

North Pacific Fishery Management Council

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Certified Richard B. Lauber
Date 12/6/97

MINUTES

**129th Plenary Session
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
September 23-29, 1997
DoubleTree Hotel-SeaTac
Seattle, Washington**

The North Pacific Fishery Management Council met September 23-29, 1997 at the DoubleTree Hotel in Seattle, Washington. The Scientific and Statistical Committee met September 22-24, and the Advisory Panel met September 22-26, 1997 at the same location. The following members of the Council, staff, SSC and AP attended the meetings.

Council

Richard Lauber, Chairman
Dennis Austin for Bern Shanks
CAPT Vince O'Shea for RADM Cross
Linda Behnken
David Fluharty
Dave Hanson
Joe Kyle

Walter Pereyra, Vice Chair
Bob Mace for J. Greer
Kevin O'Leary
Steve Pennoyer
Everett Robinson-Wilson for David Allen
H. Robin Samuelsen, Jr.
Dave Benton for Frank Rue

NPFMC Staff

Clarence Pautzke, Executive Director
Jane DiCosimo
David Witherell
Darrell Brannan

Chris Oliver, Deputy Director
Helen Allen
Gail Bendixen
Linda Roberts

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Support Staff

Jon Pollard, NOAA-GCAK
Galen Tromble, NMFS-AKR
Earl Krygier, ADFG
Sue Salveson, NMFS-AKR
Jay Ginter, NMFS-AKR
John Lepore, NMFS-AKR
Jim Hale, NMFS-AKR
Richard Merrick, NMFS-MML

Joe Terry, NMFS-AFSC
Bob Otto, NMFS-Kodiak
Peggy Murphy, ADFG-Kodiak
Phil Smith, NMFS-RAM Division
Doug Vincent-Lang, adfg
Grant Thompson, NMFS-AFSC
Sandra Lowe, NMFS-AFSC
Lowell Fritz, NMFS-AFSC

Scientific and Statistical Committee

Keith Criddle, Chair
Doug Eggers
Sue Hills
Dan Kimura for Jim Balsiger
Steve Klosiewski
Doug Larson

Jack Tagart, Vice Chair
Seth Macinko
Richard Marasco
Terry Quinn
Al Tyler
Hal Weeks

Advisory Panel

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

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

Dean Paddock
John Roos
Jeff Stephan
Teresa Turk
Robert Ward
Robert Wurm
Lyle Yeck
Grant Yutrzecka

Other Attendees

The following people signed the attendance register:

Eric Cox
Steve Hughes
Jonathan Spool
CDR Mark Thomas, USCG
Lennie Gorsuch
Shigeki Hata
Kris Norosz
Denise Fredette
Jude Henzler
Thomas Dundas
Vince Addington
Dick Ford
Stuart Laney
John Henderschedt

Ron Hegge
Jim Coe
Shari Gross
Matt Doherty
Jim Keough
Brian Bigler
Tom Rueter
Thorn Smith
Ken Tippet
Robert F. Morgan
G. W. Joost
Steve Toomey
Barbara Nombalais
Ruel Holmberg, Sr.

Joe Plesha
Scott Stevenson
Liz Cabrera
John Crowley
Bryce Morgan
Mark Lundsten
Gary Haugen
Edwin Glotfelty
Tom Okey
C. Peterson
Steve Fish
Kurth Hansen
Richard Sharpe
Jack Hill

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Brent Paine	Alvin Pedersen	Bill Sullivan
John Iani	Linda Kozak	Paul MacGregor
Kelly Korito	Jacob Stepetin	Stan Weikal
Cindi Johnson	Joe Bereskin	Aimee Kniazowski
M. Elizabeth Clarke	Phillip Lestenkof	Christine Graves
LeeAnne Tryon	Vern Hall	Jim Lonwe
Dean Adams	Christine Duye	Greg Baker
David Wilson	Roman Haras	Glenn Reed
Pat Martin	Mike King	Michael Lake
Bill Jacobson	Greg Peterson	DeVonn McGrorty
John Sakcton	Mark Hughes	Michael King
Greg Busch	Chris Blackburn	Alvin Osterback
Melanie Gundersen	Jim Ingram	Rebecca Baldwin
John Rotter	Michael Sloan	Jim McManus
Alec W. Brindle	Steve Barbeau	Sean Martin
Fred N. Kirkes	Sarah Gaicmas	Dan Coffey
Steven Patterson	Eric Olson	Larry Engle
Bob Trumble	Barry Bracken	Ed Dersham
Cal Blood	Jamie Buskirk	Chuck Bundrant
David Lewine	Ron Rogness	Arni Thomson
Gerry Davis	Joe Sullivan	Beth Stewart
Rob Gudmundson	Susan Williams	

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

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

Chairman Rick Lauber called the meeting to order at 8:10 a.m. on Tuesday, September 23, 1997. NMFS Regional Administrator administered the Oath of Office to new Council appointee Joe Kyle and re-appointed Council members Dave Fluharty and Rick Lauber.

Elections. Bob Mace moved to re-elect Rick Lauber and Wally Pereyra as Chair and Vice Chair, respectively, of the Council for another year. There were no other nominations and both were unanimously elected.

Agenda. Except for minor changes in scheduling, the agenda was approved as drafted.

B. REPORTS

The Executive Director's Report (Agenda item B-1) was provided in written form. Fishery progress reports were provided by the Alaska Department of Fish and Game (Agenda item B-2) and the National Marine Fisheries Service (NMFS) (Agenda item B-3), and enforcement reports were provided by NMFS and the Coast Guard. (Agenda item B-4). ADF&G and NMFS personnel also reviewed the current status of Bering Sea/Aleutian Islands crab stocks. Phil Smith, NMFS RAM Division, provided the Council with a brief report on the IFQ fisheries, and Dr. Richard Merrick, of the NMFS National Marine Mammal Laboratory provided an update on the status of Steller sea lions off Alaska.

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DISCUSSION/ACTION RESULTING FROM REPORTS

Executive Director's Report

Council members concurred with the Executive Director's suggestion to change the late September Council meeting to early October, beginning in 1998. The Council approved the addition of Tom Pearson, NMFS-Kodiak, to the Gulf of Alaska groundfish plan team. In addition, the Council requested that the Executive Director respectfully decline the invitation to tour the Alaska Sealife Center in conjunction with the December meeting, stating that the heavy meeting schedule would not allow time for the visit. The Council also asked the Executive Director to respond favorably to a letter from Arliss Sturgulewski requesting a letter of support for an endowment for interdisciplinary research. The endowment would be set up by the Exxon Valdez Oil Spill Trustee Council.

NMFS Management Report

Galen Tromble read the following statement into the Council record:

On September 3rd NMFS approved Amendment 49 to implement an IR/IU program for the BSAI. The comment period on Amendment 49 for the Gulf is still open so we have not made a decision to approve or disapprove the IR/IU program for the GOA. However, if approved, the GOA program is also on schedule for a January 1, 1998 implementation. In the letter to the Council announcing approval of Amendment 49 to the BSAI we projected an effective date for the program of January 1, 1998, but indicated that this date would be contingent on action by the State to implement parallel regulations to govern onshore processors. We believe that catcher boat operators could be placed in an untenable position if Federal regulations require full retention of pollock and cod and some processors refuse to accept deliveries of those species. Since then we have received word from the State that a parallel IR/IU program may not be in place before mid-1998 because statutory changes are necessary before the State can proceed with a full IR/IU program. However, the State has indicated that on an interim basis it will be able to regulate onshore retention and utilization of pollock under its existing statutory authority to prohibit roe-stripping and waste of pollock. We believe that the concerns of the catcher boat fleet will be largely addressed if the State is able to regulate onshore processing of pollock as this is the species of greatest concern to the catcher boat fleet. We therefore intend to proceed with the January 1 implementation date for the IR/IU program in the BSAI based on the understanding that the State will implement interim IR/IU regulations to govern onshore processing of pollock AND that the State will proceed with the development of a full IR/IU program for onshore processors to be implemented as soon as possible. And I again just reemphasize that this will apply to the Gulf as well provided that the Secretary does approve that amendment.

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 (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 Inshore-Offshore 3

ACTION REQUIRED

- (a) Review information to date.
- (b) NOAA GC opinion on scope of analysis.
- (c) Consider separation of pollock CDQ program from the inshore/offshore amendment.
- (d) Develop Problem Statement and alternatives for analysis.

BACKGROUND

Information to Date

In June the Council requested that staff develop industry sector profiles which describe the evolution of the BSAI pollock fisheries over the past several years, with the intent that a problem statement and set of alternatives would be identified at this meeting. Information developed thus far was mailed to you in early September, and staff will now provide an overview of the various sections of that document, including a couple of additions that we have added since that mailing. Item C-1(a)(1) is a copy of a report on foreign ownership of fish processing facilities prepared in 1994 by the State of Alaska Legislative Research Agency. Attached to that is a diagram from a 1980 report which is illustrative of the complexities involved in discerning these ownership structures.

Council staff has been conducting its own research, through a 'Lexis-Nexis', internet-linked data base. While this research has generated a considerable volume of ownership information, on both processors and vessels, we have not compiled that information in a form suitable for distribution at this time. More to the point, we intend to continue this research, if the Council wants this type of information, and attempt to groundtruth the information prior to public release. While we have not unearthed anything particularly unexpected, we feel that information of this nature can be quite sensitive and it is our responsibility to be careful with its release.

Item C-1(a)(2) contains supplementary information prepared by staff regarding utilization rates by pollock processors, similar to some of the analyses we did for inshore/offshore 2. This represents an overall look at utilization, as a ratio of processed product per metric tons of raw pollock input, and is intended to supplement Tab 2 of your document.

NOAA GC Opinion on Scope of Analysis

During our June meeting you requested that NOAA GC provide comments and guidance to the Council regarding the necessary breadth and depth of analysis required to support a decision on allocation alternatives, including those alternatives which diverge from the 'status quo'. We made such a request to NOAA GC and have discussed this issue within our respective staffs. NOAA GC may wish to comment on this question at this time.

From Council staff's perspective, we need to inform you of what we believe is doable, given time and data limitations. Once an analysis is completed, you (as well as the Secretary of Commerce) will have to decide whether the information in front of you is sufficient for a particular decision. For reference, Item C-1(b)(1) is a copy of the discussion paper we presented in June which describes the analytical aspects of this issue. The Council needs to be aware that we will be unable to do much in the way of a strictly quantitative net benefits assessment, due to the fact that we will not have the necessary cost data to incorporate in such an analysis. Regardless of the alternatives identified by the Council, the analysis will be largely a gross revenue based analysis, much as we did with inshore/offshore 2. We would certainly focus on distributional impacts, and quantify those to the extent possible, but definitive net benefit projections will be lacking.

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Our intent is also to supplement our analyses with a community impact assessment, under contract to Impact Assessment, Inc., the consulting firm which did the original inshore/offshore community profiles as well as the CRP-related sector profiles in 1994. This decision is based largely on the new Magnuson Act National Standards, one of which requires community impact assessments for FMP amendments. We have developed a very draft Statement of Work (SOW) for this study, which may be adjusted after this meeting, depending on the scope of alternatives identified by the Council. We will need the OK from the Finance Committee, and Council, before proceeding with this contract.

Separation of Pollock CDQ Program from Inshore/Offshore

Item C-1(c)(1) is a letter from NMFS recommending that the pollock CDQ allocation be separated from the inshore/offshore 3 amendment and proceed on its own course, to be combined with the multi-species CDQ program, as a permanent allocation. The letter also advises that the pollock CDQ program, notwithstanding the Magnuson-Stevens Act mandate, has to be extended via a new FMP amendment, which could be prepared and acted upon by early 1998. This would allow for a final rulemaking by June of next year. Item C-1(c)(2) contains correspondence related to this issue.

Problem Statement and Alternatives for Analysis

As a reference point for the Council, we have included the action memo from the June meeting, which includes example problem statements and the range of alternatives that were put forth at the April meeting (Item C-1(d)(1)). The Council had explicitly directed staff to circulate these in our newsletter prior to the June meeting. Alternatives raised at the June meeting, but not acted upon by the Council, are not directly referenced here. Comments related to the general inshore/offshore issue are under Item C-1(d)(2).

Report of the Scientific and Statistical Committee

The SSC suggested that as the analysis proceeds data sources need to be clearly documented, and stressed the following:

Deviations from present conditions may affect, positively or negatively, net national economic benefits, will probably affect the distribution of net revenues between competing sectors of the affected fisheries, and may have spill-over impacts on other fisheries. There are many potential bases for a Council decision. Due to data limitations and the inability to predict responses to regulatory changes, the SSC does not believe that estimation of net economic benefits will provide a defensible justification for choosing amongst alternative inshore/offshore allocations.

See the full text of SSC recommendations in their minutes (Appendix II to these minutes).

Report of the Advisory Panel

The AP provided a draft problem statement for the Gulf of Alaska and alternatives for analysis for both the Gulf of Alaska and Bering Sea/Aleutian Islands (see AP Minutes, Appendix III to these minutes). The AP also recommended that the pollock CDQ program be separated from the inshore-offshore 3 analysis and be developed on its own to be combined with the multi-species CDQ program as a permanent allocation.

DISCUSSION/ACTION

At their June meeting the Council requested NOAA General Counsel to provide direction with regard to the breadth and scope of analysis required for inshore-offshore 3. Jon Pollard, NOAA-GC, provided the following statement:

“We looked at this since June and, at the outset I’d like to make two points. First, it’s not my intent to remind the Council of all the dozen or so statutes and Executive Orders that govern Council development and Secretarial approval of amendments--things like the Coastal Zone Management Act and the Endangered Species Act--all those certainly apply, but I didn’t think that that’s what the Council wanted to hear about. And, secondly, it’s certainly difficult to advise the Council on the sufficiency of analysis since there is no problem statement that has been identified yet, no range of alternatives to address those problems and no analysis has been laid out. But, speaking generally, the Magnuson Act and the other applicable laws certainly don’t specify explicitly that a quantitative cost-benefit analysis must be done for fishery management measures. Indeed, the Act doesn’t specify any particular form for analysis and the National Standard 7 guidelines that NOAA has developed to guide fishery management development bear that out. That said, it’s quite clear that the Council must take care to ensure that the record it develops adequately supports the action it ultimately takes and, in the final analysis demonstrates that there is some net benefit that will accrue to the nation in taking that action. I might remind the Council that in July 1991, in the review of the initial inshore-offshore submission, Amendment 18/23, NMFS and NOAA General Counsel wrote a letter to the Council stating that courts have held that in making a decision on the practicability of fishery management amendments the Secretary need not conduct a formal cost-benefit analysis. The record must support a determination that the amendment will benefit the nation as a whole, citing the Amendment 14 case regarding the black cod gear allocations in the Gulf of Alaska. So basically you’ve heard this before. This is nothing new. The record requirement is simply that there needs to be sufficient evidence in the record that the Council has addressed the problems they had intended to address in a manner that results in some net benefit to the nation. And this question of record adequacy, I think, very much depends on the circumstances. The Council might very well conclude that a particular qualitative analysis, for example, is adequate support for one alternative, but is insufficient support for another alternative that could, for example, have very significant but hard-to-predict social, economic, or environmental consequences. And, again, the Secretary also has this responsibility to review the analysis and make sure that the Council is taking action and that the record supports the determination that there’s going to be some net benefit. When the Secretary of Commerce partially disapproved Amendment 23 back in March 1992, the Secretary found that the Council’s analysis was insufficient to demonstrate net benefits, conducted an additional analysis on his own, and that was a cost-benefit analysis in that case. And, on the basis on the analysis, concluded that once again part of the amendment needed to be disapproved. And the basis for that disapproval was that the economic loss that would have accrued from the Council’s amendment had not been justified by any other legitimate objective of the fishery management plan and that there was insufficient demonstration that there would be net benefit.

So I guess to kind of boil this down, it’s like a sliding scale. The adequacy requirement’s a sliding scale. The Council has the first responsibility to ensure that the record supports what

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it's going to do. The Secretary has the next responsibility to ensure that there's net benefit. And when I speak to net benefits, I don't necessarily mean net economic benefits. It's clearly a net benefit that needs to accrue and be demonstrated in the analysis, isn't just a matter of dollars and cents. There are a lot of legitimate goals that the Council could consider that are difficult to quantify the economic return."

The Council was also apprised of the need to comply with new requirements specified in the reauthorization of the Magnuson-Stevens Act when developing the alternatives and the analysis.

At the June meeting David Benton had proposed a motion and Wally Pereyra had made a substitute motion. Discussion of the motions was delayed until this meeting. At the suggestion of the Chair, both motions were withdrawn so that Council members could begin with a fresh motion.

Dave Benton moved the following:

Adopt the problem statement for the Gulf of Alaska as proposed by the Advisory Panel:

Allowing the current Gulf of Alaska inshore/offshore allocative regime to expire December 31, 1998, would allow the same preemption of resident fleets by factory trawlers in the pollock and Pacific cod fisheries which occurred in 1989. It was this dramatic preemption which triggered the original proposal for an inshore/offshore allocation. In 1989, there was still pollock available in the Bering Sea when the preemption occurred when vessels moved into the Gulf to take advantage of fish with high roe content.

A rollover of the current Gulf of Alaska inshore/offshore program which allocates 100% of the pollock and 90% of the Pacific cod to shore-based operations is a proactive action to prevent the reoccurrence of the original problem.

Adopt the following problem statement for the Bering Sea/Aleutian Islands:

The current inshore-offshore allocation expires at the end of 1998. The Council thus faces an inevitable allocation decision regarding the best use of the pollock resource. Many of the issues that originally prompted the Council to adopt an inshore-offshore allocation, i.e., concerns for preemption, coastal community dependency and stability, resurface with the specter of expiration of the current allocation. The current allocation is not the result of the Council's deliberative process. Rather, the existing allocation is a product of a Secretarial decision. The substitution of Secretarial judgement was made on the basis of several critical assumptions, including utilization rates, foreign ownership, the balance between social gains and assumed economic losses to the nation and the nature of progress on the Council CRP initiative. Many of these assumptions have not been revisited since approval of the original amendment. It is not clear that these assumptions hold or that the Council and the Nation are well-served by continuing to manage the pollock fishery without a reexamination of allocation options. Conditions have substantially changed since the current allocation was originally implemented. Most notably, the Magnuson-Stevens Act presents the Council with a new source of guidance

to evaluate national benefits. This includes enhanced statutory emphasis on increased utilization, reduction of waste, and dependent coastal communities. There have also been substantial changes in the structure and characteristics of the affected industry sectors, including number of operations, comparative utilization rates, and outmigration and concentration of capital. These changes are associated with new problems, including failure to optimize food production resulting from wide differences in pollock utilization, excessive shares of pollock harvesting and processing, significant discards of usable pollock protein, increased reliance on pollock by fishery-dependent communities, and significant decreases in the total allowable catch of pollock. In addition, changes in fishing patterns could lead to local depletion of pollock stocks, or other behavioral impacts to stocks which may negatively impact Steller sea lions and other ecosystem components dependent on stock availability during critical seasons. Therefore, the problem facing the Council is to identify what allocation would best serve to ensure compliance with the new Act and address the issues identified above.

In addition, adopt the AP recommendations for the alternatives to be analyzed, as follows:

Alternative 1: No Action. Allocations would expire at the end of 1998.

Alternative 2: Rollover existing Inshore/Offshore Program including:

*GOA Pollock and Pacific cod allocations

*65/35 BSAI Pollock Allocation

Suboption a: For 1 year

Suboption b: For 3 years

[Mr. Benton clarified these sunset dates would apply only to Alternative 2.]

Option: Reserve set aside for catcher vessels less than 125 feet.

The range for analysis would be between 40-65% of the inshore quota.

Alternative 3: Allocation range to catcher vessels delivering to:

Inshore sector	25	30	40	45
True Motherships	05	10	10	15
Factory Trawlers & Factory Trawlers	70	60	50	40

Option: Reserve set aside for catcher vessels less than 125 feet.

A range of between 40-65% of the inshore and mothership sector quotas.

Allocations would be analyzed such that the true motherships which could operate in the BSAI only would be looked at as a sub-component of either the inshore or offshore component or as a separate component. [Mr. Benton changed the AP recommendation to limit true motherships to the BSAI only.]

Use definitions provided by staff for inshore, offshore, and true motherships.

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Also included in the analysis would be:

1. CVOA Issues

- a. Catcher Vessel Operational Area (CVOA) included as applying during both the A & B seasons, with an examination of motherships in CVOA exclusively as well as excluded from CVOA.**
- b. No CVOA**

[This section was slightly revised and a third option added; see final motion, Appendix IV to these minutes.]

2. Sunset Issues

- a. No sunset date, but is intended to serve as an interim measure until the CRP has been completed.**
- b. 3-year sunset.**

[Mr. Benton clarified that the CVOA options and these sunset dates would apply to both Alternative 2 and Alternative 3.]

- 3. In addition, the I/O analysis should identify and examine potential conservation impacts on fish stocks, marine mammals and other marine resources that may result from status quo, or any changes in the structure of the fishery as well as other recommendations made by the SSC in their June 1997 minutes.**

CDQ Program

And, the current CDQ allocation would be separated from the inshore-offshore 3 amendment and proceed on its own to be combined with the multi-species CDQ program as a permanent allocation. The two options to be analyzed would be (1) status quo, and (2) 7.5%. There would be no sunset date.

The motion was seconded by Linda Behnken.

The Council discussed and amended the motion in three sections: the problem statements, the alternatives, and the CDQ severance.

A major concern during the discussions was the availability of cost data and whether or not qualitative analyses would be adequate to provide the Council with the tools for making a final determination. Although NMFS has initiated a request through OMB to develop a data gathering program to obtain needed cost information from the various sectors of the industry, this program will not be completed nor data available in time for the inshore-offshore 3 analysis.

Through several amendments, the BSAI problem statement was edited, and some of the alternatives slightly altered. Dennis Austin proposed changes to the percentages in Alternative 3. Mr. Austin's amendment failed, 7 to 4, with Austin, Fluharty, Pennoyer and Pereyra voting in favor. Mr. Austin also offered substitute motion to adopt a proposal submitted by Dave Fraser, and incorporating the minority statement of the Advisory Panel,

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for the problem statement and alternatives to be analyzed, however, the motion failed, 9 to 2, with Austin and Pereyra voting in favor.

Robin Samuelsen moved to substitute the following for the CDQ portion of the motion:

The Council directs staff to begin analysis of a separate amendment to the Bering Sea groundfish fishery management plan that will incorporate Bering Sea pollock into the multi-species Western Alaska Community Development Program.

Alternatives for analysis shall include:

- | | |
|------------------------------|---|
| <u>Alternative 1:</u> | Status quo (Existing pollock CDQ program expires at the end of 1998) |
| <u>Alternative 2:</u> | 7.5% of the total allowable catch of the Bering Sea pollock fishery is allocated to the program. |

Mr. Benton accepted this as a friendly amendment to his main motion.

The final motion to approve the amended problem statements and alternatives carried, 10 to 1, with Pereyra voting against. The motion in final form is included as Appendix IV to these minutes.

The final motion, as amended and approved, is included as Appendix IV to these minutes.

NOTE: The Council discussion on this agenda item has been transcribed and appended to the administrative record for the amendment. Copies can be obtained from the Council office.

The Council also directed the Executive Director to send a letter to Rollie Schmitten and/or Steve Pennoyer suggesting that NMFS provide funding and staffing at the NMFS Alaska regional level or at the Alaska Fisheries Science Center to perform functions necessary to collect the cost data immediately.

SUMMARY

The Council approved problem statements and a suite of alternatives for analysis of an amendment to rollover or revise the inshore/offshore program, scheduled to expire at the end of 1998. The initial analysis will be provided for Council review in April 1998.

C-2 Multispecies CDQs

ACTION REQUIRED

Approve State of Alaska recommendations for CDQ allocations.

BACKGROUND

The State will present their recommendations for CDQ allocations for the upcoming fishing year(s), which now include all groundfish and crab fisheries managed by the Council, in addition to pollock, halibut, and sablefish. The CDQ allocation process calls for Council review and approval at the September meeting.

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Neither the AP nor the SSC addressed this agenda item.

DISCUSSION/ACTION

Steve Pennoyer advised the Council that the groundfish multi-species program probably will not be fully implemented until mid-1998. The crab portion may of the CDQ program could possibly be implemented early in January because the State will be monitoring that program along with other crab fisheries. He pointed out that the Council may be asked in December to set aside enough TAC to cover the program when it is implemented. If for some reason the program is delayed, then the TAC could be reallocated later in the year.

Donna Parker, John McNair, and Julie Anderson of the state agencies managing the CDQ program, provided staff reports on the applications for multi-species quota, the process of evaluating the applications, the allocations recommended for each of the applicants for 1998, and their plans for oversight of the program. (See Appendix V to these minutes for recommendations, by species and by CDQ group.)

Bob Mace moved to approve the recommendations submitted by the State of Alaska for 1998 multi-species CDQ apportionments. The motion was seconded by Wally Pereyra and carried without objection.

C-3 Halibut and Sablefish IFQs

ACTION REQUIRED

- (a) Final action on regulatory amendment for ownership requirements for hiring a skipper.**
- (b) Discussion paper on the proposed weighmaster program.**
- (c) Initial review of plan amendment to set rolling closures in the groundfish fisheries.**

BACKGROUND

- (a) Final action on regulatory amendment for ownership requirements for hiring a skipper.**

In this regulatory amendment, the Council is attempting to address the de facto leasing arrangements made by QS owners who buy nominal ownership of a vessel in order to hire a skipper to fish his or her QS. The Council has expressed concern that absentee owners conflict with its stated goal of having an owner-operated fleet for the IFQ fisheries. However, legitimate partnership arrangements have been made since implementation of the program such that individuals may not be fishing on board the vessel but may be actively involved in its management.

In June 1997, the Council approved and subsequently withdrew a motion that grandfathered existing partnerships and chose 51% ownership requirement for new partnerships. The Council then requested that certain aspects of the analysis be expanded for final action in September 1997 to better identify 'leasing' and legitimate hired skipper situations. The Council noticed the public through the June 1997 newsletter that its strong intent was to grandfather levels of ownership of a vessel for hiring a skipper to existing partnership arrangements as of April 17, 1997, the date of Council initial review of the analysis.

The analysis (Item C-3(a)) was distributed on September 12, 1997. Alternatives included in the analysis are:

Alternative 1: Status Quo. Ownership requirements for hiring a skipper to fish a QS holder's IFQ remain unspecified, allowing for minimal interest in vessels.

Alternative 2: Revise regulations to require a specific percentage of interest in vessels for QS holders wishing to hire skippers.

- Option A: Require a 5% minimum interest in vessel;
- Option B: Require a 20% minimum interest in vessel;
- Option C: Require a 49% minimum interest in vessel;
- Option D: Require a 51% minimum interest in vessel;
- Option E: Require that the percentage of vessel ownership reflect the IFQ's percentage of the vessel cap.

Alternative 3: Require QS holders wishing to hire skippers to have held a specific percentage of vessel ownership (the above options under Alternative 2) as of a certain date.

- Option A: As of the date of Secretarial approval of the IFQ Program;
- Option B: As of April 17, 1997 (the date of the Council's initial review of the analysis).

The analysis indicates that Alternative 2, Options A, B, and C would reduce the number of nominal and minimal ownerships in vessels, but would continue to allow most partnerships of equal interest. Option D would reduce the number of ownerships by 58% and would prevent a QS holder with equal ownership with one or more partners from hiring a skipper.

(b) Discussion paper on the proposed weighmaster program.

During the 1996 IFQ proposal cycle, Icicle Seafood submitted a proposal to require an independently certified observer (weighmaster) to be paid for by the buyer to weigh and record all IFQ offloadings of halibut and sablefish. At its October 1996 meeting, the Industry IFQ Implementation Team ranked this proposal first among 12 reviewed proposals. In December 1996, the Council requested that NMFS staff prepare a discussion paper describing the costs of and enforcement needs for a weighmaster program. NMFS responded that due to the requirements of the Sustainable Fisheries Act of 1996, staff would be otherwise committed. In April 1997, the Council requested IPHC staff to prepare a discussion paper describing the Canadian 'validator' system used in its halibut and individual vessel allocation programs. A discussion paper (Item C-3(b)) will be presented to the Council by Bob Trumble, IPHC staff. Specific recommendations outlined in the report include:

- Any future analysis of a weighmaster program should address present and future enforcement levels, present and future landing data quality, and effect on the politics of IFQs. The analysis should also consider waiving the 6-hour check-in if a weighmaster is present.
- Any future analysis of a weighmaster program should address market competition and fish prices that may result from a weighmaster program against the potential for increased misreporting of landings.
- In addition to weighing the advantages and disadvantages of processor, fishermen, or shared payments, any future analysis of a weighmaster program should address sources of funding available.
- Any future analysis of a weighmaster program should address the advantages and disadvantages of administration by NMFS, IPHC, PSMFC, and private contractors.

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- Any future analysis of a weighmaster program should address the tradeoffs of simple versus complex duties and the relationship with enforcement, the desirability of and limitations on reciprocal validation with Canada, if scale certification sufficiently covers IFQ landings, and the number of potential weighmasters available in the ports.

The Council will consider the need to proceed with further development of a regulatory amendment to institute a weighmaster program given these staff and industry recommendations.

(c) Initial review of plan amendment to set rolling closures in the groundfish fisheries.

Voluntary efforts to keep fishing vessels off survey stations during the sablefish longline survey have been mostly successful; however, interactions between fishing vessels and the survey occurred in 1995 and 1996 and continued in 1997. The objective of area closures is to minimize the short-term depletion of sablefish abundance due to fishing in the survey area. Minimizing short-term depletion should preserve the survey time series and, as much as possible, ensure that future surveys reflect true changes in abundance. In October 1996, the IFQ Industry Implementation Team ranked this proposal third highest among 12 IFQ proposals. In December 1996, the Council requested that staff prepare a regulatory amendment to examine rolling closures for the longline and trawl fleet during the months of the sablefish longline survey.

During initial review in June 1997, the Council requested that staff further develop the analysis for a regulatory change to close designated areas around sablefish survey stations to longline and trawl vessels for short periods to allow those stations to 'rest' prior to surveying for stock assessment purposes. A discussion of alternative survey designs and dates, use of multiple survey vessels, and a combination logbook/survey assessment was added to the EA/RIR. NMFS survey scientists have reported to the Council that they will be reordering the sablefish survey beginning in 1998 to minimize interactions with the trawl fishery and this aspect has been severed from the decision document. NMFS staff consulted with the trawl and longline industry on proposed changes.

Mike Sigler, NMFS-Auk Bay Lab, will present the revised analysis (Item C-3(c)) that was distributed on September 8, 1997. The management alternatives include:

Alternative 1. Status quo. Voluntary closed areas, reordered survey sequence.

Alternative 2. Regulatory closed areas, gear-specific exemptions with annual review.

Report of the Scientific and Statistical Committee

The SSC only addressed item C-3(c), the "rolling closures" amendment. The SSC recommended the analysis be released for public review after the inclusion of a table showing the history of survey timing and estimated mean and variance of abundance indices, and that the issue of additional enforcement costs be more fully addressed.

Report of the Advisory Panel

(a) Ownership Requirements for Hiring a Skipper. The AP moved to table this agenda item until December with directions to staff to re-analyze the Odegaard proposal (Alternative 2) with the revised interpretation of the proposal's intent.

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(b) Weighmaster Program. The AP does not believe that such an industry-funded program is necessary at this time, but recommended that efforts be made to replace lost NMFS enforcement personnel.

(c) Sablefish Rolling Closure. The AP recommended sending the analysis out for public review, but delaying further action on the amendment until September 1998 to allow review of the success of an additional year of voluntary compliance.

Report of the IFQ Industry Implementation Team

(a) Ownership Requirements. After several motions and extensive discussion the Team approved, on narrow margin, a motion to recommend Alternative 2, Option C (49%) and Alternative 3, Option A (January 29, 1993) to the Council.

(b) Weighmaster Program. The Team continues to support a weighmaster-type program where the primary function would be to monitor IFQ removals.

(c) Sablefish Rolling Closure. The Team recommended that the Council send the EA/RIR out for public review, scheduling final action in September 1998 to allow review of the success of an additional year of voluntary compliance.

DISCUSSION/ACTION

(a) *Ownership Requirements for Hiring Skippers*

Kevin O'Leary moved to adopt Alternative 2, Option B, and Alternative 3, Option B, as follows:

Revise regulations to require a 20% minimum ownership in a vessel for QS holders to be able to hire a skipper. Owners would have to have held this percentage as of April 17, 1997 in order to qualify. Those owners with less than 20% who have hired skippers before April 17, 1997, would remain qualified to hire a skipper. The motion was seconded by Wally Pereyra.

Linda Behnken moved to amend the grandfather provision to require that only those holding at least 10% while employing a hired skipper prior to April 17, 1997 would be eligible to continue using a hired skipper. The motion was seconded by Dave Benton. The motion carried, 6 to 5, with Benton, Fluharty, O'Leary, Pereyra and Samuelsen voting no.

Rick Lauber moved to reconsider his vote on the amendment. The motion was seconded and carried without objection.

On re-consideration the amendment once again carried, 6 to 5, with Fluharty, O'Leary, Pereyra, Samuelsen and Lauber voting no.

Council members discussed the original intent of the IFQ regulations with regard to hiring skippers and agreed that the intent was to have the fleet remain, to the extent possible, an owner/operator fleet. However, because the regulations published were not clear enough to convey the Council's intent, some members were reluctant to disenfranchise those who have been using a hired skipper with a very small percentage of ownership in a vessel.

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The main motion, as amended, carried, 6 to 5, with Fluharty, Kyle, O'Leary, Pereyra and Samuelsen voting no.

Linda Behnken made a subsequent motion to initiate analysis of amendments to the IFQ program to look at sunseting, for individual owners only, the grandfather provision to use a hired skipper, however the motion was withdrawn after discussion of tasking priorities and the suggestion to include it with the discussion of other proposals for changes to the IFQ program.

(b) Weighmaster Program

The Council received a discussion paper and staff report from Bob Trumble, International Pacific Halibut Commission. Steve Meyer, NMFS Enforcement, briefed the Council on current enforcement limitations and urged the Council to move forward with a weighmaster program.

The Enforcement Committee reported that they also recommend proceeding with development of a weighmaster program.

DISCUSSION/ACTION

Galen Tromble moved to request NMFS to develop an implementation plan for a weighmaster program to ensure accurate monitoring of IFQ species landings. The motion was seconded by Wally Pereyra and carried without objection.

(c) Sablefish Rolling Closures

Linda Behnken moved to release the EA/RIR for public review and schedule final action in September 1998 in order to receive a report from NMFS at that meeting on the success of an additional year of voluntary industry compliance with the reordered sablefish longline survey in 1998. The motion was seconded and carried without objection.

Issue of IFQs to Vessels Involved in Sablefish Surveys

Linda Behnken asked for status of an appeal by the Prowler Partnership. The Partnership applied for QS premised on their vessel's participation in the 1987 and 1988 NMFS longline surveys in the Gulf of Alaska; their application was denied. Pennoyer responded that he will provide the decision on the appeal to the Council when it is available. If the Council wishes to address the issue and make any changes to the regulations, they could schedule a discussion for a later date.

SUMMARY

The Council revised regulations to require a 20% minimum interest in vessels for quota share holders wishing to hire skippers, grandfathering in QS holders who had employed a hired skipper on or before April 17, 1997, to continue to use a hired skipper at the ownership level they had prior to that date. Any QS holder grandfathered

under this provision will lose those grandfather rights if they purchase or otherwise acquire ownership or control of additional QS after September 23, 1997. The Council also requested that NMFS begin development of an implementation plan for a weighmaster program and approved releasing to public review the analysis for setting rolling area closures in the groundfish fisheries during the sabelfish longline survey. However, this issue will not be taken up for final action until October 1998.

C-4 Halibut Issues

(a) Halibut Charterboat Management

ACTION REQUIRED

Final decision on management alternatives.

BACKGROUND

The Council last addressed this issue in April when you reviewed the analyses of alternatives prepared by Council staff and ISER. At that meeting you requested that staff prepare a condensed version of the analysis, concentrating on general, directional impacts, as opposed to quantitative impact projections. That document was mailed to you and provided to the public in early August. A copy of the Executive Summary is included in your notebook as Item C-4(a)(1). Council staff, along with ISER, has already presented the details of the analyses to the Council. You are also aware, through the SSC review and your own review, of the data deficiencies and limitations of that analysis. The primary alternatives being considered, and some summary thoughts on each, are reiterated below:

Alternative 1 - Status Quo

If no action is taken, future increases in catch by the guided sport sector will continue to be at the expense of the commercial fleet. The current (1995) ratio for these two sectors is 9% guided sport/91% commercial. While continued growth of the charter fleet is expected, it has leveled off in recent years, relative to growth rates seen in the late 1980s and early 1990s. Severe data limitations regarding participation in the charter fleet will continue under status quo, though the State of Alaska may be implementing recordkeeping and reporting requirements which will fill that void.

Alternative 2 - Implement recordkeeping and reporting requirements

The lack of data on the socio-economic composition of the guided sport fishery was one of the specific problems identified by the Council early on - it also proved to be a major impediment to staff in analyzing the other management alternatives identified by the Council. Successful future management of these fisheries will necessitate collection of this type of information. The Council needs to be aware that initiatives at the State level are underway to collect the relevant information on all guided sport fisheries, including halibut.

Alternative 3 - Explicit allocations between commercial and charter fisheries (the 'cap' alternative)

Under this alternative, the quota from a given IPHC area would be explicitly divided between the guided sport fishery and the commercial fishery (after deductions for bycatch, subsistence, deadloss, and unguided sport fisheries). A further subdivision of the 'charter' quota, among ADF&G management zones, could be accomplished based on historical proportions. Most of the quantitative economic analysis performed was relevant to this alternative, though the results of those analyses should be taken as directional indicators rather than absolute projections of economic costs and benefits. The

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possible alternatives for where the cap should be set cover a very wide range, but assuming a mid-point of that range some general conclusions can be drawn. In the near term, a cap on the charter fleet would actually be at some expense to the commercial fleet, as the charter sector is not projected to take their cap, resulting in fish left on the table relative to status quo. In the longer term, as the guided sport sector grows into their cap, it would be constraining on their catch, resulting in relative benefits to the commercial fisheries. Benefits to one sector are generally offset by losses to the other, though the relative impacts to the charter sector of a cap appear to be greater than the impacts to the commercial sector, as any loss (or gain) represents a much greater proportional change due to their smaller baseline percentage of the harvest.

Implementation of a cap has its own set of considerations, including potential in-season monitoring and enforcement to effect such a cap. Information on other commercial/recreational fisheries allocations around the U.S. indicates that such allocations, where made, are effected by imposition of catch and effort limits designed to achieve a target catch, but that the recreational fisheries are not closed in-season. While it is technically a federal level responsibility, it is unclear whether such a management alternative could, or would, be implemented under State management authority. The major factors which will determine whether, and to what extent, a cap is restrictive to the charter fleet (and beneficial to the commercial sector) are: (1) future biomass and quota levels for the halibut resource, and (2) actual growth rate experienced in the charter fleet.

Alternative 4 - Establish a moratorium on further entry in the charter fleet

Data limitations preclude us from making definitive projections of the impacts of a moratorium, including how many vessels/persons would qualify. Information collected during the study, as well as testimony provided to the Council, indicate that overcrowding/overcapitalization is only a problem in certain high-traffic areas. A moratorium could be implemented only on selected geographic areas. Based on 'hard' evidence, such as IPHC permits and Alaska business licenses for example, the estimated number of qualifiers is far greater than the number actively participating in any given year, and such a moratorium would do little to address the current problems identified in the fishery, certainly in the near term. A more stringent set of qualification criteria would likely pare this number down somewhat, but criteria such as minimum landings will be difficult, if not impossible, to implement due to data limitations.

In the event the Council does wish to proceed with a moratorium, two critical issues need to be considered in determining the moratorium provisions: (1) consideration of whether it is the vessel's participation history or a person's participation history which will count - using a vessel's history in the case of this fishery may grant moratorium rights to many persons no longer in the fishery, and conversely may not grant rights to persons currently in the fishery; (2) moratorium versus license limitation - a temporary moratorium might be structured much differently than if this is intended as a permanent limited entry program.

Written comments on this issue are included under Item C-4(a)(2).

Report of the Scientific and Statistical Committee

The condensed draft EA/RIR generally addresses the concerns and requests expressed by the SSC after review of the earlier EA/RIR. However, the SSC believes that the quantitative analyses still warrant further qualification. The quantitative analyses have sufficient uncertainty with respect to both magnitude and direction of changes in net benefits that they should not be used to provide justification for a Council decision.

Report of the Advisory Panel

The AP recommends the Council adopt Alternative 2 (to implement recordkeeping and reporting requirements) including the following:

1. catch figures (retained and released)
2. location of catch
3. number of clients
4. resident or non-resident
5. ownership of vessel and identity of operator

The AP endorses ADF&G's willingness to gather and monitor data collected and further recommends the Council:

1. Utilize the Council/Board of Fisheries partnership to facilitate the development of local area management plans for the marine fisheries that occur in the vicinity of the coastal communities of Alaska including other recreation fisheries.
2. Refer other sport halibut issues and the issues relating to the halibut fisheries that occur in the immediate vicinity of the coastal communities, including a moratorium on new entrants in the fishery, to the joint Council/Board of Fisheries committee as outlined in the draft ADF&G/BOF committee report.

The AP recognizes that the Council and Secretarial approval is required for all measures. The AP requests Council review the protocols used by the Board of Fisheries to develop local planning and receive an annual update on issues.

The AP recommends the Council establish a guideline harvest level (GHL) for the charter sport industry including charterboats, lodges and outfitters, in IPHC areas 2C and 3A. The guideline harvest level shall be:

1. Set at 125% of the 1995 guided harvest level by IPHC area for 2C and 3A (as indicated in Table 1.2 of the Halibut Charterboat EA/RIR);
2. Be expressed as a percent of the area TAC;
3. Managed to maintain a stable charter season of historic length, using state-wide and zone specific measures. These measures will be developed in cooperation with the BOF and the regional charter industry representatives and submitted to the Council for review and approval. When end-of-season catch data indicates that the guided sport industry may reach or exceed the GHL in the following season, NMFS shall implement the preapproved measures to slow down guided sport harvest (i.e., ensure that the GHL is not exceeded).

DISCUSSION/ACTION

Linda Behnken moved to approve the recommendations of the Advisory Panel (as noted above). The motion was seconded by Kevin O'Leary.

Bob Mace moved to divide the motion into two parts for consideration (1) recordkeeping and reporting requirements, and (2) consideration of a GHL. The motion was seconded by Steve Pennoyer and carried, 6 to 5, with Behnken, Kyle, O'Leary, Pereyra and Lauber voting against.

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It was clarified that the recordkeeping and reporting requirements would apply to charterboats, lodges and outfitters, and that the reporting information required would included, but not be limited to those areas recommended by the Advisory Panel.

Linda Behnken stressed that it will be important for the State, when devising a recordkeeping and reporting plan, to take into consideration the concerns of the charterboat industry regarding confidentiality with regard to business data. With regard to the timing for getting such a program in place, Board of Fisheries vice chair, Dan Coffey advised the Council that there are two proposals to be considered by the Board at their February 1998 meeting and that a program could be in place in the spring of 1998 for fisheries under State control.

The motion to approve a recordkeeping and reporting program, as recommended by the Advisory Panel, carried without objection.

With regard to the motion to set a harvest guideline level (GHL) for the charter sport industry, Linda Behnken pointed out this would not be a cap. The fishery would not be shut down in-season if the GHL is reached or exceeded, but adjustments could be made the following season.

A friendly amendment to add a three-year review of the program was accepted by the maker of the motion. It was stressed this would not be a sunset date, just a review of the program.

The motion to set a GHL for the charter sport industry carried, 7 to 3, with Benton, Mace and Pennoyer voting against (Fluharty was absent for the vote).

SUMMARY

Council members approved a recordkeeping and reporting system for the halibut charterboat industry. The program will be developed through the Alaska Board of Fisheries and ADF&G and may be implemented as early as 1998. The Council also set halibut guideline harvest levels for IPHC Areas 2C and 3A. The levels will be used as a gauge to trigger other measures such as reduced bag limits rather than shutting down the fishery inseason.

C-4(b-d) Other Halibut Issues

ACTION REQUIRED

- (b) Review discussion paper for local halibut management plans.**
- (c) Final action on regulatory amendment for Sitka Sound Local Area Halibut Management Plan.**
- (d) Initial Review of regulatory amendment to revise halibut possession limit regulations.**

BACKGROUND

(b) Local Area Plans

In September 1996, the Council began developing a regulatory amendment to implement a Sitka Sound management plan recommended by the Sitka Fish & Game Advisory Committee Halibut Task Force. The Alaska Board of Fisheries forwarded the Committee's final recommendations to the Council in February 1997. The initiative may be divided into two parts: (1) a general framework for considering local area management plans; and (2) a specific plan for Sitka Sound. Discussion of the first part is provided in Item C-4(b)(1) where various criteria and procedures are described for review of local area plans. That discussion is intended to lead to development of a protocol for use with any proposed local

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- (1) Halibut longliners larger than category "D" (> 35 ft LOA) would be prohibited from harvesting halibut in the Sitka Sound area, defined as a line across Kakul Narrows at the Green Buoy and from a point on Chichagof Island to Kruzof Island adjacent to Sinitsin Island, on the North to the Sitka Salmon Derby Boundary on the South.**
- (2) Halibut longliners in the category "D" would be prohibited from harvesting halibut in the Sitka Sound area, same boundaries for larger vessels in the North, and inside of a line from Sitka Pt. to Hanus Pt. (14450 Loran Line) and from Hanus Pt. to the Green Marker in Dorothy Narrows and Across to Baranof Islands in the South in June, July, and August (Figure 1). 1,000-pound trip limit in this area during the time it is open. Halibut catch in Sitka Sound will be monitored for growth rate.**
- (3) Inside the same areas defined for the category "D" longliners during the months of June, July, and August, fishing for halibut would only be allowed by: (a) personal use fishery; (b) subsistence fisheries; and/or (c) non-guided sport fishery**

Suboption: Allow personal use, subsistence, or non-guided sport fishery during June, July, and August for Sitka residents only.

Commercial halibut boats using the proposed closed area increased from 57 to 74 vessels between 1995 and 1996. At the end of 1995, 324 Sitka residents held over 1.7 million lb of halibut IFQ, valued at \$3.0 million. Because of liberalized sweep-up and fish-down allowances, fewer QS holders and vessels are currently active in the fishery. Alternative 2, Part 3, Suboption would benefit the 8,632 residents of Sitka.

Alternative 2 would displace from the closed area approximately 29 commercial category A-C vessels which harvested approximately 106,000 lb of halibut worth \$190,000 ex-vessel in 1996. Around 45 category D vessels would be limited to 1,000 lb of halibut per trip inside the proposed area during the IFQ season, except for June, July, and August when they would be prohibited from fishing inside closed waters with a less restrictive southern boundary (Biorka Island line) than larger commercial vessels (salmon boundary line). The trip limit would have no effect on roughly 32 of the 45 category D vessels harvesting halibut during 1996. Thirteen category D vessels may be required to take multiple trips to harvest their IFQs in the Sound. Up to 61,000 lb of halibut valued at \$173,000 are fished on category D vessels.

Approximately 200 charterboats would have the same closed water boundary as commercial category D vessels during June, July, and August. The Sitka guided halibut harvest of 13,400 fish in 1995 generated estimated gross revenues of \$1,036,800 and total spending of over \$2 million. Alternative 2 may result in approximately 6,000 fewer halibut removed by charter anglers from Sitka Sound; roughly 176,000 lb at 29 lb/fish net weight. These fish still may be intercepted as they enter the Sound, if fishing activity shifts to Salisbury Sound and along the western side of Kruzhof and Baranof islands.

Some effects of Alternative 2 remain unknown: (1) the amount of category A-C IFQs that might be harvested in other statistical areas or landed in other ports; (2) whether the 1,000 lb trip limit would reduce removals from the Sound or just further slow the pace of fishing effort; and (3) the effect of greater running time to fishable waters outside the Sound on charterboat client bookings; (4) future resolutions of halibut subsistence may affect the current agreement.

(d) Possession Limits

The Council has initiated this analysis to review the halibut possession limits for Alaska as a result of three requests: (1) a proposal submitted by the Alaska Longline Fishermen in 1993 to limit the guided halibut sport fishery and is an offshoot management action to proposed action to limit the halibut charterboat fishery; (2) a letter submitted by the Valdez Charterboat Association to the International Pacific Halibut Commission to increase the guided and non-guided sportfish bag limit for Pacific halibut from the current 2 fish per day and 4 fish in possession, to 3 fish per day and 6 in possession to allow the sport fishery to mirror the 36% increase in harvests projected for the 1997 commercial fishery; and (3) a motion by the Council representative from the State of Washington to revise the federal possession limit language to mirror revisions to Washington State regulations and IPHC regulations for landings 'on land.' State of Alaska regulations for halibut apply at-sea and on land.

Critical to the Council's review of this management issue is an understanding that policy as well as regulations are being reexamined. The NMFS Alaska Enforcement Division, ADF&G and the Department of Public Safety, Division of Fish and Wildlife Protection have found the current halibut possession limit to be unenforceable since federal policy on the meaning of 'possession.' is not clearly defined. If the Council intends the possession limit to extend until an angler has transported the harvested fish to the primary residence, the regulations describing 'possession' need to be revised under Alternative 2. If the Council intends that the current or potentially revised possession limits apply on land as well as at sea, a recommendation to the IPHC to revise the regulations needs to be approved under Alternative 2. The regulations may also require revision under Alternative 2 if the Council wishes to revise the intent of the possession limit so that it applies to halibut in any condition. Currently, 'processed' includes freezing; so long as halibut are frozen, an unlimited amount of halibut may be legally taken. And lastly, if the Council intends that multiple possession limits are legal, it may intend to limit those harvests under an annual possession limit under Alternative 3. ADFG survey data indicate that 43% of anglers harvested two or fewer halibut each year between 1990-95, and 73% harvested four or fewer. Without examining the costs associated with an angler's willingness to pay to harvest additional fish, the 4-fish possession limit appears to satisfy nearly ¾ of all sport halibut anglers.

This EA/RIR was distributed on September 11, 1997. The revised list of management alternatives are listed below:

Alternative 1. Status Quo. Do not revise halibut possession limits in Alaska.

Alternative 2. (a) Redefine the current possession limit of two daily bag limits to require that the possession limit is in effect until all affected halibut *in any condition* are transported to the angler's place of permanent residence.
(b) Redefine halibut possession limits such that they also apply on land adjacent to federal waters off Alaska.

Alternative 3. Redefine the halibut possession limit per angler per year to not exceed:
a) 4 fish;
b) 6 fish;
c) 8 fish;
d) 10 fish; or
e) 12 fish.

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Report of the Scientific and Statistical Committee

The SSC commented only on item C-4(d), Halibut Possession Limits. The SSC recommended against sending the analysis out for public review at this time. They did not find a clear problem associated with the bag and possession limits or recognize a set of alternatives that address the supposed problem.

Report of the Advisory Panel

The Advisory Panel only addressed item C-4(c), Sitka Sound Management Plan, recommending that action be delayed until the Sitka Task Force further defines options and action is taken on halibut subsistence.

DISCUSSION/ACTION

(b) General Discussion of Local Area Management Plans

The Council did not discuss this agenda item in depth, but agreed with the AP recommendation to work closely with the Alaska Board of Fisheries to facilitate development of local area management plans.

(c) Sitka Sound Management Plan

Linda Behnken suggested delaying discussion of this subject until the Sitka Sound Task Force meets to discuss the suboptions and make further recommendations. Council members had no objection to the suggestion to delay discussion to a future meeting.

(d) Halibut Possession Limits

Robin Samuelsen moved to adopt the status quo. The motion was seconded by Earl Krygier and carried without objection.

Council members felt no action was necessary in light of previous action taken on the halibut GHF and absence of strong evidence of the need for possession limits at this time. They indicated that the Council and Alaska Board of Fisheries will work closely on halibut issues and address any problems that might arise through local area management plans.

SUMMARY

The Council deferred action on the Sitka Sound Halibut Management Plan and opted to take no action on halibut possession limits. A subject of local area management plans was deferred to be addressed in conjunction with the Alaska Board of Fisheries.

C-5 Magnuson-Stevens Act Revisions

ACTION REQUIRED

- (a) Review progress on IFQ/CDQ fee program.
- (b) Final action on North Pacific Loan Program.
- (c) Review proposals for bycatch reduction measures.
- (d) Review progress on other mandates, including essential fish habitat (EFH).

BACKGROUND

IFQ/CDQ Fee Program and North Pacific Loan Program

The Magnuson-Stevens Act now contains a requirement for a Secretarial amendment to establish a fee (up to 3% of exvessel value) on CDQ and IFQ landings, though it contains no 'time certain' deadline for such a fee program. On the other hand, the Act also called for the Council to submit a Loan Program, to be funded with some of the money collected from the fee program, with an October 1997 deadline. A draft Loan Program amendment was sent to you in August for review, with final action scheduled for this meeting in order to comply with the Act. It is uncertain whether the Loan Program can actually be up and running without an appropriation from the Treasury, which presumably must await implementation of the underlying fee program. It is also uncertain whether the Loan Program constitutes an actual plan/regulatory amendment, or whether it is to be submitted to the Secretary simply as an expression of Council intent, in compliance with the Act.

Regardless of the submittal details, which will be worked out by staff following this meeting, the Council needs to review and approve the proposed Loan Program. Council staff will brief you on the provisions, contained under Item C-5 (b)(1). An attachment to that document is the previous report on the underlying fee program - NMFS staff will update the Council on the status of the fee program.

Proposals for Bycatch Reduction

At the last Council meeting we discussed bycatch provisions of the Act, and what steps the Council needs to take to get in compliance with those provisions. It is arguable that we are in fact in compliance with some of the provisions; for example, our current catch and bycatch monitoring programs, supported by observer data, do provide good measurements of overall catch and bycatch. We are scheduled to receive a report from NMFS and ADF&G in December which will address our current catch and bycatch measurement techniques, including an assessment of the accuracy and precision of such techniques (see Item C-5(c)(1)). We have also approved improved retention and utilization programs aimed at reducing economic discards, and are currently developing VBA alternatives to help address the regulatory discard issue.

Notwithstanding these programs, I reported to you in June that the Congressional intent appears to contain further expectations from our Council with regard to reducing economic and regulatory discards. To that end we emphasized bycatch reduction in this summer's Call for Proposals. While we will be looking at the broader mix of proposals later in this meeting under 'staff tasking', I wanted to explicitly look at the bycatch related proposals under this agenda item. The proposals received are contained in their entirety under D-5, with the bycatch-specific proposals summarized below. We need Council direction on where to proceed from here, with bycatch as well as other proposals we received this summer.

1. Proposal from Alaska Marine Conservation Council (AMCC) to lower all PSC caps by either 5, 7.5, or 10% annually for 5 years, beginning in 1998.
2. Proposal from AMCC to eliminate non-pelagic trawling for pollock.

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3. **Proposal from AMCC to implement an individual vessel checklist program, where vessels complying will be allowed a special harvest fishery (similar to harvest priority).**
4. **Proposal from AMCC to resurrect the harvest priority program, with additional legal analysis.**
5. **Proposal from the Groundfish Forum to implement halibut mortality avoidance measures, including towing protocols and regulated deck sorting.**
6. **Proposal from United Catcher Boats (UCB) to implement crab PSC caps for the groundfish pot fisheries.**
7. **Proposal from Alaska Fisheries Conservation Group (AFCG) to prohibit on-bottom trawling in the lower 10-minute slice of the King Crab Savings Area.**
8. **Proposal from David Hillstrand to identify snow crab/opilio crab bycatch areas and close to on-bottom trawling.**
9. **Proposal from David Hillstrand to identify high Tanner crab bycatch areas and close to trawling.**
10. **Proposal from David Hillstrand to subdivide crab PSC zones.**
11. **Proposal from David Hillstrand to establish a Tanner crab trawl closure area.**
12. **Proposal from Yukon River Drainage Fisheries Association (YRDFA) to lower the chinook salmon bycatch trigger (from 48,000 to 36,000 fish) and establish overall A season limit of 48,000.**
13. **Proposal from UCB to Implement quick release and re-evaluate methods for estimating discard mortality.**

Other Magnuson-Stevens Act Provisions

Item C-5(d)(1) is a summary of relevant provisions of the Act which we reviewed in June, and is included here again for reference. As noted above, the issue of total catch measurement, and potential weighing of fish requirements, is scheduled for further discussion in December. The Act imposes a January 1, 1998 deadline for the latter, if it is deemed necessary. The requirement for a four-year scheduled reduction in economic discards is, I still believe, more than satisfied by our IR/IU programs. We are scheduled to have a report submitted to the Secretary on this issue by October of 1998.

The report on Russian fisheries activities is due by the end of this month - it has been drafted and is scheduled for your review and discussion at this meeting. Proposed guidelines for the new National Standards were published by the Secretary, with comments due by September 18. We did not provide staff comments, beyond those submitted in an earlier, internal review, but sent that notice to individual Council members.

Progress continues on the essential fish habitat (EFH) front. Draft Preliminary EFH Reports (groundfish, scallops, crabs, and salmon) have been prepared by the Technical Teams and were reviewed by the NMFS Core Team at their July 15-17 meeting. At this meeting, the SSC will review the Draft Preliminary Groundfish Reports and provide further direction to staff. The Core Team is particularly interested in the SSC's views on classification levels and methods to obtain local knowledge. The Core Team is tentatively scheduled to meet October 22-23 to revise the preliminary drafts. It is the Core Team's intent to distribute revised Preliminary EFH Reports for public feedback prior to development of the Final Reports.

Overall, we seem to be in pretty good shape relative to the provisions of the Act, though we do have to come to grips with the bycatch issue, and what new programs need to be developed in the next several months, along with existing analyses the Council has tasked. Though somewhat vague with specifics, the Act calls for 'bycatch reporting and minimization measures' to be submitted by October 1998. Other FMP requirements due by October 1998 appear to be satisfied by existing Council management measures.

Report of the Scientific and Statistical Committee

The SSC commended the Technical Team for Essential Fish Habitat on their approach to capturing and presenting the available information in a readily understandable format. The SSC pointed out that current understanding of habitat and ecological processes which may influence and limit groundfish production is central and that this area of science is not well formed. (For more specific comments, please see the SSC Minutes, Appendix II to these minutes.)

Report of the Advisory Panel

(b) North Pacific Loan Program

The AP recommended the Council adopt the North Pacific Loan Program with the following conditions:

1. The fees for the loan program be based only on the IFQ fishery.
2. The division between "small boat" and "entry level" be 50/50. This level should be considered a target and adjusted as demand indicates to fully disperse the funds available.
3. Poundage limits be considered as an aggregate of total sablefish and halibut holdings.
4. The AP concurs with the amendment as drafted creating no functional difference between entry level and small boat. To limit second generation entrants to loans for 8,000 pounds while allowing current participants loans for 50,000 pounds is inconsistent with the intent of the program. To drop the 150-day requirement is inconsistent with Council intent for experienced, professional second generation buyers of QS.

(c) Proposals for Bycatch Reduction Measures

To satisfy the Magnuson-Stevens Act, the AP recommends the Council direct staff to begin analysis of three FMP amendments to meet the bycatch reduction statutory deadline of October 11, 1998.

1. Proposal #12 amended to include a review of chinook bycatch management regime:
 - (a) sampling methodology/estimation procedures
 - (b) fishery specific area closures and triggers
 - (c) discreet hot spot closure
2. Individual analysis of proposal #2.
3. An amendment proposal combining proposals #5 and #13.
4. Proposal #3

The AP recognizes that proposals #5 and #13 as stand-alone proposals are insufficient because they only address mortality rather than avoidance and recommended including proposal #3 or some other avoidance measure to the FMP analysis of proposals #5 and #13.

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DISCUSSION/ACTION

(a) IFQ/CDQ Fee/Registry Program

The Council received a status report from NMFS staff on development of the fee/registry program. There are still many details to be worked out before the advanced notice of proposed rulemaking will be finalized. The Council will continue to receive routine status reports on the issue.

(b) North Pacific Loan Program

Linda Behnken moved to send the North Pacific Loan Program to the Secretary with the following clarifications: (1) Verify staff interpretations with regard to where the fees from the fee program go with regard to CDQs and IFQs--i.e., fees collected from the IFQ program go into the loan program; CDQ fees go into management; (2) that the split be 50/50 between the two loan programs: 50% to the small boats, 50% to entry level; (3) that the poundage limits be in aggregate, and (4) minimum sea time for entry level would be 150 days of sea time as is already in effect for the IFQ program. The motion was seconded by Joe Kyle and carried without objection.

(c) Bycatch Reduction Measures

To respond to Congressional mandates to reduce economic and regulatory discards the Council issued a call for proposals from the public over the summer months. Thirteen bycatch proposals were received in direct response to the Council's request. The Council discussed the proposals in conjunction with their "staff tasking" agenda item which included 26 additional proposals for changes in groundfish regulations. Please see Agenda item D-5 in these minutes for discussion and action.

(d) Progress on other Mandates, including Essential Fish Habitat

The Council received only the written summary under this agenda item in the Council notebooks.

SUMMARY

The Council approved the North Pacific Loan Program for submittal to the Secretary of Commerce.

C-6 License Limitation Program

ACTION REQUIRED

- (a) Receive status report on LLP/CDQ program.
- (b) Receive report from industry representatives on crab license buyback program.

BACKGROUND

LLP/CDQ Program

On September 12 the Council's LLP/CDQ program was approved, in its entirety, by the Secretary of Commerce. Item C-6(a)(1) is the letter from the NMFS Regional Administrator informing the Council of this decision. Previous discussions indicated that implementation of the crab CDQ program is likely for early 1998, the groundfish CDQ program could be implemented by mid-1998, and LLP program would be implemented for the start of the 1999 fishery, at the earliest.

Crab Buyback Program

In June the Council received a report from industry representatives who are working on a crab license buyback program, pursuant to the LLP for BSAI crab fisheries. This included the industry survey instrument prepared by McDowell Group for the Crab Reduction and Buyback Group (CRAB). Representatives from CRAB are here to update the Council on this initiative.

Neither the SSC nor the AP addressed this agenda item.

DISCUSSION/ACTION

(a) License Limitation/Multispecies Program Rulemaking

The Council received comments indicating concern that the exemption of CDQ vessels from needing a permit for the license fisheries allows for the potential to bring additional vessels into the non-CDQ fisheries. Staff indicated that at the present time it does not appear that the loophole is being abused in the CDQ fisheries, but that the Council may wish to clarify its original intent. Staff indicated that if the Council decides to exclude CDQ vessels from fishing in non-CDQ fisheries, a plan amendment would be required. If it wishes only to place further restrictions on the use of such vessels, a regulatory amendment would suffice. Jon Pollard, NOAA-GC indicated it would be best if the Council noticed discussion of possible changes and solicited public comment.

Wally Pereyra moved to defer discussion of the issue until the February meeting so that public notice could be given that the Council will take the issue up for discussion and direction to NMFS. The motion was seconded by Linda Behnken and carried, 9 to 1, with Mace voting no and Samuelsen absent. (Tromble voted for Pennoyer; Krygier for Benton.)

Council members instructed staff to advise the Secretary during the public comment period that the Council intends to address this issue in order to establish a record of Council intent.

The Council also heard during public testimony of concerns over the proposed scale requirements for CDQ vessels. CDQ groups indicated that smaller vessels are finding it very difficult to comply with the proposed regulations although they are working to find appropriate equipment for their vessels. Council members discussed the issue and expressed their intent to ask that NMFS work with industry to address the problem and perhaps allow for field testing of equipment to work out the problems. There was also concern expressed over observer requirements in the CDQ fisheries that were raised during public comment, i.e., number of tows required to obtain information could possibly increase bycatch.

(b) Crab Buyback Program

Council members received a presentation from the firm Peat, Marwick, Mitchell, which has been contracted by industry to develop a crab buyback program, and an update from Gordon Blue, chairman of the industry crab buyback group.

Linda Behnken moved to request that the Secretary of Commerce initiate work on a crab buyback program and to recommend that the Secretary work closely with industry which has already done a substantial amount of work on such a program. The motion was seconded by Earl Krygier and carried without objection (Samuelsen absent).

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SUMMARY

The Council advised that in February they will discuss and give direction to NMFS on how to address a possible loophole in the license limitation program that could allow additional vessels to enter the fisheries through CDQ-built vessels. The Council also will ask NMFS to work with industry to resolve concerns over the scale requirement for the CDQ fisheries and certain observer requirements in those fisheries. The Council voted to ask the Secretary of Commerce to initiate a buyback program for Bering Sea/Aleutian Islands crab fisheries.

C-7 Observer Program

ACTION REQUIRED

Review progress on development of third party (JPA) program.

BACKGROUND

In June, after further researching the 'third party', modified pay-as-you-go observer program alternative, NMFS recommended, and the Council concurred, that further efforts be directed at developing such a program with the Pacific States Marine Fisheries Commission (PSMFC) as the third party entity. At that meeting you also took action to keep the existing observer program structure in place through 1998 to allow time to develop the third party program. Recall that this would establish the PSMFC as the interface between vessels/plants and the observer contracting companies, and industry would now go to, and pay, the PSMFC for their observers. For your reference, Item C-7(a) summarizes the issues leading to development of this alternative and lays out the goals and objectives of the third party arrangement.

NMFS will enter into a joint partnership agreement (JPA) with the PSMFC to bring this program on line - PSMFC will in turn contract with independent observer contracting companies to provide observers to the fleet - the fleet will go to the PSMFC to pay for and receive their observer coverage. Within this basic structure there are several potential variations in the respective roles of the PSMFC and the observer contracting companies. Item C-7(b), prepared by PSMFC and NMFS, summarizes the optional structures and the projected costs associated with each. This attachment contains three separate sections: (1) Summary of optional JPA structures; (2) Review of overall costs, and relative costs, associated with each JPA option; and, (3) A summary of the assignment of work options (options for determining distribution of work among the observer contracting companies). Item C-7(c), is an overall comparison of the options, measured against 8 major goals and objectives.

The Council's Observer Advisory Committee (OAC) met earlier this month to review these same materials and their report is provided as Item C-7(d). As you will see from their report, the OAC did not make any final recommendations as to a specific JPA structure at this time; rather, they identified several issues for further resolution and recommend that NMFS and PSMFC continue development of the third party, JPA arrangement, with the expectation for another review later this fall, after the PSMFC and NMFS have further defined the details of the JPA structure(s). Under this schedule, we would bring another iteration to the Council in December with additional detail on the JPA specifics. We would also in December bring to the Council a regulatory amendment package (EA/RIR) to provide the generic framework for a third party program. This would be for initial review, with final action in February, which should dovetail with finalization of the more specific JPA details. Based on this schedule, the third party program would be up and running at the start of 1999.

As you will see reflected in the OAC report, there are a few overriding issues for which Council direction would be helpful to PSMFC and NMFS at this time - in deciding which JPA structure to focus on, a basic

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issue involves the relative roles of the PSMFC and the observer contractors; i.e, which activities should be retained by the contractors and which should revert to the PSMFC. Regardless of the basic JPA structure adopted, a critical question remains 'how should the work be divided among the existing (and potentially new) observer contractors?' This could be determined on a fully competitive basis each year, or it could be determined based on historical 'market share', or on some combination of the two. This decision involves trade-offs between competition (and to some extent cost) and the need for the agencies to ensure that they can provide the necessary observers to industry. A competitive based allocation will be the likely result (barring Council direction otherwise) with the knowledge that such a system will provide no guarantees that all bidders (contractors) will receive a piece of the action.

An additional item in your notebooks, Item C-7(e), is an updated analysis by NMFS titled 'Groundfish Observer Costs by Sector'. This relates to the issue of disproportionately high observer costs (as a percentage of gross revenue) paid by some vessels in the fisheries. The OAC did not have time to review this document, nor has this issue been resolved within the current JPA options being developed. It has been highlighted as an issue of concern to the Council under any observer program structure.

With that background, PSMFC staff will now walk through the JPA options, and cost projections, followed by the OAC report.

Item C-7(f) is an article from the September 17, 1997 *Anchorage Daily News* regarding the observer unionization effort.

Report of the Scientific and Statistical Committee

The SSC stressed that in selecting among the various options constructed to address the issues, impacts on data quality need to be carefully examined and heavily weighted. The SSC believes the retention of high quality observers is essential to maintaining a reliable program. The SSC recommended that observer program staff work with PSMFC to identify criteria for rating observer performance.

The Advisory Panel did not have adequate time to address this agenda item.

DISCUSSION/ACTION

Because the Advisory Panel could not address this item, and because of its own heavy agenda, the Council deferred action on this agenda item until the December 1997 meeting.

C-8 Russian Report

ACTION REQUIRED

- (a) Review draft report on Russian fisheries management and enforcement in the Far Eastern Region.
- (b) Status report on other international issues.

BACKGROUND

(a) Russia Fishery Management Report

The Magnuson-Stevens Act tasked the Council with reporting on the institutional structures in Russia pertaining to stock assessment, management, and enforcement for fishery harvests in the Bering Sea. The Council needs to develop recommendations for improving coordination between the United States

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and Russia for managing and conserving Bering Sea fishery resources of mutual concern. A draft report will be available at this meeting for your review. The Council's committee and the Bering Sea Fisheries Advisory Body will have reviewed the document earlier this week and may have recommendations. The report needs to be submitted to Congress by September 30, 1997.

(b) Other International Issues

The Bering Sea Fisheries Advisory Body met Tuesday evening with State Department representatives to review the status of negotiations with Russia on the maritime boundary and conservation of Bering Sea pollock stocks. The negotiating session in Washington, D.C. in mid August did not produce much. The Russian delegation would not move off their original demand for access to 150,000 metric tons of fish in the U.S. EEZ in return for finalizing the maritime boundary. It is unclear whether the next planned negotiating session in October in Vladivostok will take place. Perhaps we will know more after Tuesday night's session.

Another issue is possible interception of U.S. origin salmon in the Russian EEZ. A letter has been sent from the Senate to the Department of State on this issue and NMFS has requested information on the salmon caught in the driftnet fisheries. Both letters are under item C-8(a).

DISCUSSION/ACTION

The Council did not have adequate time to address this agenda item. A draft report on Russian fisheries management was distributed and Council members directed the Executive Director to work with the committee to finalize the report and submit it to Congress as mandated by the revisions to the MSFCMA.

C-9 Vessel Bycatch Accountability

ACTION REQUIRED

Review Committee report and provide further direction to Committee and staff.

BACKGROUND

In February 1997, the Council appointed an industry Committee to further develop a 'strawman' VBA program for consideration. A related task of the Committee was to identify, and resolve where possible, a variety of monitoring, enforcement, and legal issues surrounding VBA program development. In April, the Committee reported back to the Council with a preliminary list of alternatives, elements, and options, as well as a discussion of the monitoring, enforcement, and legal considerations.

The Committee met again in August to further flesh out a VBA program. A summary of the proceedings from the meeting are attached as item C-9(a). Chairman Steve Hughes will be available to report on the Committee's progress.

The Scientific and Statistical Committee did not address this agenda item.

Report of the Advisory Panel

The AP recommended the VBA Committee continue working on the issue of individual vessel accountability. The AP also requested that the Council have NOAA GC address the legal issues, including enforceability, and have the VBA Committee examine the effects of the VBA program on the current observer program.

DISCUSSION/ACTION

The Council was advised that the VBA Committee will meet before the December meeting and report to the Council at that time. The Council did not have further discussion on this agenda item.

C-10 Foreign Vessel Transshipment Permit

ACTION REQUIRED

Review new Act language and review application from A.N.P. Shipping.

BACKGROUND

The amended Magnuson-Stevens Act contains revised provisions pertaining to foreign vessel transshipment permitting, as shown in Item C-10 (a). This is in addition to previous requirements that transshipments occur in specified locations (ports or recognized roadsteads), without permit. Now, vessels can apply for permits to make such transshipments anywhere in the EEZ, or within State waters *outside* of designated ports and roadsteads. The Secretarial review process for these applications includes consultation with the appropriate Council, and if within State waters, concurrence of the relevant State.

A.N.P. Shipping, on behalf of Boyang Ltd. Of Seoul, South Korea, has applied for such a permit for the M/V JOCHOH (owned by Coral Leasing of Panama City, Panama). Their application package is copied for you under Item C-10(b). Representatives for that firm are available to address the Council on the specifics of that application. The Council may wish to provide a recommendation to the Secretary on this application. A general discussion of the process may be beneficial as well, in the event additional applications are filed in the future.

Item C-10(c) is a letter from the U.S. Coast Guard expressing their concern over the new permitting process.

Neither the SSC nor the AP addressed this agenda item.

Report of the Enforcement Committee

The Committee noted that there are significant enforcement concerns with transshipments. Applications should not go forward until those concerns are fully addressed. The Committee expressed concern with setting a precedent with this first of many anticipated applications.

DISCUSSION/ACTION

Dave Benton moved to recommend disapproval of the ANP application and advise against approval of any other permit applications submitted under the new section of the MSFCMA. The motion was seconded by Linda Behnken and carried without objection.

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D. FISHERY MANAGEMENT PLANS

D-1 Gulf of Alaska Groundfish Issues

ACTION REQUIRED

- (a) Review pollock and Pacific cod trip limit issue.
- (b) Review recommendations from joint Board of Fish and Council committee.
- (c) Discuss Eastern GOA boundary changes.

BACKGROUND

(a) Review pollock and Pacific cod trip limit issue

In June 1997, the Council initially examined an industry proposal for trip limits of 150,000 lb (68 metric tons) for the Western GOA fisheries and 397,000 lb (180 metric tons) for the Central GOA fisheries. The Council staff report indicated that the proposed trip limit for the western GOA pollock and cod fisheries would result in about one extra trip for each of 80 vessels (Item D-1(a)(1)). The proposed trip limit for the central GOA fisheries would result in less than a half-trip extra to be shared by all 115 vessels. Both trip limits would, however, limit larger capacity vessels from entering the fisheries and harvesting a disproportionate amount of the catch. Implementation of the proposed trip limits would require a plan amendment.

Trip limits continue to be controversial as they may be interpreted under certain circumstances to be IFQ programs that are currently banned by Congress. NOAA GC reported that the Council may design a program whereby the total harvest could exceed the collective trip limits for all participating vessels, thus not guaranteeing a certain amount of fish for a particular vessel.

The Council appointed an industry committee to attempt to reach consensus on appropriate trip limit recommendations to the Council. The committee met by telephone conference on August 27, 1997 but was unable to reach consensus (Item d-1(a)(2)). The committee is scheduled to reconvene on Wednesday, September 24, 1997 during the Council meeting and an update from the committee will be provided. For reference, a list of the committee members is provided under Item D-1(a)(3).

(b) Review recommendations from joint Board of Fish and Council committee

On July 21-22, 1997, the Joint North Pacific Council-Alaska Board of Fisheries Committee met in Anchorage to discuss mutual management issues related to Bering Sea/Aleutian Islands and Gulf of Alaska halibut, salmon, groundfish, and shellfish (Item D-1(b)(1)). The Committee was particularly interested in discussing bycatch of chinook and chum salmon in the BSAI groundfish fisheries and Council concerns with the State waters Pacific cod fishery in the GOA. Minutes from the meeting are attached as Item D-1(b)(2). Salmon retention is specifically addressed on the Council's agenda for this meeting under Agenda D-2(c) and the State P. cod fishery will be addressed during the GOA specification process under Agenda D-3(e).

At its request, Council and NMFS staff will attend the October 21-24, 1997, Alaska Board of Fisheries work session in Girdwood to update the Board of Council activity related to groundfish, halibut, and shellfish.

(c) Discuss Eastern GOA boundary changes

In December 1996, the Council tasked staff with development of a 1996 NMFS proposal (#32) **(Item D-1(c)(1))** that would implement a GOA FMP amendment to establish Western Yakutat (Area 640) and Southeast Outside (650) as separate areas. This proposal would conform to the Council's recently approved License Limitation Program which establishes a no-trawl sanctuary east of 140 degrees longitude. While the stock assessment authors and GOA Plan Team can provide ABC recommendations for these subareas, an amendment would be required to allow the Council to specify ABCs, TACs, and OFLs for groundfish for these separate areas. In 1996, this proposal was ranked as high priority for the Council's staff tasking. While development of this analysis was ranked as a high priority for 1997, the groundfish License Limitation Program and need for this subarea separation will not occur until 1999. The Council could schedule this analysis for initial review in April 1998, final action in June 1998 and implementation for 1999.

The SSC and AP did not address this agenda item.

Trip Limit Committee Report

The Committee agreed that there are management and preemption problems in the Western and Central Gulf pollock and cod fisheries and corrective measures should be taken. Although the Committee could not come to agreement on any one particular management option to recommend to the Council, the following suggestions were made by individual committee members:

- Imposition of a trip limit in the range of 200,000 to 300,000 pounds; adjusted as the quota changes.
- Stand-down period of 48 - 72 hours for vessels moving between the Bering Sea and Gulf of Alaska, in conjunction with a pre-registration requirement.
- Move the western line of Area 610 eastward to Scotch Cap on the western tip of Unimak Island.
- Distribute the pollock quota into an A and B season system.
- Drop requirement to publish closures in the Federal Register to allow NMFS to react in a more timely manner to overharvests.

DISCUSSION/ACTION

(a) Pollock and Pacific Cod Trip Limits

Joe Kyle moved that the Council schedule the issue of management measures for pollock and cod in the Western and Central Gulf of Alaska for the February 1998 NPFMC meeting in Anchorage, Alaska.

At that time the Council would take final action on a problem statement and list of alternatives to be analyzed to address:

- a. overharvest of pollock and cod allocations in the Western and Central Gulf, and**
- b. preemption of local fleets in the Western and Central Gulf,**

so that a plan amendment can be in effect by January 1, 1999.

The motion was seconded by Linda Behnken and carried without objection (Samuelson absent for the vote).

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Earl Krygier moved that, as an interim measure for 1998 and 1999, the Council direct staff to begin an amendment for a 48-hour stand-down for both the Gulf of Alaska and Bering Sea/Aleutian Islands with a preregistration requirement. The motion was seconded by Linda Behnken and carried without objection (Samuelsen absent for the vote.)

(b) Joint Board/Council Committee

The Council received a copy of the minutes from the Council/Board Committee's meeting in July. The joint committee will meet again in January, prior to the Council's joint session with the Board of Fisheries. Kevin O'Leary suggested Council members on the committee may want to have a teleconference before their meeting in January to discuss issues on the agenda.

(c) Eastern GOA Boundary Changes

Linda Behnken moved to initiate an analysis to establish Western Yakutat (Area 640) and Southeast Outside (Area 650) in the Gulf of Alaska as separate areas and establish a no-trawl sanctuary east of 140 degrees longitude, in accordance with the recently-approved license limitation program. The motion was seconded by Joe Kyle and carried without objection (Samuelsen absent). The initial review will be scheduled for April 1998.

SUMMARY

The Council scheduled a discussion of management measures for the pollock and Pacific cod fisheries in the Western and Central Gulf of Alaska for February 1998 and initiated an analysis for interim regulations for stand-down and/or preregistration requirements for 1998 and 1999. The Council also initiated an analysis to establish Western Yakutat (Area 640) and Southeast Outside (Area 650) in the Gulf of Alaska as separate areas, and to establish a no-trawl sanctuary east of 140 degrees longitude.

D-2 Bering Sea/Aleutian Islands Groundfish Issues

ACTION REQUIRED

- (a) Take final action on regulatory amendment to change the maximum retainable bycatch (MRB) of shortraker/rougheye rockfish.**
- (b) Receive staff report on gear preemption issues.**
- (c) Consider repealing salmon retention regulations.**

BACKGROUND

MRB of Shortraker/Rougheye Rockfish

Shortraker/rougheye rockfish in the Aleutian Islands subarea typically are closed to directed fishing at the beginning of the fishing year because the full TAC amount is needed as bycatch in other fisheries. Unfortunately, bycatch rates were higher than anticipated in 1997, and fisheries that take these species as bycatch were closed to prevent reaching the overfishing level. The closure of these fisheries resulted in foregone opportunity to harvest available groundfish TACs and the threat of closure of the sablefish IFQ fishery. These series of events prompted the Council to request staff to

develop an analysis of reduced maximum retainable bycatch (MRB) percentages for shortraker/rougheye rockfish as the first step in addressing the constraints that the relatively low TAC and overfishing level specified for these species poses to other fisheries. Subsequent steps that may be considered by the Council in the future include gear allocations of shortraker/rougheye and time/area closures.

The current MRB percentage for the rockfish complex, including shortraker/rougheye, is 15 percent relative to deep water species (primarily Pacific ocean perch) and 5 percent relative to shallow water species (primarily Atka mackerel). The analysis prepared by ADF&G and NMFS staff (to be distributed at the meeting) assesses reduced shortraker/rougheye MRB percentages of 15 (status quo), 9,7,5, and 3 percent relative to deepwater species and 5 (status quo), 3, 2, and 1 percent relative to shallow water species. The analysis supports a reduction in MRB percentages to 5 and 1 percent, respectively, although a 7 percent MRB relative to deepwater species (primarily Pacific ocean perch) could be warranted to minimize the potential for regulatory discards while still providing reduced harvest rates relative to the current MRB of 15 percent.

Gear Preemption Issues

In December 1997, the Council reviewed a proposal requesting implementation of measures to reduce gear conflicts and minimize lost gear (proposal attached as Agenda Item D-2(b)(1)). These include: establishment of a government fund to replace lost gear; separation of gear types through time/area closures; and, wholesale closures of areas to specific gear types to protect habitat and eliminate gear conflicts. The Council recommended that these issues be further examined, and ADF&G agreed to hold a meeting with industry members to research these issues and possibly develop alternatives for resolution. An evening meeting is tentatively scheduled for this week and a report may be available for the Council.

Salmon Retention Regulations

In June, when the Council was reviewing materials related to observer coverage needs in the groundfish fisheries, you were provided with a report from NMFS regarding salmon bycatch estimation procedures. This report was in response to an earlier request by the Council for NMFS to report on this issue. Item D-2(c)(1) is a recent letter from NMFS recommending repeal of that part of the Salmon Retention Program that requires salmon to be retained until counted by an observer. The report which forms the basis for this recommendation is in your notebooks as Item D-2(c)(2). NMFS staff will summarize this issue for the Council at this time.

The SSC did not address this agenda item.

Report of the Advisory Panel

The AP commented only on D-2(a), Shortraker/Rougheye Rockfish. The AP recommended that the Council direct NMFS to set aside 30% of the TAC for Aleutian Islands shortraker/rougheye at the beginning of each fishing season for the longline fisheries for bycatch only. On, or about, November 1 of each year any excess shortraker/rougheye in the longline quota may be rolled over to the trawl fisheries, and recommended that this amendment be accomplished to become effective as soon as possible. The AP further recommended the Alternative 2 option of 7% maximum retainable bycatch (MRB) relative to the deepwater complex and 2% MRB relative to the shallow water complex, and separating out shortraker/rougheye from the rockfish complex for purposes of the MRB.

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DISCUSSION/ACTION

(a) Shortraker/rougheye MRB in Trawl Fisheries

Bob Mace moved to approve the AP recommendations (printed above). The motion was seconded by Earl Krygier and carried without objection (Samuelsen absent).

Galen Tromble noted that since this is an FMP amendment and it will be subject to the normal time requirements for Council, public and Secretarial review, it would be mid-year before it could be in place. However, because of other actions which may be taken during the specifications process it is likely that this fishery may not open until July 1st. Sue Salvesson indicated that the analysis for an allocation among gear groups has not yet been drafted and it is not likely to be accomplished by the December meeting. However, NMFS does consider this a high priority and could probably get back to the Council in February. Whether or not the Council could take final action at a single meeting is not clear. It was also pointed out that Mr. Pennoyer has committed to taking whatever steps necessary to prevent premature closure of other fisheries.

(b) Gear Preemption Issues

This agenda item was deferred to December.

(c) Consider Repeal of Salmon Retention Regulations

This agenda item was deferred to December.

SUMMARY

The Council approved separating out shortraker/rougheye from the rockfish complex for purposes of determining MRB amounts and recommended a reduced MRB for these species. The Council also directed staff to initiate an analysis of an amendment to set aside 30% of the Aleutian islands shortraker/rougheye quota for fixed gear fisheries. Discussion of the remaining agenda items was deferred to December.

D-3(a,b,c) BSAI Initial Groundfish Specifications for 1998

ACTION REQUIRED

- (a) Review Preliminary 1998 BSAI Final Stock Assessment and Fishery Evaluation (SAFE) document.**
- (b) Approve preliminary BSAI groundfish specifications for 1998:**
 - 1. Acceptable Biological Catch (ABC), and Annual Total Allowable Catch (TAC)**
 - 2. Division of the pollock TAC into the January 1-April 15 ('A' Season) and September 1-December 31 ('B' Season) allowances;**
 - 3. Allocation of the pollock TAC among pelagic and non-pelagic gear;**
 - 4. Seasonal apportionment of the fixed gear Pacific cod TAC; and**
 - 5. Bycatch allowances, and seasonal apportionments of Pacific halibut, red king crab, Tanner crab, and herring to target fishery (PSC) categories.**
- (c) Recommend bycatch rate standards for the Vessel Incentive Program.**

BACKGROUND

At this meeting, the Council sets initial recommendations for groundfish and bycatch specifications as listed above. The preliminary SAFE report, groundfish ABCs and TACs, and bycatch apportionments need to be approved and made available for public review and comment. These initial specifications will be used for management of the 1998 groundfish fisheries until superseded by publication of the Council's final specifications. On the basis of comments and new information, the Council will adopt final recommendations for the 1998 fishing year at its December meeting.

(a) BSAI SAFE Document

The groundfish Plan Teams met in Seattle during the week of September 2-5, to prepare the preliminary SAFE documents provided at this meeting. This SAFE forms the basis for preliminary groundfish specifications for the 1998 fishing year.

The preliminary BSAI SAFE contains the Plan Team's estimates of biomass and ABCs for all groundfish species covered under the FMP and information concerning PSC bycatch to provide guidance to the Council in establishing PSC apportionments. The attached tables from the SAFE lists the Plan Team's recommended 1998 ABCs and corresponding overfishing levels for each of the species or species complexes. Draft minutes of the BSAI plan team are also attached (Item D-3(a)(1)).

(b) Preliminary ABCs, TACs, and Apportionments

During the week of this Council meeting the SSC and AP recommendations will be provided to the Council. Attached as Item D-3(b)(1) are Tables 6 - 8 from the SAFE summary chapter indicating ABCs and biomass levels. The Plan Team's sum of recommended ABCs for 1998 is 2.49 million metric tons. Overall, the status of the stocks continues to appear relatively favorable. The Council will establish preliminary catch specifications for 1998 based on this information.

Adopt Seasonal Allowances for the Pollock Seasons

The FMP requires the Council to apportion pollock in the BSAI between the roe (January 1 - April 15) and non-roe (September 1 - December 31) seasons. For the 1991 and 1992 fisheries, the Council recommended a 40/60 percent split between the roe and non-roe seasons, and a 45/55 percent split for the 1993-1997 pollock fishery.

In recommending seasonal allowances of the BSAI pollock TAC, the following factors need to be considered:

1. Estimated monthly catch and effort.
2. Expected changes in harvesting and processing capacity.
3. Current estimates of and expected changes in pollock biomass, and conditions of other fish and marine mammal stocks.
4. Potential impacts of seasonal fishing on pollock stocks, marine mammals, and other fish stocks.
5. The need to obtain fishery related data throughout the year.
6. Effects on operating costs and gross revenue.
7. The need to spread fishing effort over the year.
8. Potential allocative effects among users and indirect effects on coastal communities.
9. Other biological and socioeconomic information.

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Allocate Pollock TAC among bottom and pelagic gear

The Council can set a limit on the amount of pollock that can be taken in the bottom trawl pollock fishery to control the bycatch of crab and halibut (Amendment 16a). However, for the past 6 years, the Council did not recommend a specific apportionment between pelagic and bottom gears, noting that additional pollock harvests with non-pelagic trawl gear likely would be constrained by halibut bycatch. In recommending apportionment of pollock between gears, the Council would need to consider PSC limits, projected bycatch, costs, and other factors consistent with goals of the FMP (675.24). An analysis of pollock apportionment among gear types is provided as Appendix D of the preliminary BSAI SAFE. In 1996, 98.6% of the pollock TAC was taken in pelagic mode.

Adopt Seasonal Apportionments of the Pacific Cod TAC Allocated to Fixed Gear

Amendment 24 regulations allow seasonal apportionment of the Pacific cod TAC allocated to vessels using hook-and-line or pot gear. Seasonal apportionments will be divided among trimesters and established through the annual specifications process. In recommending seasonal apportionments, regulations require the Council to base its decision on the following information:

1. Seasonal distribution of Pacific cod relative to PSC distribution;
2. Expected variations in PSC bycatch rates in the Pacific cod fishery throughout the fishing year; and
3. Economic effects of any seasonal apportionment of Pacific cod on the hook-and-line and pot gear fisheries.

Under Amendment 46, two percent of the TAC is reserved for jig gear, 51 percent for fixed gear, and 47 percent for trawl gear. The trawl apportionment will be split between catcher vessels and catcher processors 50/50. Any unused TAC from the jig gear quota will become available to fixed gear on September 15.

For the 1997 fisheries, the Council recommended that 85,000 metric tons of the fixed gear's allocation be released during the first trimester (January 1 - April 30), 26,500 metric tons be released for the second trimester (May 1 - August 31), and 5,545 metric tons for the third trimester.

Adopt bycatch allowances of Pacific halibut, red king crab, Tanner crab (*C. bairdi*), and herring, and seasonal allowances

Halibut PSCs

For the Trawl Fisheries: Amendment 21 established a 3,775 metric tons limit on halibut mortality for trawl gear. This limit can be apportioned to the following trawl fishery categories:

1. Greenland turbot, arrowtooth flounder and sablefish;
2. rock sole and "other flatfish;"
3. yellowfin sole;
4. rockfish;
5. Pacific cod; and,
6. pollock, Atka mackerel and "other species."

Note that under Amendment 46, the trawl halibut PSC mortality cap for Pacific cod will be no greater than 1,600 metric tons.

For Fixed Gear Fisheries: A 900 metric tons non-trawl gear halibut mortality can be apportioned to the following fishery categories:

1. Pacific cod;
2. Other non-trawl (includes hook-and-line sablefish, rockfish and jig gear); and
3. Groundfish pot (recommended exempt for 1997).

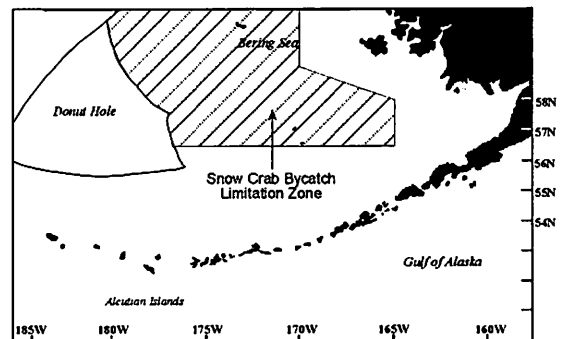
Note that under Amendment 46, the hook-and-line halibut PSC mortality cap for Pacific cod will be no greater than 900 metric tons. Item D-3(b)(2) is a table indicating 1997 PSC allocations and seasonal apportionments for the trawl and non-trawl fisheries. Item D-3(b)(3) is a current summary of PSC bycatch accounting for the 1997 BSAI fisheries.

Crab PSCs

Prescribed bottom trawl fisheries in specific areas are closed when prohibited species catch (PSC) limits of C. bairdi Tanner crab, C. opilio crab, and red king crab are taken. Amendment 37 established a stairstep procedure for determining PSC limits for red king crab taken in Zone 1 trawl fisheries. PSC limits are based on abundance of Bristol Bay red king crab as shown in the adjacent table. Given NMFS and ADF&G's 1997 abundance estimate for Bristol Bay red king crab, a Zone 1 PSC limit will be established at 100,000 red king crabs for 1998. Amendment 41 established stairstep PSC limits for Tanner crab. Given current total abundance of 180 million Tanner crab, the 1998 C. bairdi PSC limits will be established at 750,000 Tanner crabs in Zone 1 and 2,100,000 Tanner crabs in Zone 2.

PSC limits for red king crab and <u>C. bairdi</u> Tanner crab.			
Species	Zone	Crab Abundance	PSC Limit
Red King Crab	Zone 1	Below threshold or 14.5 million lbs of effective spawning biomass (ESB)	35,000
		Above threshold, but below 55 million lbs of ESB	100,000
		Above 55 million lbs of ESB	200,000
Tanner Crab	Zone 1	0-150 million crabs	0.5% of abundance
		150-270 million crabs	750,000
		270-400 million crabs	850,000
		over 400 million crabs	1,000,000
Tanner Crab	Zone 2	0-175 million crabs	1.2% of abundance
		175-290 million crabs	2,100,000
		290-400 million crabs	2,550,000
		over 400 million crabs	3,000,000

Under proposed Amendment 40, PSC limits for snow crab (C. opilio) will be based on total abundance of opilio crab as indicated by the NMFS standard trawl survey. The snow crab PSC cap is set at 0.1133% of the Bering Sea snow crab abundance index, with a minimum PSC of 4.5 million snow crab and a maximum of 13 million snow crab. Snow crab taken within the "C. Opilio Bycatch Limitation Zone" accrue towards the PSC limits established for individual trawl fisheries. Upon attainment of a snow crab PSC limit apportioned to a particular trawl target fishery, that fishery are prohibited from fishing within the snow crab zone. The 1997 survey indicated a total population of 4.1 billion crabs. Therefore the 1998 snow crab PSC limit will be established at 4,654,000 crabs.



Location of the snow crab bycatch limitation zone.

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Herring PSCs

Amendment 16a established an overall herring PSC bycatch cap of 1 percent of the EBS biomass of herring. This cap is to be apportioned to the same six PSC fishery categories listed above, plus a seventh group, mid-water pollock. The Alaska Department of Fish and Game has not completed its forecast for 1998 herring biomass, so interim specifications will be based on the 1997 estimate (1,579,000 metric tons). The PSC limit is set at 1 percent of the biomass in metric tons. A revised herring assessment should be available for the December Council meeting.

Seasonal Apportionment of PSC

The Council may also seasonally apportion the bycatch allowances. Regulations require that seasonal apportionments of bycatch allowances be based on the following types of information:

1. Seasonal distribution of prohibited species;
2. Seasonal distribution of target groundfish species relative to prohibited species distribution;
3. Expected prohibited species bycatch needs on a seasonal basis relevant to change in prohibited species biomass and expected catches of target groundfish species;
4. Expected variations in bycatch rates throughout the fishing year;
5. Expected changes in directed groundfish fishing seasons;
6. Expected start of fishing efforts; and
7. Economic effects of establishing seasonal prohibited species apportionments on segments of the target groundfish industry.

NOTE: Additional information on PSC limits and apportionments is presented in BSAI SAFE Appendix E.

Staff will present a worksheet with SSC and AP recommendations for ABCs, TACs, PSC and seasonal apportionments when the Council addresses this Action Item.

(c) Bycatch rate standards for the Vessel Incentive Program

The Vessel Incentive Program (VIP) rate for halibut and crab Prohibited Species Catch (PSC) includes all trawl fisheries in both the BSAI and GOA. The grouping for VIP fishing categories is:

	<u>Fishery</u>	<u>PSC Species</u>
BSAI	midwater pollock	halibut*
BSAI	bottom pollock	halibut
BSAI	yellowfin sole	halibut; red king crab**
BSAI	other trawl	halibut; red king crab
GOA	midwater pollock	halibut
GOA	other trawl	halibut

* % of groundfish

**number of crabs per ton of groundfish

Note that regulations specify that the vessel incentive program for the midwater pollock fishery becomes effective after the directed fishery for pollock by trawl vessels using non-pelagic gear is closed.

Item D-3(c)(1) is a letter from the Regional Director containing the VIP rate standards used in 1997 and catch rates observed during past years for these fishery categories. The Council will need to recommend to the Regional Director the bycatch rate standards for these categories for the first two quarters of the 1998 fishery.

Report of the Scientific and Statistical Committee

With the exception of the Bogoslof area, the SSC agreed with the recommendations of the Plan Team for preliminary 1998 ABCs for the Bering Sea/Aleutian Islands groundfish fisheries. For the Bogoslof area, the SSC recommended an ABC of 8,400 metric tons. The SSC had additional comments on Greenland turbot and sablefish (for both the GOA and BSAI) and on the SAFE documents. Please see the SSC Minutes, Appendix II to these minutes, for specific comments.

Report of the Advisory Panel

The AP recommended the Council release the 1998 BSAI SAFE document for public review, and adopt the preliminary BSAI groundfish specifications for 1998 as listed in the plan team minutes (1998 ABCs and 1997 TACs), except Bogoslof pollock ABC which would be 8,400 metric tons. The AP also recommended the following be rolled over:

- Pollock A and B seasons rollover the same percentage (45/65%) as in 1997.
- Pelagic/non-pelagic pollock (no allocation).
- Seasonal apportionment for fixed gear Pacific cod would be the same as 1997.
- Bycatch allowances be moved as annual amounts except for rockfish which would be 0 in the first quarter with the remainder apportioned throughout the rest of the year, including the apportioned red king crab inside the 10" strip.
- Rollover the VIP rates from 1997.

DISCUSSION/ACTION

Bob Mace moved to adopt the recommendations of the Advisory Panel with respect to the BSAI SAFE, preliminary 1998 groundfish BSAI TACs and ABCs, and VIP rates for 1998. The motion was seconded by Dave Benton and carried without objection.

Tables containing the preliminary 1998 BSAI ABCs, TACs, and VIP rates is included as Appendix VI to these minutes.

Council members discussed the possibility of streamlining the process of setting the harvest specifications by simply rolling over the previous year's specifications for public review because new survey data is not available in time for the plan teams' preliminary meeting in August. This would save time and effort on the part of the plan teams. It was agreed that some streamlining should take place, but that there has to be some form of public review and input between September and December. Discussion of any new information or concerns should be aired at the September meeting to inform the public of possible future decisions.

Clarence Pautzke pointed out that work is being done by the groundfish fishery management plan teams to develop ways to streamline the specification process.

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SUMMARY

The Council approved preliminary 1998 BSAI groundfish ABCs, TACs, and VIP rates for public review. See Appendix VI for details.

D-3(d,e) GOA Initial Groundfish Specifications for 1998

ACTION REQUIRED

- (d) Review Preliminary 1998 GOA Final Stock Assessment and Fishery Evaluation (SAFE) document.
- (e) Approve preliminary GOA groundfish and bycatch specifications for 1998.

BACKGROUND

At this meeting, the Council sets initial recommendations of groundfish and bycatch specifications. The preliminary SAFE report, groundfish ABCs and TACs, and bycatch apportionments need to be approved and made available for public review and comment. These initial specifications will be used for management of the 1998 groundfish fisheries until superseded by publication of the Council's final specifications. On the basis of comments and new information, the Council will adopt final recommendations for the 1998 fishing year at its December meeting.

- (d) GOA SAFE Document

The groundfish Plan Teams met in Seattle during September 2-4, to prepare the preliminary SAFE documents provided at this meeting. This SAFE forms the basis for preliminary groundfish specifications for the 1998 fishing year. The preliminary GOA SAFE contains the Plan Team's estimates of biomass and ABCs for all groundfish species covered under the FMP and information concerning PSC bycatch to provide guidance to the Council in establishing PSC apportionments. The attached tables from the SAFE lists the Plan Team's recommended 1998 ABCs and corresponding overfishing levels for each of the species or species complexes. Draft minutes of the GOA plan team are also attached (Item D-3(d)(1)). Joint team minutes are attached as Item D-3(d)(2)

- (e) Preliminary ABCs and TACs

During the week of this Council meeting the SSC and AP recommendations will be provided to the Council. Attached as Item D-3(e)(1) are Tables 1-4 from the SAFE summary chapter indicating groundfish ABCs and biomass levels. The Plan Team's sum of recommended ABCs for 1998 is 531,970 metric tons. Overall, the status of the stocks continues to appear relatively favorable.

A summary worksheet of Plan Team, SSC, and AP recommendations will be provided at the meeting. That table indicates that revised stock assessments and ABC and TAC recommendations were made for only a few GOA species. Updated pollock and Pacific ocean perch assessments have provided new Plan Team recommendations for these species. The Plan Team has recommended increasing the pollock ABC from 79,980 metric tons in 1997 to 105,600 metric tons in 1998. The Plan Team has also recommended increasing the POP ABC from 12,990 metric tons in 1997 to 15,840 metric tons in 1998. Deep water flatfish and arrowtooth flounder ABC recommendations were increased slightly as a result of incorporating 1997 catch data into the assessment as the only new information.

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State waters Pacific cod fishery

The BOF initiated state water fisheries for Pacific cod in the GOA at its meeting in October 1996. The BOF action set the 1997 state Pacific cod fishery at 15% of the federal TAC for the Western and Central Gulf and 25% of the Eastern Gulf TAC. The Central Gulf fishery was apportioned: Cook Inlet 15%, Kodiak 50%, and Chignik 35%. The state Western and Central Gulf fisheries will increase to 20% in 1998 and 25% in 1999, if state landings meet the harvest guideline in the previous year. No BOF action is required for these increases to occur. For 1997, the Council decreased the federal TAC for GOA P. cod by the state harvest guidelines.

The tables below depict the 1997 state/federal P. cod quotas and projections for 1998. Landings data provided by ADFG staff indicate that perhaps only the Kodiak subarea of the Central GOA area may reach its guideline harvest level (Item D-3(e)(2)). As a result, according to the 1996 BOF decision, only that subarea would increase from 7.5% to 10% (the Kodiak subarea apportionment increases from 15 to 20%). Gear restrictions were eased on September 1 so that the pot fishery could attempt to take the jig fleet's unused apportionment. The Chignik subarea reopened by regulation. The Western area (Alaska Peninsula) may possibly reach its guideline. At that point, the Western area would increase from 15% to 20% for 1998. To date, no formal arrangement has been made between ADFG and NMFS to turn over any unused state apportionment to the federal fishery, as had been discussed by the Council and BOF.

1997 Gulf Pacific cod ABC, TAC and State guideline harvest level (metric tons).					1998 Gulf Pacific cod ABC, TAC and State guideline harvest level (metric tons).				
Quota	Western	Central	Eastern	Total	Quota	Western	Central	Eastern	Total
*ABC/TAC	28,500	51,400	1,600	81,500	*ABC/TAC	28,500	51,400	1,600	81,500
BOF GHl	4,275	7,710	400	12,385	BOF GHl	4,275	8,996	400	13,671
(%)	15	15	25	15.2	(%)	15	17.5	25	16.7
Remaining TAC	24,225	43,690	1,200	69,115	Remaining TAC	24,225	42,404	1,200	67,829
Central area: Cook Inlet					Central area: Cook Inlet				
		1,157	2.25%				1,157	2.25%	
		Kodiak	3,855	7.50%			Kodiak	5,140	10.00%
		<u>Chignik</u>	<u>2,699</u>	<u>5.25%</u>			<u>Chignik</u>	<u>2,699</u>	<u>5.25%</u>
			7,710	15%				8,996	17.50%

Initial PSC Limits for Halibut

The PSC limits for halibut in the Gulf of Alaska are set by gear type and may be apportioned seasonally over the fishing year. In recommending seasonal allocations, the Council will consider its objective to promote harvest of as much of the groundfish optimum yield as possible with a given amount of halibut PSC.

Since 1995, total halibut PSC limits for all fisheries and gear types was 2,300 metric tons. This cap was reduced from 1993 and 1994 levels after the sablefish IFQ fishery was exempted from the halibut PSC requirements. Halibut PSC mortality applies only to the bottom trawl and hook-and-line fisheries. The

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sablefish hook-and-line fishery, the pot fishery (primarily Pacific cod), and the midwater trawl fishery (primarily pollock) have all been exempted from bycatch-related closures.

Trawl gear			Hook and Line		
1st quarter	600 metric tons	(30%)	1st trimester	250 metric tons	(86%)
2nd quarter	400 metric tons	(20%)	2nd trimester	15 metric tons	(5%)
3rd quarter	600 metric tons	(30%)	3rd trimester	25 metric tons	(9%)
4th quarter	400 metric tons	(20%)	DSR	10 metric tons	
<hr/>			<hr/>		
2,000 metric tons			300 metric tons		

Beginning in 1994, PSC limits for trawl gear were further apportioned by specific fishery. The Council may apportion PSC limits by fishery during the annual specification process. Apportionments of the overall cap may be made to a 'shallow water complex' and a 'deep water complex.' Species in the shallow water complex are: pollock, Pacific cod, shallow water flatfish, Atka mackerel, and other species. Deep water complex species include: deep water flatfish, rockfish, flathead sole, sablefish, and arrowtooth flounder. The following apportionments were made for 1997:

<u>Quarter</u>	<u>Shallow water Complex</u>	<u>Deep water Complex</u>	<u>Total</u>
1	500 metric tons	100 metric tons	600 metric tons
2	100 metric tons	300 metric tons	400 metric tons
3	200 metric tons	400 metric tons	600 metric tons
4	No apportionment	400 metric tons	

Bottom trawling for shallow water flatfish was prohibited between May 6, when the available data indicated that the first quarter allowance of 600 metric tons had been reached, and July 1, when the fishery was reopened for the second quarter apportionment. The second quarter closed on August 8. The third quarter will reopen on October 1. Bottom trawling in deep water was closed on March 15 when the first quarter PSC cap was reached. The second quarter reopened on April 1 and closed on April 14. The third quarter opened on July 1 and closed on July 20. No fourth quarter apportionment occurs for flatfish. Through August 13, 1997, total halibut bycatch mortality from trawl gear was 1,535 metric tons.

The hook-and-line fisheries are directed primarily at sablefish and Pacific cod, with minor effort on rockfish. The PSC halibut mortality limit of 300 metric tons for the hook-and-line fisheries was apportioned seasonally by trimester. The 300 metric tons allocation included 10 metric tons for the Southeast Alaska demersal shelf rockfish fishery. For the first trimester, 250 metric tons was allocated. For the second trimester, 15 metric tons was allocated. The remaining 25 metric tons was allocated to the rest of the fishing year. There were no halibut PSC closures of GOA hook-and-line fisheries. Through August 13, 1997, 215 metric tons of halibut mortality was estimated for the hook and line fisheries.

Halibut Discard Mortality Rates

Pacific halibut bycatch discard mortality rates (DMR) in the Alaskan groundfish fisheries are routinely estimated from viability data collected by NMFS observers. These data are analyzed by IPHC and NMFS staff, which results in recommendations to the Council for managing halibut bycatch in the upcoming season. Item D-3(e)(3) lists the IPHC recommendations for setting discard mortality rates for the 1998 fishery.

The Plan Teams requested that IPHC staff further develop an objective methodology for applying a 4-year trend or 2-year average calculation of DMRs. IPHC staff further agreed to examine DMRs for

catcher/processor and catcher vessel modes for flathead sole and deepwater flatfish and seasonal DMRs for rex sole for the November SAFE.

Report of the Scientific and Statistical Committee

The SSC concurred with Plan Team recommendations for 1998 ABCs for Gulf of Alaska groundfish. With regard to Pacific cod, the SSC recommended that State data be incorporated into the assessment because the State-water Pacific cod fishery has developed to represent a significant portion of the total catch, particularly in some GOA regions. For more specific comments on GOA species, please see the SSC Minutes, Appendix II to these minutes.

Report of the Advisory Panel

The AP recommended the Council release for public review the 1998 GOA preliminary SAFE documents and adopt the preliminary GOA groundfish specifications as listed in the Action Memo with the exception of pollock, where the 1998 ABC should be used as the 1998 TAC. The AP further recommended that the Council adopt PSC limits for halibut the same as for 1997 without the seasonal apportionments for both trawl and hook and line.

DISCUSSION/ACTION

Bob Mace moved to adopt the AP recommendations (printed above) with respect to the 1998 GOA SAFE, groundfish specifications, and halibut PSC limits. The motion was seconded by Linda Behnken and carried without objection.

Tables containing the preliminary 1998 GOA ABCs, TACs, and halibut PSC limits is included as Appendix VI to these minutes.

SUMMARY

The Council approved the preliminary SAFE document and 1998 ABCs, TACs, and halibut PSC limits for release to public review. See Appendix VI for details.

D-4 Scallop FMP

ACTION REQUIRED

- (a) **Initial review of Amendment 3.**
- (b) **Discuss future limited entry program.**

BACKGROUND

Amendment 3 - Defer Management to State

The Scallop fishery off Alaska is currently managed under a State-Federal management regime established by Amendment 1 to the Scallop FMP. This regime is cumbersome in that each State regulation and management action must be duplicated by a parallel Federal action. In discussing Amendment 1, the Council noted that it could serve as a temporary program to prevent unregulated

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fishing in Federal waters until changes in the Magnuson-Stevens Act would provide the Council with the authority to delegate to the State authority to manage the scallop fishery in Federal waters.

Amendments to Magnuson-Stevens Act now enable the Council to delegate to the State, (with a three-quarter majority vote), the authority to manage some or all aspects of the scallop fishery in Federal waters off Alaska. The EA/RIR examines three alternatives that would delegate to the State authority to manage the scallop fishery in the Federal waters off Alaska. An executive summary and relevant tables are attached as Item D-4(a).

Alternative 1: No Action. Under this alternative, ADF&G and NMFS would continue to maintain duplicate regulations and mirror each other's management actions.

Alternative 2: This alternative would delegate to the State authority to manage all aspects of the scallop fishery in Federal waters off Alaska except limited access. Under this alternative, limited access management would remain a Federal responsibility under the FMP, and would require an FMP amendment to change. All other Federal scallop regulations would be repealed and the authority to manage all other aspects of the scallop fishery would be delegated to the State under the FMP, including the authority to regulate any vessels not registered under the laws of the State.

Alternative 3: This alternative would delegate to the State authority to manage all aspects of the scallop fishery in Federal waters off Alaska. Under this alternative, all Federal regulations governing the scallop fishery off Alaska would be repealed and authority to manage all aspects of the scallop fishery would be delegated to the State under the FMP, including the authority to limit access and to regulate any vessel not registered under the laws of the State.

Limited Entry Program

In September 1996, a proposal for a license limitation system was submitted by the Kodiak Fish Company (Item D-4(b)). The intent of the proposal was to get the ball rolling on a more permanent limited access system, given that the current vessel moratorium expires June, 2000. In December, the Council requested that an analysis be initiated to examine potential impacts of this proposal. Since that time, the Alaska State legislature approved a statute establishing a scallop vessel moratorium (attached as agenda Item D-4(c)). This is a more restrictive moratorium than the Federal moratorium (10 vessels versus 18), and applies only to State waters at this time. Given other priorities, and the linkage of this action with Amendment 3, work has yet to be initiated. At this meeting, the Council needs to discuss the next steps for scallop management and tasking.

The SSC did not take up this agenda item.

Report of the Advisory Panel

The AP recommended the Council release Amendment 3 to the Scallop Plan for public review with Alternative 2 noted as the preferred alternative. The AP requested that the Council ask staff to highlight the Council's inability to modify the State permit or the Federal permit at time of final action on this issue.

DISCUSSION/ACTION

Bob Mace moved to send Amendment 3 out for public review. The motion was seconded and carried without objection. It was clarified that the motion does not include the AP recommendation to indicate a preferred alternative. Mr. Pereyra asked that the analysis include a fuller discussion of the differences between State and

Federal processes for initiating moratoriums and limited entry programs. A discussion of limited access in scallop fishery was deferred to the February 1998 meeting.

D-5 Staff Tasking

ACTION REQUIRED

- (a) Review status of current tasking.
- (b) Review groundfish proposals (contains bycatch proposals) and task staff accordingly.
- (c) Review IFQ proposals and IFQ Industry Implementation Team report and task staff accordingly.
- (d) Review crab and scallop proposals and task staff accordingly.
- (e) Review halibut local area plan proposals and task staff accordingly.

BACKGROUND

(a) Current Tasking

Item D-5(a) is an updated list of current Council management actions, including regulatory amendments, plan amendments, reports, and Committee meetings. These existing projects, along with continued work on Magnuson-Stevens Act mandates and major issues such as inshore/offshore, will keep the staff pretty busy between now and next spring. We've already had some discussion this week regarding new bycatch-related initiatives in response to mandates of the Act, and need to keep those in mind as we look at the other proposals.

(b) Groundfish Proposals

The BSAI and GOA Plan Teams reviewed 39 groundfish proposals submitted for 1997 (copies follow the tasking list). The Teams grouped the proposals into four descriptive categories and late proposals. Of 13 bycatch reduction proposals, one ranked high, two ranked medium, and ten were of low priority. Of eight fishery management proposals, four ranked high, two ranked medium, and two were ranked low priority. Of seven marine mammal concerns proposals, four were ranked in progress, and three were ranked low priority. Of seven bycatch management proposals, four ranked high and three ranked medium priority. All four late proposals were deemed high priority. In summary, 13 ranked as high priority, seven were of medium priority, 14 were low priority, and four were already in progress. We can try to quickly walk you through each of these proposals at this time.

(c) Sablefish/Halibut IFQ Program Amendments

The Council's cycle for considering amendments to the IFQ program calls for initial review in April, final action in June, and implementation in the following year. Any amendments forwarded at this meeting would be for implementation in 1999. The IFQ proposals and IFQ Industry Implementation Team recommendations are being presented to the Council out of cycle since the Team chose to meet concurrently with the Council in September instead of waiting until October. The Council may wish to review and revise its current cycle for IFQ amendments to make them coincident with groundfish and shellfish cycles so that they can be considered within the overall tasking picture.

Sixteen IFQ amendments are attached, directly behind the groundfish proposals under this agenda item. Four proposals recommend the same action, so the IFQ proposal review package is reduced to thirteen. A revised worksheet and three late proposals are included as a supplemental attachment. The Implementation Team recommendations will be provided at the meeting.

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(d) Review Crab and Scallop Proposals and Task Staff Accordingly.

Four crab and one scallop proposals are also included behind this agenda tab. The crab proposals were reviewed by the Crab Plan Team in August 1997 and its recommendation are summarized under Item B-2. The Team endorsed the buyback proposal submitted by the Crab Group, Inc. and the proposal for developing an accounting system for crab mortality. The Team noted that the proposal by the Alaska Fisheries Conservation Group was not a Council proposal and recommended further study of the issues raised by David Hillstrand's proposal to reduce exploitation rates for Tanner and snow crabs in the Bering Sea.

(e) Review Halibut Local Area Plan Proposals and Task Staff Accordingly.

Item C-4(b)(2) contains proposals for local area halibut management plans for Cook Inlet, Prince William Sound, Unalaska Bay, and the entire GOA and BSAI. The last proposal was also packaged with the IFQ proposals and was reviewed by the IFQ Industry Implementation Team. The Council discussion related to development of future local area plans under Agenda C-4(b) may give staff direction in how to proceed with any or all of these proposals.

Neither the SSC nor the AP addressed this agenda item.

DISCUSSION/ACTION

(b) *Groundfish/Bycatch Reduction & Management Proposals*

Linda Behnken moved to give a high priority to development of Proposal #38 (Prohibit fishing on Cape Edgecomb pinnacles). The motion was seconded by Earl Krygier, and carried with Mace objecting (Samuelsen had left the meeting).

Ms. Behnken pointed out this proposal relates to protecting essential fish habitat, also mandated by Congress, and should receive a high priority for analysis.

Earl Krygier moved to approve development of an analysis for Proposal #39, full retention of demersal shelf rockfish in southeast Alaska. The motion was seconded by Wally Pereyra and carried with Mace objecting (Samuelsen had left the meeting).

Mr. Krygier pointed out that both of these proposals were submitted by the ADF&G and that they would be available to assist in development of the analyses.

Bob Mace moved to approve the suite of bycatch reduction measures recommended by the Advisory Panel. The motion was seconded by Linda Behnken and carried without objection (Samuelsen not present).

Kevin O'Leary pointed out that the Advisory Panel only considered bycatch reduction measures, not bycatch management measures, some of which were ranked very high by the Plan Teams.

Kevin O'Leary moved to approve analysis of Proposals 31-32 (Analyze MRB of Pacific cod in 2nd quarter shallow water flat fishery and Increase MRB of arrowtooth from 35% to 50%). The motion was seconded by Joe Kyle.

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During discussion **Proposal #14 (Allow 24-hour notice of fishery closure without FR notice)** was added to the motion as a friendly amendment.

Jon Pollard, NOAA-GC, indicated he would provide analysts with legal research that will be required for this proposal as there are some legal questions with regard to legal notice versus constructive notice and how enforceable the closures would be.

The motion carried without objection (Samuelson was not present).

Mr. Pereyra pointed out that under Proposal #13, staff should refer to the previous analysis for grid-sorting halibut.

Dr. Fluharty stressed that although the Council had not specifically tasked several proposals that the Plan Teams ranked highly, many of the issues are being addressed in other forums such as the specifications process.

The Council did not task staff with development of any, crab or scallop proposals or proposals for local area management plans at this meeting. They will review IFQ proposals at their December 1997 meeting.

E. ADJOURNMENT

The Chairman adjourned the meeting at approximately 2:15 p.m. on Monday, September 29, 1997.