

MEMORANDUM

TO: Council, SSC and AP Members
FROM: Chris Oliver *Chug*
Executive Director
DATE: May 22, 2002
SUBJECT: TAC-setting process

ESTIMATED TIME
4 HOURS
(for all D-1 items)

ACTION REQUIRED

Initial review.

BACKGROUND

NMFS and Council staff have been analyzing alternatives to revise the annual harvest specifications process since 1998. The current analysis incorporates suggested changes by the Groundfish Plan Teams, the Scientific and Statistical Committee, NMFS Alaska Fisheries Science Center, NMFS Alaska Regional Office, and the NOAA General Counsel Alaska Region. The changes are needed to meet requirements of NEPA and the Administrative Policy Act in noticing the public of potential future actions. The analysis was mailed to you on May 23, 2002. The executive summary is included as Item D-1(a).

The Groundfish Plan Teams will review the public review draft of the analysis and provide their recommendations at the October 2002 meeting.

EXECUTIVE SUMMARY

Each year, normally in November, proposed groundfish harvest specifications for the Bering Sea and Aleutian Islands management area (BSAI) and Gulf of Alaska (GOA) are published in the Federal Register. These proposed specifications, recommended by the North Pacific Fishery Management Council (Council) at its October meeting for the following year, list total allowable catch (TAC), acceptable biological catch (ABC) and prohibited species catch (PSC) limits, and apportionments thereof, based upon specifications in effect for the current fishing year. Based on public comment on the proposed specifications and information made available at the December Council meeting, final specifications are published in the Federal Register during February or early March. So that fishing may begin January 1, interim regulations are published in the Federal Register in December authorizing the release of one-fourth of each proposed TAC and apportionment thereof, one-fourth of each PSC and apportionment thereof and the first seasonal allowance of pollock and Atka mackerel. These interim specifications are superceded by the final specifications.

The existing harvest specification process is problematic for several reasons. The public is notified and given opportunity to comment on proposed specifications that often are outdated by the time they are published. The publication of proposed specifications each year can confuse the public, because incomplete and outdated information is provided due to the need to adhere to a strict time line in order to comply with all relevant regulations. Because the interim specifications are based on the proposed specifications, they do not take into account the recommendations contained in the Groundfish Plan Teams' final SAFE documents or the recommendations coming from public testimony, the Science and Statistical Committee, Advisory Panel, and Council at its December meeting. One fourth of the initial TAC and PSC amounts have been found to be an inadequate amount for those fisheries that attract the greatest amount of effort at the beginning of the fishing year. As fisheries are seasonally apportioned to meet other management needs, (i.e., Steller sea lions protection measures) interim TACs based on one fourth of the annual TAC increasingly compromise other management objectives. Under the current process, administrative inefficiency exists in taking the regulatory actions necessary to set interim, proposed and final specifications. For these reasons, NMFS seeks to revise the harvest specification process.

The objectives of modifying the harvest specifications process are to manage fisheries based on best scientific information available, provide for adequate prior public review and comment to the Secretary on Council recommendations, provide for additional opportunity for Secretarial review, minimize unnecessary disruption to fisheries and public confusion, and promote administrative efficiency.

The management alternatives and options A and B that may be considered with any alternative are:

- Alternative 1. Status quo. (Publish proposed specifications, followed by interim and final specifications)
- Alternative 2: Eliminate publication of interim specifications. Issue proposed and final specifications prior to the start of the fishing year (January 1, year X). Option to set TAC biennially for GOA and BSAI species on a biennial survey schedule.
- Alternative 3: Issue Proposed and Final Harvest Specifications based on a fishing year from July 1 through June 30.
- Alternative 4: Use Stock Assessment Projections for biennial harvest specifications. For the BSAI and GOA set the annual harvest specifications based on the most recent stock assessment and set harvest specifications for the following year based on projected OFL and ABC values. For setting PSC there are two options:

Option 1: Set PSC limits annually
Option 2: Set PSC limits every two years based on regulations and projected values or rollovers previous year's PSC specifications.

Option A: Abolish TAC Reserves
Option B: Update FMPs to reflect current fishing participants and harvest specifications process.

Components of the environment that were determined to potentially be impacted by the alternatives were, target groundfish species, Steller sea lions and socioeconomic components. Modeling of the effects of Alternative 2 and 4 groundfish species indicated that there may be a trend towards lower fishing mortality and more potential for exceeding the overfishing level (OFL), with Alternative 4 having a greater effect than Alternative 2.. Alternative 3 is expected to have an effect on fishing mortality between Alternative 1 and Alternative 2 because the lag time between the fisheries survey and the implementation of harvest specifications is between the lag times for Alternatives 1 and 2. These models did not take into account the Council process which is likely to conservatively set TAC, so that OFL exceedences would be less likely to occur. Because of a number of critical factors in the harvest specifications process could not be included in the model, NMFS is unable to determine the impact of Alternative 2 and 4 on groundfish fishing mortality. Because of the unknown effect on fishing mortality, impacts of Alternative 2 and 4 on Steller sea lions is also unknown. The alternatives have no known environmental impacts on the remaining components of the environment. Environmental impacts and socioeconomic impacts that may result from the preferred alternative would be assessed annually in the EA/RIR/IRFA that accompanies the annual harvest specifications.

Under Alternative 3 the effects on the state's parallel groundfish and DSR fisheries are unknown due to potential changes in fishing effort seasonally and spatially, the potential adverse effects could be mitigated by Council action in setting directed fishing seasons and PSC apportionments for the federal groundfish fisheries which would likewise affect these state managed fisheries. The impacts on the state waters seasons for Pacific cod are also unknown as potential adverse effects could be mitigated by BOF action to adjust season opening dates and other management measures. Because of the potential mitigating factors, the direct, indirect, and cumulative effects on state managed fisheries under Alternative 3 are unknown.

Implementation of Alternative 3 would also impact the IFQ programs, requiring administrative changes to accommodate a shifted fishing year and loss of continuity with the halibut and sablefish IFQ programs. This loss of continuity may increase potential for halibut bycatch in the winter.

The considered actions would not have a significant impact on a substantial number of small entities as defined under the Regulatory Flexibility Act.

Alternative 2 meets the objectives of the proposed action and with less potential for adverse effects on the environment or disruption to other NMFS programs that depend on the harvest specifications process compared to other alternatives analyzed in this document. The public is urged to review these alternatives and comment on the potential impacts on fishery participants and the environment.

*J-la
M. Brown
NMFS*

EA/RIR/IRFA for Harvest Specifications Administrative Process

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Proposed Action

- Revise the administrative process for harvest specifications
- Update language in GOA and BSAI Groundfish FMPs

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Objectives

- Develop and use best available scientific information
- Provide adequate opportunity for prior public comment to the Secretary on Council recommendations and provide additional opportunity for Secretarial review
- Minimize disruption to fisheries and minimize public confusion
- Promote administrative efficiency

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Alternatives

- Alternative 1. Status Quo (No action Alternative)
- Alternative 2: Eliminate publication of interim specifications. Issue Proposed and Final Specifications Prior to Start of the Fishing Year.
- Option for Alt. 2: For those GOA and BSAI target species on biennial survey schedule, set TAC biennially.

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Alternatives Continued

- Alternative 3: Issue Proposed and Final Harvest Specifications based on an alternate fishing year schedule
- Alternative 4: Use Stock Assessment Projections for biennial harvest specifications
- Option 1: Set PSC limits annually
- Option 2: Set PSC limits every two years based on regulations and for crab and herring use either projected values or rollovers from previous year.

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Options

- Option A: Abolish TAC Reserves.
- Option B: Updating Portions of the FMPs

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Affected Environmental Dimensions

- The dimensions of the environment that may be affected include
 - Administrative process
 - Groundfish target species
 - Other Environmental Effects
 - Economic activity and benefits

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Administrative Benefits

- Alt 2 and 4 provide additional time for analysis and better information to Council and Secretary
- Alt 2, 3, and 4 provide enhanced public notice and comment
- Alt 2 and 4 provide additional time for Secretarial decision-making

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Target Groundfish Species Effects Analysis

- Retrospective analysis
 - Compares Council's ABC recommendation for a year with the Plan Team's ABC projection from two years before
- Simulation model
 - 1000 year simulation of ABCs based on assessment models and random recruitment

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Retrospective Analysis

- Only compares Alt 1 and 2
- Mixed results
- Some mean ABCs rose, some fell
- Some ABCs were more variable, some less so

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Simulation Model Results

- Spawning biomass became more variable; mean biomass is higher
- ABCs (and harvests) also more variable with lower mean
- Longer lags produce larger impacts
- Larger impact for short lived species
- Effects are unknown

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Other environmental effects

- In general, environmental effects, other than those on target species, do not appear important
- There is a possibility of indirect impact on Steller sea lions – the potential is unknown at this time

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Effects on IFQ program

- Alternative 3 is only alternative identified with potential effects
- Shift in fishing year will require adjustments to sablefish management to avoid potential conflicts with Halibut IFQ program.

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Effects on State Fisheries Programs

- Impacts on state waters fisheries (including the fisheries for Pacific cod) are unknown because potential mitigating actions by the Council and Board of Fish are unknown.

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Effects on AFA and QOs

- If Alt 2 and 4 result in lower average harvests, then revenues would be lower
- QOs harvest sablefish and may have problems with this fishery under Alt 3

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Economic Effects

- Alternatives with lower harvests may produce lower gross revenues (Alt 4 may have the largest impact, followed by Alt 2 and Alt 3)
- Increased year-to-year variability in revenues may increase industry interest and inventory expenses
- Alt 3 may impose costs on sablefish fishery

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Conclusions

- Alternative 1 (Status quo) does not meet objectives of the proposed action.
- Alternatives 2 and 4, may lead to more conservative TACs but allow for thorough scientific, public and rulemaking process. Less harvest uncertainty with Alt. 2.

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Conclusions cont.

- Alternative 3 does not improve scientific review, disrupts sablefish IFQ program. Less harvest uncertainty than Alt. 2.
- Option A and B, found no problems.

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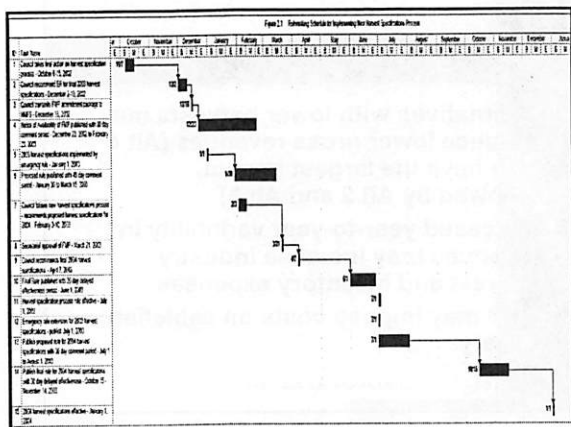
Groundfish FMP Administrative Process

- Option to update language
- Eliminate "foreign fishing" references
- Update description of harvest specifications process
- Update description of the fisheries and participants

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Implementation Schedule

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Implementation Schedule

- Council Action in Oct. 2002
- Council Recommends ER for 2003 Harvest Specs.
- Council transmits FMP amendment package
- NSA of FMP published 12/23/02-2/28/03

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Implementation Schedule continued.

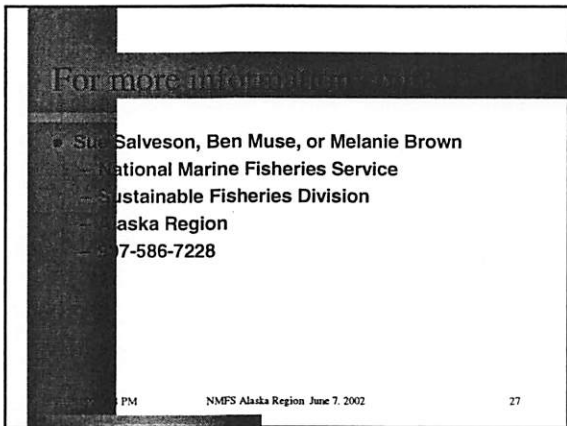
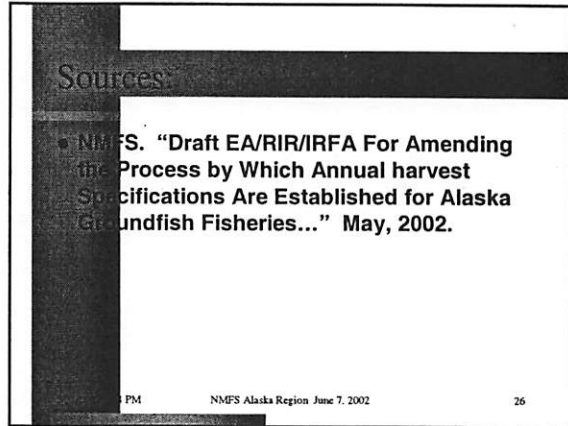
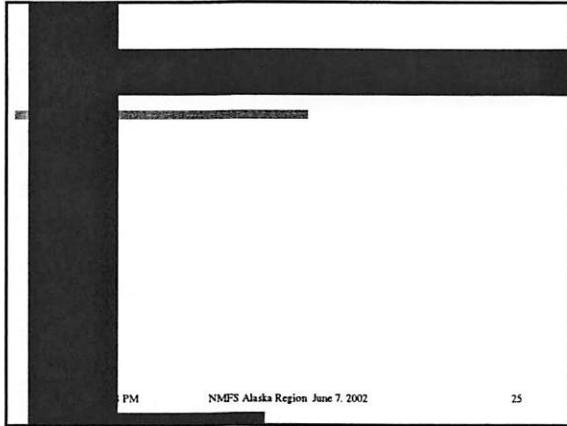
- Proposed rule for harvest spec. process published with comment period Jan. 30-March 15, 2003
- Council proposes 2004 harvest specs. using new process 2/03.
- Secretary approval of FMP, 3/21/02
- Council recommends final 2004 harvest specs. 4/03.

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Implementation Schedule Continued (2).

- Final harvest spec. process rule published with 30 day delay June 1, 2003.
- Proposed rule for 2004 harvest specs. published July 2003.
- Final rule for 2004 harvest specs. published October 2003.

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D-1a
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Analyses of Alternative Harvest Specifications Administrative Procedures
Presentation for North Pacific Fisheries Management Council
June 2002

What is the question we are trying to answer?

- Are there biological impacts from longer specification projections from survey information?

We tried two different approaches -

- Retrospective analysis - which looks back at historical ABC projections and recommendations
- Simulation model - a simulation based on actual stock assessment models

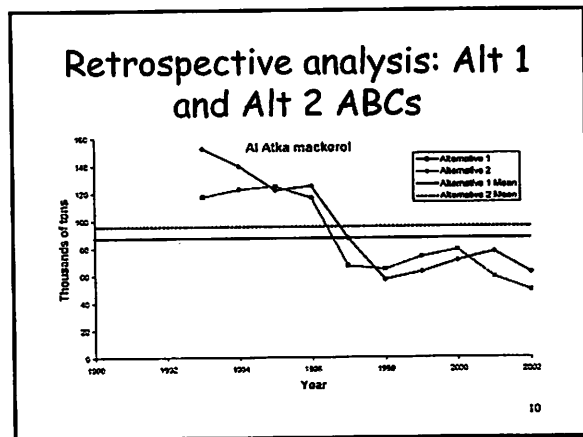
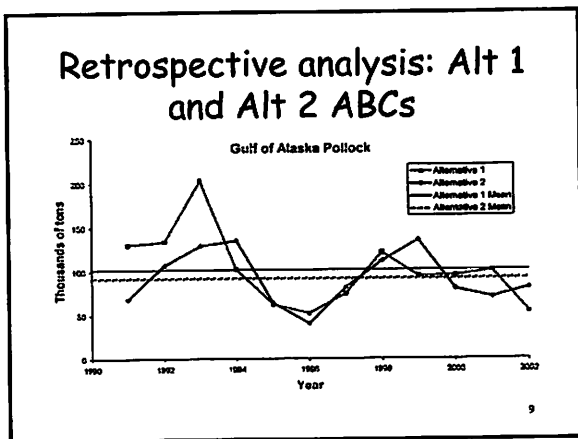
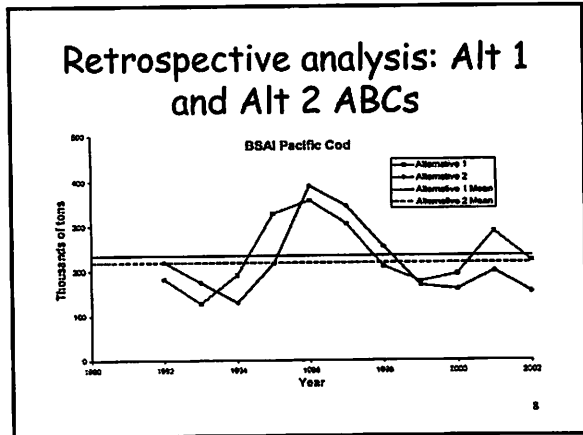
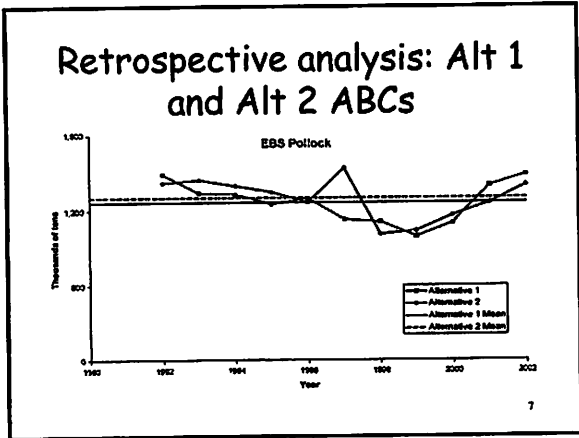
Retrospective Analysis

How does the retrospective analysis work?

- This analysis looks back
- Every year (for example, in 2002)
 - Council has an ABC recommendation for the coming year (for example (2003)
 - Plan teams have ABC projections for years after that (for example, 2004 and after)

How does the retrospective analysis work?

- This analysis produces Alt 1 and Alt 2 ABC estimates for a hypothetical year
- By taking the Council's ABC recommendation for a year as Alt 1
- And the Plan Team ABC projection made two years before as Alt 2



Retrospective analysis results

| | A1 mean ('000 mt) | A1 CV | A2 mean ('000 mt) | A2 CV |
|-------------|-------------------|-------|-------------------|-------|
| EBS pollock | 1266 | 15% | 1299 | 13% |
| BSAI P.cod | 235 | 30% | 219 | 37% |
| AI Atka | 87 | 34% | 95 | 37% |
| GOA pollock | 102 | 41% | 92 | 34% |

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Simulation models

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How the simulation model works

- Uses 2001 assessment model results
- Each single-species simulation is run 1,000 times - simulating 1,000 separate years
- Interactions between fisheries for different species (bycatch, optimal yield considerations) are not considered

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Model parameters

- Include age class specific estimates of
 - Gear selectivity
 - Weight
 - Sexual maturity
 - Natural mortality
 - Numbers in 2001

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How each year is simulated

- Inputs
 - Stock size and age composition from the previous year
 - A randomly determined level of recruitment reflecting historical average recruitment and recruitment variability
 - A set of ABCs (treated as harvests)

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How each year is simulated

- During the year
 - Recruitment adds a year class and biomass and natural growth adds biomass
 - Natural mortality removes biomass
 - The ABC input into the year's simulation is used as an estimate of harvest
 - All changes are age class specific

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How each year is simulated

- Outputs to the next year
 - Biomass and age class structure for the stock
 - The biomass determines ABC for a new fishery (the 2006 biomass would determine 2008 ABC under Alt 2, and the 2008 and 2009 ABCs under Alt 4)

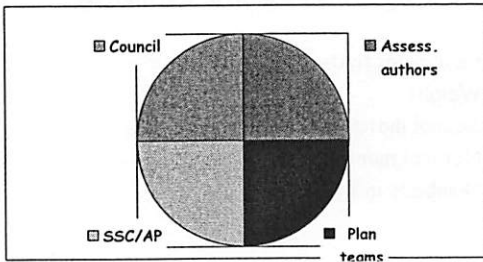
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Some limitations

- Each species simulated independently
 - (e.g.) OY in BSAI not addressed
- ABC sometimes a poor proxy for harvest
 - (TACs often much lower)
- Fails to reflect full Council process

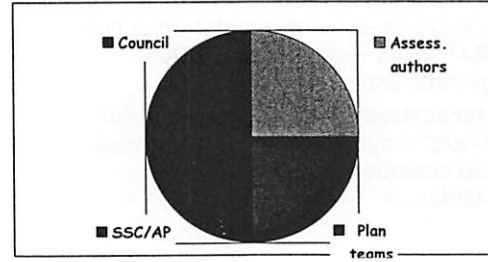
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Parts of the specifications process



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Parts of the process reflected in simulation model



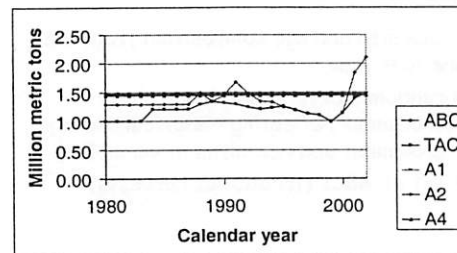
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Some limitations

- No historical simulation to test model validity at this time
- No peer review at this time
- Simulation levels of ABC and harvest exceed historical levels for pollock in BSAI and GOA

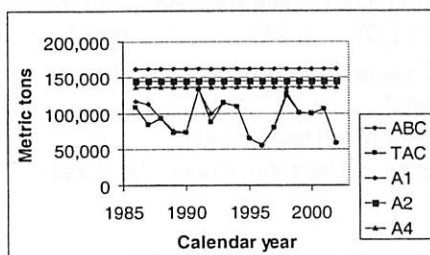
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BSAI pollock



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GOA pollock

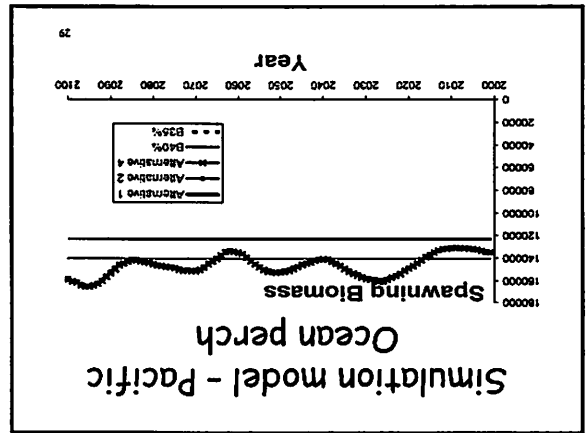
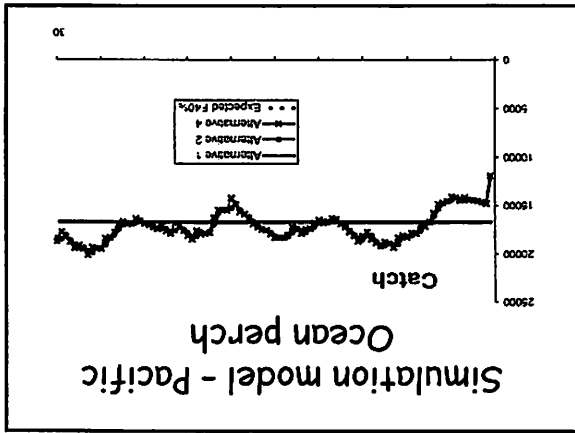


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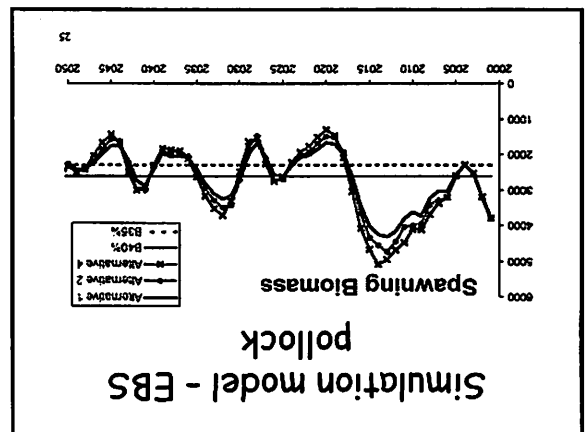
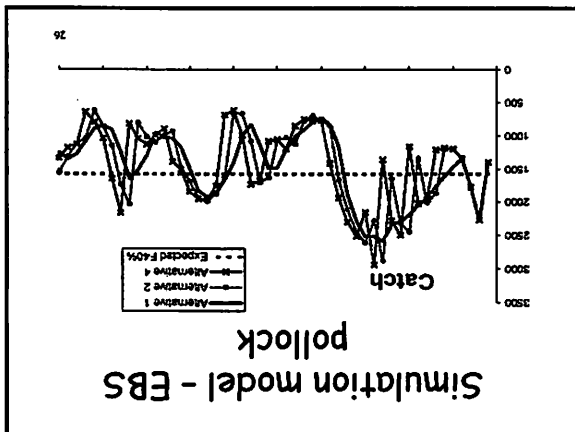
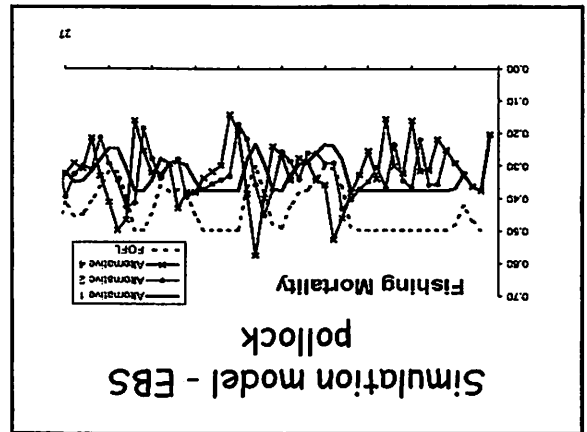
An example of simulation model results

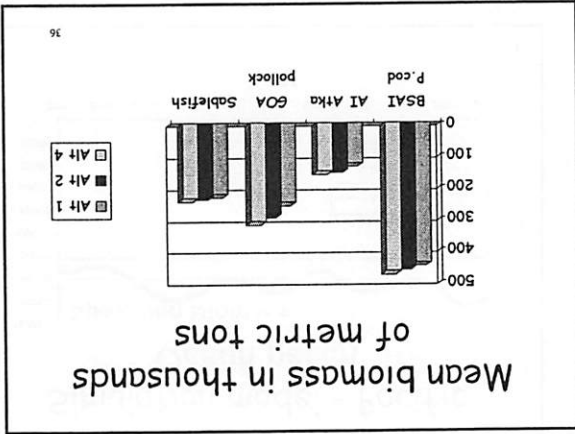
BSAI pollock for the first 50 years of the simulation

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A second example of simulation model results for Pacific Ocean perch for the first 100 years of the simulation

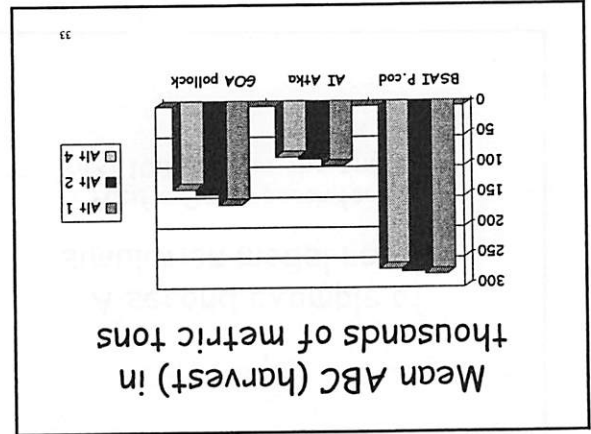
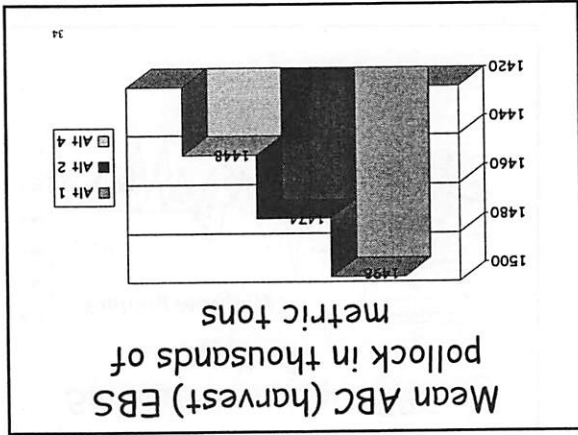




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Biomass Results

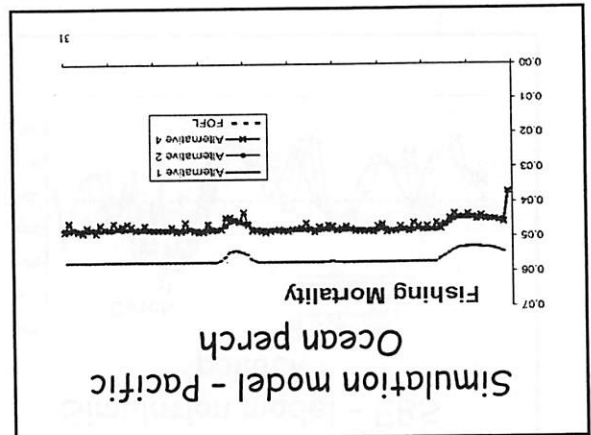
These tend to rise.



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ABC (Harvest) Results

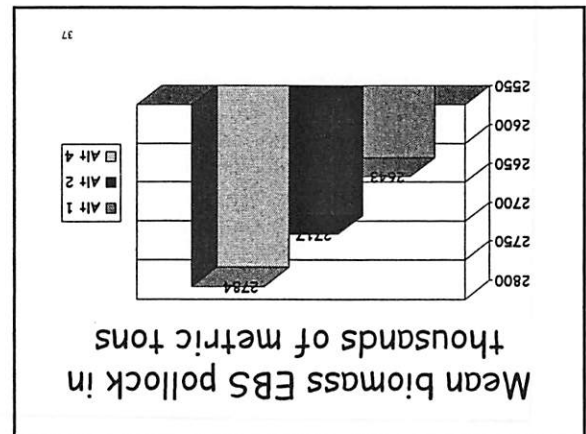
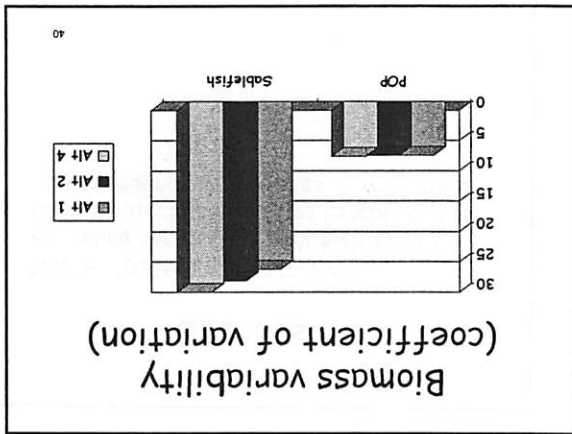
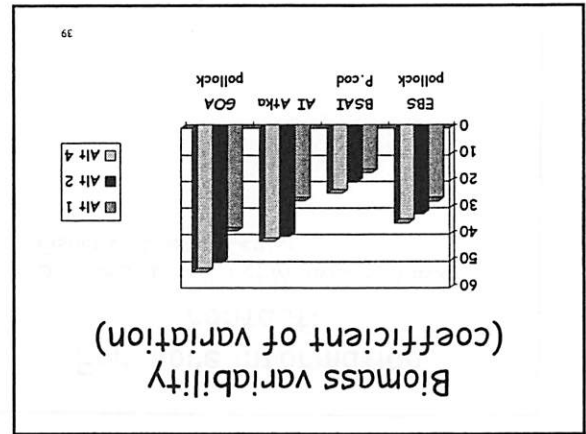
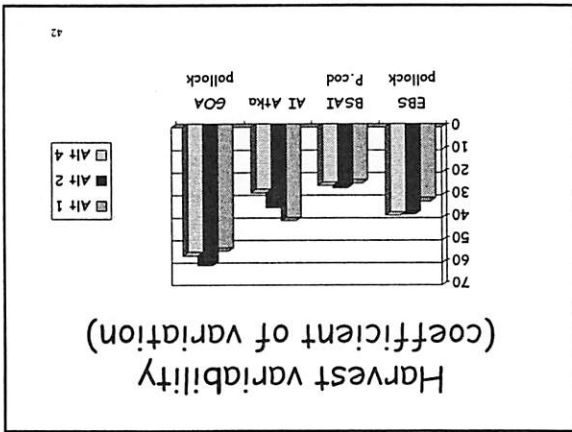
These tend to fall.



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These results are mixed.

Harvest Variability Results

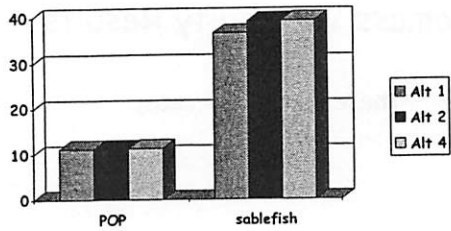


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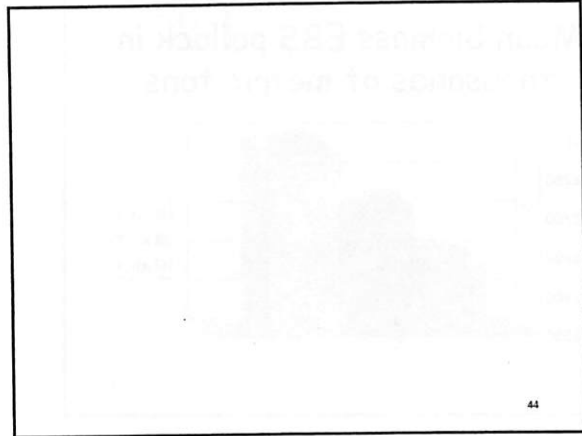
These tend to increase.

Biomass Variability Results

Harvest variability (coefficient of variation)



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Sources:

- NMFS. "Draft EA/RIR/IRFA for Amending the Process by Which Annual Harvest Specifications Are Established for Alaska Groundfish Fisheries..." May, 2002.

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For more information, contact:

- Dr. James Ianelli, REFM Division, Alaska Fisheries Science Center

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ADVISORY PANEL MINUTES
June 3-8, 2002
Unisea Central, Dutch Harbor, Alaska

Advisory Panel members in attendance:

Alstrom, Ragnar
Benson, Dave
Boisseau, Dave
Bruce, John (Chair)
Burch, Alvin
Cross, Craig
Ellis, Ben
Enlow, Tom
Falvey, Dan

Fraser, Dave
Kandianis, Teresa
Mayhew, Tracey
Nelson, Hazel
Norosz, Kris
Preston, Jim
Ridgway, Michelle
Steele, Jeff
Stephan, Jeff

C-4 CDQ

The AP recommends that the Council adopt the following alternatives and options for the eight issues contained in the analysis:

Issue 1: Determine the process through which CDQ allocations are made.

Alternative 2: Define the process in regulation, an expanded state hearing and comment process, but with no formal NMFS appeals process.

Issue 2: Periodic or long term CDQ allocations:

Alternative 2, Option 2, suboption 1: Set fixed 3 year allocations with possible mid-cycle adjustment for extraordinary circumstances.

Additionally, the AP recommends the regulations must be revised to reflect that suspension or termination of CDQ allocations would be an administrative determination by NMFS and that the CDQ groups involved would be allowed an opportunity to appeal NMFS's initial administrative determination on any changes in CDQ allocations. The AP also recommends removing the requirement to publish a notice in the Federal Register about suspension or termination of a CDQ allocation.

Issue 3: Role of Government Oversight:

Alternative 2: Amend the BSAI FMP to specify government oversight purposes as described in the analysis.

Issue 4: CDQ allocation process - Types of quotas:

Alternative 1: No action

Issue 5: CDQ allocation process - the evaluation criteria:

Alternative 2: Publish allocation criteria in the NMFS regulations with the following changes to the criteria:

7. In areas of fisheries harvesting and processing, past performance of the CDQ group, to the extent practicable, in promoting conservation-based fisheries by taking actions that will minimize bycatch, provide for full retention and increased utilization of the fishery resource, and minimize impact to essential fish habitats.
8. Apply proximity to the resource only to these species: halibut, Norton Sound red king crab, Pribilof red king crab, St. Matthew blue king crab.

Issue 6: Extent of Government oversight:

Alternative 4: (From HR 553) Revise NMFS regulations to clarify that government oversight extends only to the activities of the CDQ group that are funded by royalties from the CDQ allocations. *Motion passed 9/8.*

The minority is supportive of making adjustments to the maturing CDQ program where it is now appropriate. We believe that due in large part to conservative management and accountability to the communities, the success of the program can continue. However, Alternative 4 erodes that accountability and offers large opportunity for CDQ management changes that could bring the future of the program into question.

Signed: Jeff Steele, Ragnar Alstrom, Dave Boisseau, Hazel Nelson, Lance Farr, Al Burch, John Bruce, Michelle Ridgway.

Issue 7: Allowable investments by CDQ groups - fisheries related projects:

Alternative 3, with the following amended option 2, suboption 1 for limits on non-fisheries related projects, and suboption A to make goals and purposes primarily fisheries related: Allow investments in non-fisheries related economic development in-region projects up to 20% of the previous years' pollock royalties.

Issue 8: Other CDQ Administrative Issues:

Alternative 2: Simplify quota transfer and Alternative fish plan process.

Motion passed unanimously.

C-6 SSL Trailing Amendment

The AP recommends Alternative 1 - no action. The analysis states "Alternative 1 would not jeopardize the continued existence of the SSL or adversely modify critical habitat." The AP believes that if there are concerns with the status of the pollock stocks, those should be dealt with under the annual TAC setting process, as has been done in the past. *Motion passed 13/1*

Additionally, the AP recommends the Council adopt Alternative 5, Exempt pot fishing vessels from sea lion closures from 0-3 nm around Canton Island and Cape Barnabas. *Motion passed 14/0*

C-7 (a) Single Geographic Location Change

The AP recommends the Council adopt Alternative 2, allowing AFA inshore floating processors to move to a different location between reporting weeks. It is the understanding of the AP that Steller sea lion requirements apply, and that pollock processed is harvested under AFA regulations. Further, the intent is not to create an additional burden on the 2 floating inshore processors that is different than for other AFA participants. Additionally, the AP recommends the Council adopt Alternatives 2-5 regarding the inshore/offshore language proposals. *Motion passed 17/0*

C-7 (b) IR/IU

The AP recommends the problem statement for IR/IU be revised to reflect the conclusions of the analysis that 100% retention of rocksole and yellowfin sole is not practicable as it would result in severe economic losses while less than 100% retention is not enforceable; and that the document be released for initial review with the following changes to the alternatives:

1. Incorporate a qualitative description of the following trailing amendments into alternative 3 as trailing amendments,

A. A bycatch reduction coop (BRC) structured as follows:

D-1a

DRAFT

1. PSC caps for halibut and crab in the BSAI are subdivided into two pools. One pool is for vessels that wish to participate in a bycatch reduction program. The other pool is for vessels remaining in open access. The subdivision of PSC is calculated by summing the groundfish catch by target for each group, applying an appropriate bycatch rate to each target and assigning that amount of PSC bycatch to the BRC and the open access fishery.
2. Companies in the BRC will be required to limit each vessel to its share of the calculated amount of halibut and crab allowance. Evidence of binding private contracts and remedies for violations of contractual agreements must be provided to NMFS for the BRC to be approved. Participants in the BRC must demonstrate an adequate system for the estimation, monitoring, reporting and overall accounting of the PSC available to the BRC.
3. Bycatch reduction will be accomplished by:
 - a. Bycatch rate reduction that results in a more efficient use of the PSC available to the BRC
 - b. PSC available to the BRC will be reduced by 5% beginning in year two of the program
 - c. A periodic review of PSC use and PSC available to the cooperative to allow consideration of further reductions of PSC allocated to the BRC. Further PSC reductions should be based on achieving a balance between the optimum yield objectives and the bycatch reduction objectives contained in the MSA.
4. THE BRC is for the non-pollock catcher processor sector.
5. The BRC will be as inclusive as possible for all non-pollock CP's in the BSAI (i.e. both AFA and non-AFA , TAC controlled fisheries and PSC controlled fisheries.)
6. Subdivision of current PSC caps between sectors (CV's CP's and/or AFA CP's and non AFA CP's may be necessary)
7. Allocation within the BRC such as qualifying years or amounts of PSC available to individual vessels will be decided by members of the BRC.
8. Monitoring requirements and costs will be distributed equitably among BRC members.
9. Monitoring requirements will be developed with one objective being minimizing these costs to BRC members
10. Protections for non-cooperative fisheries, if necessary, will be specified.

Motion passed 14/1

B. An alternative to create discard caps for the flatfish fisheries upon triggering a cap, 100% retention would be required.

2. Add a suboption to Alternative 4 which would allow separate exemptions by region, gear, CV-CP, AFA/non-AFA, and by an average of bycatch rates over a period of years.

Motion passed 14/1

D-1 (a) TAC Setting Process

The AP recommends the council release the draft TAC setting EA/RIR/IRFA with the following changes:

1. Expand discussion of current public process such as plan team meetings, Council meetings, etc., in the context of meeting public process and APA requirements.
2. Expand the analysis of Alternative 3 to include an option to establish a separate time line for sablefish fisheries to maintain consistency with the halibut fishery.

The AP concurs with the SSC problem statement as stated in their February 2001 minutes and requests the analysis be clarified to reflect this problem statement. *Motion passed 10/3*

D-1 (c) BSAI Amendment 68: Pacific Cod Pot Gear Split

The AP recommends the Council adopt Alternative 1: No action. *Motion passed 10/5.*

A motion was made to adopt Alternative 2, Option 5: Apportion the BSAI Pacific cod pot gear TAC between pot CVs and pot CPs based on catch histories from 1995-1999. Suboption a: unused quota from either pot sector would be reallocated to the other pot sector before it is rolled over to other fixed gear sectors. If the quota remained unharvested, it would be reallocated to the longline CV sector (0.3 %). Additionally, the (5%) cod quota that is reallocated to the pot sector annually from the trawl and jig sectors would be reallocated to the pot sector as a whole. Motion failed 6/9.

DATE 6/12

TIME _____

AGENDA ITEM D-la TAC

*****BALSIGER VOTES LAST ON EMERGENCY RULES**

ROLL CALL TALLY

| | YES | NO |
|---|-----|----|
| ANDERSON | | |
| AUSTIN | | |
| DR. BALSIGER (or Salveson) EMERGENCY RULE? | | |
| BUNDY | | |
| DUFFY (or Krygier) | | |
| DR. FLUHARTY | | |
| HYDER | | |
| MADSEN | | |
| PENNEY | | |
| SAMUELSEN | | |
| BENTON | | |

MOTION 9.25 - JB - ~~at~~ accept AP recomms, carries
no obj.

*Testimony of Ed Richardson
on Behalf of At-Sea Processors
Assn.*

June 7, 2002

Agenda D-1(a)

Testimony -D-1(a) TAC Setting Process

Mr. Chairman,

I am here today to offer testimony on the first iteration of an analysis that examines the possible effects of changing the time period between the BSAI and GOA groundfish harvests and the stock assessment data on which they are based. So this proposal by the NMFS will affect ALL of the BSAI and GOA groundfish fisheries in some way or another. From what we can understand, these proposed changes are likely to affect the short-lived, fast-growing species like pollock, cod, and Atka mackerel more than the slower-growing, longer-lived species like rockfish.

First, we would like to make the general comment that the document is complex, and the results are difficult to distill down and understand and interpret. The document was first made available to the public just a few days ago, and so it has been difficult to give this important analysis the thorough review that it merits. This is of some concern since this proposal will likely affect all BSAI and GOA groundfish fisheries.

Because the analysis is complex and difficult to interpret, we are not sure if either the RETROSPECTIVE analysis or the SIMULATION analysis of the alternatives could be said to represent anything close to reality as regards the effects of the alternatives on future TACs and catches. However, some of the simulation results DO confirm that harvest effects which we thought might arise may indeed come to pass — and these effects concern mainly MISMATCHES in the timing of the harvests, with harvests that are too low when stock biomass is healthy and above reference levels, and harvests that are too high when stock biomass is low and could be below reference levels. This pattern of harvest timing mismatches may be seen in the simulation results for EBS pollock, BSAI cod, and AI Atka mackerel, and may also occur for some of the fast-growing flatfishes (Figures 4.4-4.6, pp. 48-50).

(Examples of too low harvests when stock biomass is high are shown in Figures 4.4, 4.5, and 4.6 on pages 48-50. For EBS pollock, check years 2003-

2015; for BSAI cod check years 2012-2025, and 2035-2047, and for Atka mackerel check years 2019-2030.)

Second, there seems to be a logical or intellectual disconnect that runs through the document as you move from the environmental assessment of the stock and harvest effects to the analysis of the economic impacts. And this has to do with the EA conclusions that the effects of the alternatives on TACs and harvests are unknown, or unknowable at this point, but the RIR/IFRA analyses are then carried out AS IF these unknown impacts are in fact known. As such, we believe that the RIR/IFRA analyses now in the document would mislead the public as concerns the socioeconomic impacts of the alternatives.

Third, the text is written in a way that seems to promote aspects of Alternatives 2 and 4 over the status quo (and Alternative 3) with arguments that are very one-sided. For example, in many places the document claims that industry will benefit, from a process organization and planning perspective, by knowing TACs one or two years ahead, and that the NMFS will gain administrative efficiencies by reducing the number of times that they have to move paper to the Federal Register. But, on page 116, in the first two paragraphs, the analysis indicates that too high TACs based on the stock-assessment projections could, and likely would, need to be reset lower, because these too high TACs occur when stock biomasses are low, and so would otherwise risk or create overfishing situations. So instead of going with the projected harvest, which has already been proposed, commented on, and made final, the NMFS would be going back to the Federal Register with Emergency Rules motivated by concerns about stock conservation. So we believe that all of the claimed industry "planning" benefits will likely NOT materialize for fisheries on the short-lived, fast growing species, and so too that many of the "administrative efficiencies" would also not likely be realized, at least as concerns management of pollock, cod, and Atka mackerel.

Now this situation — one where catches are too low when the stock is healthy and abundant (in part due to conservative projections made using a median level of recruitment), and where there would be catches that are too-high when stock biomass is low, and then where these too-high TACs would likely need to be revised lower due to concerns about

overfishing — is exactly the situation that we feared would result from this initiative to increase the time lag between harvests and the assessment information on which they are based. Obviously such a situation could have a very negative effect on the dollar value of the catches that are eventually taken in the BSAI and GOA groundfish fisheries.

The likely negative effects of these TAC-setting alternatives on the economic value of the BSAI and GOA groundfish harvests brings up a fourth concern that we have with the analysis, and this is that the estimates of economic impacts contained in the RIR/IFRA analysis are misleading, and could be significantly underestimated. To illustrate our concerns, realize that the economic impact estimates contained in the document are limited to six fisheries, and are calculated from the results of the 1,000 year simulations. For each of the alternatives and each fishery, we have an average catch amount calculated over 1,000 years (obviously this is a long-run analysis). For the EBS pollock fishery, the difference between the status quo average catch and the Alternative 2 average catch is only a (negative) 24,000 mt, or for Alternative 2 the 1,000 year average catch is 1.6% less than the average calculated under Alternative 1. For BSAI cod, AI Atka mackerel, and GOA pollock, the tonnages are negative 4,000, negative 10,000, and negative 17,000.

But if one looks at the 1,000 year simulation results for EBS pollock in Figure 4.4, it shows that catch reductions under Alternative 2 are substantial during 2003-2012, ranging from 300,000 to 1,000,000 mt. Now these reductions may be somewhat overestimated due to the inability of the simulation to incorporate the 2.0 million mt BSAI Optimum Yield limit, but the small difference in the 1,000-year average catches (only 24,000 mt) implies that these large, near-term reductions in EBS pollock catches must be compensated by a lot of smaller, but too-high, future catches when stocks are low. And as we have said, these future, smaller-but-still-too-high TACs, when stocks are low, are likely to be reset lower by emergency rule as new data becomes available. So the net effect is that the analysis estimates the economic effects of the alternatives based on differences in a 1,000-year average catch, and so essentially ignores the economic effects of possibly very large, near-term reductions in catches by assuming that they will eventually be compensated for, perhaps 100 years in the future. The

method also essentially equates a dollar of revenue in 2004 with a dollar of revenue in 3004.

Mr. Chairman, to conclude, we support the SSC assessment of this NMFS proposal, and agree that it should not be sent out for public review at this meeting. What is currently missing from this analysis is a viable alternative that satisfies NMFS' concerns about public comment and maintains the current timeline of our annual harvest specifications.

NOTE: Due to the inability of the retrospective and simulation analyses to capture the TAC-setting process in a realistic way, the concepts of ABC, TAC, and catch are used somewhat interchangeably in this EA/RIR/IRFA.