed in the analysis are:

Alternative 1: No Action: This would continue the current system of recordkeeping and reporting in which processors maintain paper logbooks and submit NMFS reports via conventional methods (i.e., fax and telex transmissions).

Alternative 2: Require groundfish processors that are subject to observer coverage to use NMFS-supplied software to electronically record harvest and processing activities on computer equipment. Conventional logbooks and associated NMFS reports would be replaced by electronic versions. At-sea processors would be required to transmit in-season NMFS reports using Inmarsat satellite equipment and shore-based processors would be required to use modems and phone systems. All processors using the electronic reporting system would be required to have a computer-operated printer to make paper copies of electronic logbook pages and transmitted reports at the processing site.

The NMFS electronic reporting system would be implemented in two stages. Phase 1 would consist of electronic versions of the daily production, weekly production, and check-in/check-out reports and would be implemented in early 1997. Phase 2 would consist of electronic logbooks, vessel activity reports, and product transfer reports and would be implemented in 1998.

**MINUTES
NPFMC
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Report of the Scientific and Statistical Committee

The SSC supports electronic reporting as a means to speed the reporting and error checking of essential inseason fishery management information and recommended the regulatory amendment be distributed for public review and that prototype field testing proceed. In moving toward implementation of Phase 1, the SSC recommended careful consideration of the following issues:

- (1) provision of technical support and assistance to industry;
- (2) back-up data reporting and storage;
- (3) implementation pace which allows for unique circumstances of some processors;
- (4) coordination of data collection efforts with other agencies reliant on similar information; and
- (5) coordination of reporting systems to minimize requirements on industry.

Report of the Advisory Panel

The AP recommended that the Council recommend that NMFS implement electronic reporting requirements using a "phased" method which brings small segments of the industry on-line sequentially rather than bringing all segments on-line at the same time. This process would reduce start-up problems.

The AP also recommended an industry group of management, end-users and NMFS enforcement be formed to guide NMFS on the design and implementation of any program and that NMFS also retain a computer industry specialist who would assist NMFS in designing a competent program. The AP feels industry approval prior to implementation is critical.

The AP noted the following concerns that should be addressed by an industry/NMFS group:

1. Observer reporting and halibut/sablefish reporting should be incorporated with any electronic reporting plan to provide a comprehensive approach.
2. Any program should be cost-effective in transmission ability, i.e., report to NMFS simultaneously sent to home office.
3. Transmitted strings should avoid duplicative input, i.e., default fields for certain information.
4. Any program should interface with existing data entry software industry currently utilizes.

DISCUSSION/MOTIONS

Linda Behnken moved to approve the AP recommendation to send the regulatory amendment out for public review, incorporating AP and SSC suggestions. The motion was seconded by Robin Samuelsen and carried without objection.

D. CHAIRMAN'S REMARKS AND ADJOURNMENT

Chairman Lauber adjourned the meeting at 3:10 p.m. on Friday, June 14, 1996.