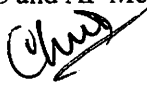


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver   
Executive Director

DATE: May 25, 2010

SUBJECT: Groundfish Management - GOA B Season Sideboards  
for BSAI crab vessels

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|--|
| ESTIMATED TIME<br>4 HOURS<br>(All D-1 items) |
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**ACTION REQUIRED**

Initial review of GOA B season sideboards for BSAI crab vessels

**BACKGROUND**

In February 2009, the Council reviewed an initial draft of an amendment package to exempt crab vessels from GOA Pacific cod sideboards from November 1 to December 31 of each year. At that meeting, the Council delayed further action on the amendment package until the Council took final action on GOA fixed gear recency and GOA Pacific cod sector splits. The Council delayed action on this amendment package because the GOA Pacific cod sector split and GOA fixed gear recency actions needed to be completed prior to taking any action on the Pacific cod sideboard exemption. Although not yet implemented, the Council did take final action on these two actions. In April 2009, the Council took final action on fixed gear licenses, which limited entry into the directed Pacific cod fisheries in the Western and Central GOA. In December 2009, the Council took final action on GOA Pacific cod sector split that allocates Western and Central GOA Pacific cod TACs among the fixed gear sectors (hook-and-line catcher processors, hook-and-line catcher vessels, pot catcher processors, pot catcher vessels combined, jig sector, and trawl sectors) based on recent sector catch histories.

Given the Council has completed final action on GOA fixed gear recency and GOA Pacific cod sector split, the GOA B season sideboard exemption is scheduled for initial review at this meeting. Under this proposed action, there are three alternatives. Alternative 1 (status quo) would not change the B season GOA Pacific cod sideboard limits. Alternative 2 would permit those non-AFA crab vessels/licenses that are prohibited from targeting GOA Pacific cod to target GOA Pacific cod from November 1 to December 31 absent of any sideboard limits. Alternative 2 would also exempt from sideboard limits from November 1 to December 31 those non-AFA crab vessels/licenses limited by GOA Pacific cod sideboards. Alternative 3 would exempt from GOA Pacific cod sideboard limits during November 1 to December 31 only those non-AFA crab vessels/licenses that are restricted by GOA Pacific cod sideboard limits. In each of the action alternatives, the Council included two options that would establish a minimum tonnage and/or a percent of TAC that must be available on November 1 for the exemption to apply. These options would be applied individually to both the inshore and offshore components of the western GOA and central GOA.

The analysis for this agenda item was mailed out on May 24, 2010; an executive summary of that analysis is attached (Item D-1(a)(1)).

## Executive Summary

### Introduction

The crab rationalization program was implemented in March of 2005. The program allocates IFQ to harvesters in the crab fisheries. Recognizing that rationalizing the BSAI crab fisheries could provide opportunities for fishermen to alter their crab fishing patterns and take greater advantage of other fisheries, the Council included GOA groundfish sideboard limits for vessels and licenses that had Bering Sea snow crab history that contributed to IFQ. At its December 2006 meeting, the Council heard public testimony that the GOA sideboard limits, stemming from the crab rationalization program, had overly restricted historical participants in the GOA Pacific cod fishery. In response, the Council initiated an amendment to adjust the GOA Pacific cod sideboard exemption qualifications for non-AFA crab vessels, exempt qualified non-AFA crab vessels from GOA pollock sideboards, and exempt non-AFA crab vessels from GOA Pacific cod sideboards, from November 1 to December 31 of each year. In October 2008, the Council took final action on exempting GOA Pacific cod dependent non-AFA crab vessels from GOA Pacific cod sideboard limits. At the same time, the Council removed the GOA B season Pacific cod sideboard exemption from the original FMP amendment package and repackaged for further consideration in this amendment package.

### Purpose and Need

The purpose of the non-AFA crab sideboard limit was to prevent vessels with crab quota from disadvantaging non-crab participants in the GOA groundfish fisheries. However, it is not uncommon to see large amounts of Pacific cod go unharvested in both western GOA and central GOA during the B season for both the inshore and offshore component. To address this issue, the Council developed the following draft problem statement:

*Recognizing that rationalizing the BSAI crab fisheries could provide opportunities for fisherman to alter their crab fishing patterns and take greater advantage of other fisheries, the Council included GOA groundfish sideboard limits for non-AFA crab vessels that qualified for the Bering Sea snow crab IFQ fishery. However, given that considerable amounts of GOA Pacific cod B season TAC has continually remained unharvested during the November and December period, an exemption from GOA Pacific cod sideboard limits could allow for a more fully utilized resource, which is consistent with Council policy and MSA National Standard 1.*

### Alternatives

Under this action, there are three alternatives. Alternative 1 (status quo) would not change the B season GOA Pacific cod sideboard limits. Alternative 2 would permit those non-AFA crab vessels/license that are prohibited from targeting GOA Pacific cod to target GOA Pacific cod from November 1 - December 31 absent of any sideboard limit. Alternative 2 would also exempt from sideboard limits those non-AFA crab vessels/licenses limited by GOA Pacific cod sideboards from November 1 - December 31. Note that Alternative 2 was rewritten by staff to reflect a more accurate description of the non-AFA crab vessels which would be exempt from sideboard limits. Alternative 3 would exempt only those non-AFA crab vessels that are permitted to target GOA Pacific cod but are restricted by GOA Pacific cod sideboard limits from GOA Pacific cod sideboard limits. In each of the action alternatives, the Council included two options that would establish a minimum tonnage and/or a percent of TAC that must be available on November 1. These options would be applied individually to both the inshore and offshore waters and the WGOA and CGOA areas.

Alternative 1: No changes to B season Pacific cod sideboard limit

Alternative 2: Under this alternative, two groups of non-AFA crab vessels/licenses would be exempt from GOA Pacific side board limits from November 1 to December 31. The first group, GOA Pacific cod prohibited vessels/licenses would be authorized to target GOA Pacific cod during the November 1 to December 31 period and not be limited by sideboards. The second group, those non-AFA crab vessels/licenses qualified to target GOA Pacific cod, would be exempt from sideboard limits during November 1 – December 31.

Suboption 2.1 The exemption would apply if up to 10% to 30% of the B season Pacific cod TAC remains unharvested prior to November 1 for inshore and offshore components of the WGOA and CGOA.

Suboption 2.2 The exemption would apply if up to 0 to 5,000 mt of B season Pacific cod TAC remains unharvested prior to November 1 for inshore and offshore components of the WGOA and CGOA.

Alternative 3: Exempt from GOA B season Pacific cod sideboard limits during November 1 – December 31 for those non-AFA crab vessels that are restricted by GOA Pacific cod sideboard limits.

Suboption 3.1 The exemption would apply if up to 10% to 30% of the B season Pacific cod TAC remains unharvested prior to November 1 for inshore and offshore components of the WGOA and CGOA.

Suboption 3.2 The exemption would apply if up to 0 to 5,000 mt of B season Pacific cod TAC remains unharvested prior to November 1 for inshore and offshore components of the WGOA and CGOA.

This exemption only applies to those non-AFA crab vessels/LLPs that are eligible to participate in the GOA Pacific cod fishery (have appropriate LLP).

The intent of the action is to address National Standard 1 and more fully utilize GOA Pacific cod TAC so as not to impact other GOA Pacific cod dependent vessels. Under Alternatives 2, NMFS could relax B season Pacific cod sideboard restrictions after November 1 for non-AFA crab vessels/licenses that are restricted by GOA groundfish sideboard limits in the inshore and offshore of the WGOA and/or CGOA if up to 10 to 30 percent of the B season TAC remains unharvested in the respective area and/or if up to 0 to 5,000 mt of Pacific cod TAC remains unharvested. Alternative 3 would accomplish the same exemption, but would limit the exemption to only those non-AFA crab vessels/licenses that are permitted to target GOA Pacific cod but are restricted by the GOA Pacific cod sideboard limits.

## **Impacts of the Alternatives**

### **Alternative 1**

Under Alternative 1, there would be no change to the B season Pacific cod sideboard limit after November 1 for non-AFA crab vessels. Participation levels by non-AFA crab vessels to which the GOA Pacific cod sideboard applies would likely remain at the current level. Since establishment of the GOA sideboard in 2006, the GOA Pacific cod sideboard fishery has closed prematurely. As a result, those non-AFA crab vessels that have been constrained in their catch of GOA Pacific cod in the sideboard fishery during will likely continue to be constrained in the future under status quo despite B season GOA Pacific cod quota still being available. In addition, there is the potential that large amounts of GOA Pacific cod TAC will remained unharvested at the end of the B season.

## Alternatives 2 and 3

Looking at the population of non-AFA crab vessels that could be exempt under Alternatives 2 and 3, currently, there are a total of 227 non-AFA crab vessels and 57 licenses that made a landing of BS snow crab during the 1996 to 2000 period that contributed to an IFQ. Of this total, 5 non-AFA crab vessels/licenses are already exempt from GOA Pacific cod sideboards. In addition, the Council in October 2008, voted to exempt an additional 3 vessels/licenses from GOA Pacific cod sideboard limits. After removing already exempt vessels/licenses and potential exempt vessels/licenses, the remaining 219 non-AFA vessels and 49 licenses would be exempt from the GOA Pacific cod sideboard limits under Alternative 2. Eight five non-AFA crab vessels and 40 LLP licenses that qualify to participate in the GOA Pacific cod sideboard fishery would be exempt from GOA Pacific cod sideboard limits under Alternative 3.

Examining the annual fishing activity in the GOA Pacific cod fishery for the qualified vessels shows that very few of the vessels have been active in this fishery during the November 1 to December 31 period throughout 1995 to 2007. In contrast, the total number of other Pacific cod dependent vessels active during the November 1 to December 31 time period has ranged from no vessels during a few years to 87 vessels in 2007. In recent years, the number of other Pacific cod dependent vessels participating in the central GOA Pacific cod fishery during the November 1 to December 31 period has increased significantly.

Despite the limited number of qualified vessels that fished in the GOA Pacific cod fishery during the November 1 to December 31 period, there is a potential that lifting the GOA Pacific cod sideboards during this period could increase fishing pressure on GOA Pacific cod and thereby impact other GOA Pacific cod dependent vessels. Unfortunately, it is not possible to determine with any certainty the extent to which the new exempt vessels would impact other Pacific cod participants.

Despite the limited number of qualified vessels that fished in the GOA Pacific cod fishery during the November 1 to December 31 period, there is a potential that lifting the GOA Pacific cod sideboards during this period could increase fishing pressure on GOA Pacific cod and thereby impact other GOA Pacific cod dependent vessels. Unfortunately, it is not possible to determine with any certainty the extent to which the new exempt vessels would impact other Pacific cod participants. In addition, the limited number of qualified vessels participating during November 1 to December 31 restricts the information that can be presented (**Error! Reference source not found.**). This restriction is necessary to protect the confidentiality of the information. Reflected in **Error! Reference source not found.** is the increase in the central GOA Pacific cod catch by other Pacific cod dependent vessels, increasing from 254 mt in 2004 to 2,485 mt in 2007. This increase in central GOA Pacific cod catch during the same time period was not seen in the western GOA. In 2008 and 2009, the catch of central GOA Pacific cod catch declined sharply, while catch in the western GOA increased.

Crucial in selecting the appropriate threshold(s) is providing the right amount of opportunity for vessels to fully utilize the TAC to the extent practicable, while also leaving a sufficient amount of TAC for existing Pacific cod dependent vessels during the November 1 – December 31 fishery period to maintain their historic access to the fishery. If the percent of available B season GOA Pacific cod TAC required on November 1 is too high, there is the potential that B season GOA Pacific cod sideboards would not be relaxed, thus reducing the opportunity to fully utilize the Pacific cod resource. At the same time, if there is insufficient TAC after November 1 and the GOA B season Pacific cod sideboards are lifted for qualified vessels, existing Pacific cod dependent vessels could be negatively impacted from increased fishing effort. To ensure the Council's intent that B season GOA Pacific cod TAC is fully utilized to the

extent practicable and existing B season GOA Pacific cod participants are protected, the choice of an appropriate threshold must be carefully considered.

Based on catch information, the inshore component of the western GOA likely has the most underutilized Pacific cod TAC. An indication of the need for a sideboard exemption is the amount of B season TAC remaining after November 1, which has ranged from 63 percent of the B season TAC (2,357 mt) in 2005 to 92 percent of the B season TAC (5,342 mt) in 2006.

For the offshore component of the western GOA, the need for a sideboard exemption is limited due to smaller TAC levels. There was little need for an exemption during the 2003 and 2004 season because the fishery did not open for the 2003 B season and in 2004, the hook-and-line fishery closed on October 2 due to halibut PSC restrictions. For 2006 and 2007, there appeared to be sufficient TAC available for a sideboard exemption. The amount of B season TAC remaining after November 1 was 87 percent of the B season TAC (1,114 mt) in 2006 and 75 percent (916 mt) in 2007.

For the inshore component of the central GOA, the opportunity for an exemption appears limited. The primary reason for the limitation is due to the B season TAC is being fully utilized for most years. In 2003 and 2004, the hook-and-line fishery closed on September 3 and October 2, respectively. For the remaining years, the hook-and-line fishery closed on December 31, but the opportunity for an exemption fishery appears limited due to a strong B season fishery by existing Pacific cod participants. Similar to fishing patterns in the western GOA, existing Pacific cod participants harvest a larger share of the B season TAC during the early portion of the B season (September 1 – October 31) compared to the later portion of the B season (November 1 – December 31). As a result, the increase in fishing effort by the existing Pacific cod participants appears to have left little need for a sideboard exemption. For example, in 2005, only 235 mt or 3 percent of the B season TAC was left unharvested at the end of the season, while 2007, 673 mt or 7 percent of the B season TAC was left unharvested. The one exception was 2006, where 2,259 mt or 32 percent of the B season TAC was left unharvested.

For the offshore component of the central GOA, the need for a sideboard exemption appears to be greater when compared to the inshore component. Similar to other areas of the GOA, there would have been little need for an exemption during the 2003 and 2004 B season due to early closures. However, for 2006 and 2007, there was greater need for a sideboard exemption. The amount of B season TAC remaining on November 1 has ranged from 71 percent of the B season TAC (1,930 mt) in 2007 to 76 percent of the B season TAC (1,941 mt) in 2006.

Potentially affecting this proposed action is three recent Council actions. In October 2008, the Council exempted 3 new GOA Pacific cod dependent non-AFA crab vessels from GOA Pacific cod sideboard limits. When combined with the existing five non-AFA crab vessels that are exempt from GOA Pacific cod sideboard limits, it is likely that a larger portion of the B season GOA Pacific cod will be harvested by existing participants in the future. Given that sideboard exempt GOA Pacific cod participants may utilize more B season Pacific cod in future years, there may be a need for a higher level of protection from increased effort caused by the proposed B season sideboard exemption. The Council may want to take into consideration the potential increased effort by existing GOA Pacific cod participants when calculating the minimum tonnage or percent of TAC necessary for the exempt fishery.

In December 2009, the Council took final action on GOA Pacific cod sector splits that allocates western and central GOA Pacific cod TACs among the fixed gear sectors (hook-and-line catcher processors, hook-and-line catcher vessels, pot catcher processors, pot catcher vessels combined, jig sector, and trawl sectors based on recent sector catch histories. GOA Pacific cod sectors allocations would be based on the sector's historic catch levels. The Council recommended allocation to the pot CV/CP sector for western GOA Pacific cod TAC would be 38 percent with a seasonal apportionment of 52 percent for the A season

and 48 percent reserved for the B season. In the central GOA, the potential allocation to the pot CV/CP sector would be 27.8 percent. The recommended seasonal apportionment for this subarea would be 63.9 percent for the A season and 36.1 percent for the B season.

The Council also included a provision that would allow any portion of an allocation that NMFS determines will not be harvested by the respective sectors during the remainder of the fishing year to be rolled over to CV sectors first, and then to all sectors as needed to harvest the remaining Pacific cod.

If implemented, the apportionment of GOA Pacific cod between sectors will likely require the Council to redesign the thresholds used for determining the annual sideboard exemption. As noted above, the thresholds (Suboptions 2.1 and 2.2 and Suboptions 3.1 and 3.2) are currently based on having a specific percentage or amount of GOA Pacific cod TAC prior to November 1 for inshore and offshore components of the western and central GOA. A better approach might be to design thresholds to apply at a newly defined sector level given that the exempt vessels will be limited by the available sector apportionment. This could be as simple as keeping the current percentages and changing the language to apply at the sector level rather than at the TAC level. By changing the threshold to apply at the sector level, only non-AFA crab vessels operating in that sector would be exempt from Pacific cod sideboards during the November 1 to December 31 period for that year. Another approach would be to eliminate the thresholds all together and defer management of the sideboard exemption during the November 1 to December 31 period to NMFS inseason management. The rationale for deferring management of the sideboard exemption to NMFS is based on the inseason management's experience in managing Pacific cod rollovers and the need to coordinate sideboard exemptions with sector rollovers to better utilize available Pacific cod. Allowing NMFS flexibility in managing sideboard exemption and rollovers may increase the potential for fully harvesting the western and central GOA Pacific cod TAC.

Finally, the Council in April 2009 took final action on fixed gear licenses, which limit entry into the directed Pacific cod fisheries in the Western and Central GOA. The Council's preferred alternative would add gear-specific Pacific cod endorsements to fixed gear licenses, which limit entry into the directed Pacific cod fisheries in the Western and Central GOA. Licenses may qualify for gear-specific Pacific cod endorsements based on directed Pacific cod landings during 2002 through 2008. The minimum thresholds are 10 metric tons for CV licenses with MLOA designation of <60 ft., and 50 metric tons for CP licenses and CV licenses with an MLOA designation of  $\geq 60$  ft. The Pacific cod endorsements will restrict licenses to using the gear type(s) (pot, hook-and-line, and/or jig) specified on the license. A substantial number of the CV licenses that will receive pot endorsements and have an MLOA of greater than 60 feet are subject to the non-AFA crab vessel sideboards (10 of 21 western GOA and 10 of 27 central GOA licenses). In addition, there are 4 western GOA and 4 central GOA fixed gear CP licenses that qualify for a pot and/or hook-and-line Pacific cod endorsement that are subject to the sideboards. The effect of Pacific cod endorsements will be to limit the number of licenses eligible to fish the western and central GOA Pacific cod sector allocations, and would effectively cap the number of participants in each sector. Given the thresholds are minimal, this action will reduce the potential for latent participation in the western and central GOA Pacific cod fishery and would likely not affect the availability of Pacific cod during a November 1 to December 31 sideboard exemption fishery. The limited number of Pacific cod endorsed fixed gear licenses will also make it difficult for the GOA Pacific cod prohibited vessels and the Pacific cod sideboard vessels to participate in the proposed November 1 to December 31 sideboard exemption fishery.

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AGENDA D-1(a)  
Supplemental  
JUNE 2010

May 18, 2010

Mr. Eric Olson, Chairman  
North Pacific Fisheries Management Council

*Transmitted by fax to 907-271-2817: 1 page*

RE: Draft Agenda Item D-1(a) for the June 10, 2010 NPFMC meetings, GOA P.cod sideboards for crab vessels

Dear Mr. Chairman and Council members:

It is my belief there should be no B season WGOA P.cod sideboards for crab vessels that have a WGOA P.cod endorsement.

P.cod GOA sideboards were attached to vessels that received opilio IFQ allocations; a restriction I fully support during A season when opilio is being harvested. However I do not believe a vessel with a WGOA P.cod endorsement should be forced to sit idle during B season (when opilio is not being harvested) because of a WGOA P.cod sideboard.

Since crab rationalization there have been staggering amounts of cod quota left un-harvested every year and it does not make economic sense to enforce B season WGOA P.cod sideboards when there are crab boats that want and need the opportunity to harvest the resource.

I am in favor of completely dropping B season WGOA P.cod sideboards since the B season cod fishery does not coincide with the opilio fishery, however if this is not possible I would prefer option 3 of the initial review draft report. I am also in favor of sub-option 3.2 with the threshold being as low as possible to limit the amount of un-harvested cod in the future.

Once again I urge you to take action as quick as possible to lift B season P.cod sideboards from crab vessels that have Western Gulf cod endorsements. It is very distressing that a resource remains un-harvested even though qualified vessels are available to fish and crew members need the work.

Thank you for your time and consideration.

Sincerely yours,



Micheal Shelford

# PUBLIC TESTIMONY SIGN-UP SHEET

Agenda Item: D-1 (a) GOA P.cod Sideboards for Crab Vessel

|    | NAME (PLEASE PRINT) | TESTIFYING ON BEHALF OF: |
|----|---------------------|--------------------------|
| 1  | Mike Shelton        | FLA Alection Lady        |
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.