ESTIMATED TIME

4 HOURS

All D-1 items

MEMORANDUM

TO:

Council, SSC and AP Members

FROM:

Chris Oliver

Executive Director

DATE:

May 29, 2009

SUBJECT:

National Issues

a) Initial Review of analysis to establish permit fees for all fisheries

b) Discuss work plan to meet annual catch limit requirements and take action as necessary

BACKGROUND

(a) Establish permit fees

ACTION REQUIRED

In December 2004, NMFS Policy Directive 30-120 called for the establishment of a uniform national policy of charging applicants for the cost of processing permit applications. Except for cost recovery implemented under the halibut and sablefish IFQ program and the Crab Rationalization Program, the fishery management plans for Alaska groundfish, crab, scallops, and salmon do not authorize the collection of fees to reimburse the federal government for the cost of issuing permits. Thus, NMFS prepared an analysis of the required FMP amendments and associated regulations so that agency policy is extended more fully to the North Pacific fisheries.

Alternative 2 would exempt permits for subsistence halibut harvest, and other options would exempt permits for the prohibited species donation programs, and/or exempted fishing permits from new fees. These exemptions are considered because without them, the potential exists that program objectives designed around these permits could be compromised. The analysis was distributed on May 8, 2009, and the executive summary is attached (Item D-1(a)). The alternatives are:

Alternative 1: Status quo

Alternative 2: Amend FMPs to require cost recovery for all permits and registrations except those already covered under a program to recover the costs of a limited access privilege program (LAPP)

and except those required under the halibut subsistence program.

Option 1: exempt no permits or registrations except those for LAPPs already under costrecovery, or those required for the halibut subsistence program

Option 2: exempt exempted fishery permits (EFPs) from cost recovery

Option 3: exempt prohibited species donation (PSD) permits from cost recovery

Option 4: charge for cost recovery of all permits under Option 1 except those exempted under Options 2 and 3.

Under D-1 supplemental is the letter we wrote to NMFS last July following our first review of this proposal.

(b) ACL requirements

On January 16, 2009, NMFS issued final revised guidelines for National Standard 1 of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) on how to comply with new annual catch limit (ACL) and accountability measure (AM) requirements for ending overfishing of federal fisheries. Annual catch limits are amounts of fish allowed to be caught in a year. A legal review found several inadequacies in the fishery management plans (FMPs) for BSAI and GOA groundfish, crab, and scallop that need to be addressed. The newly proposed Arctic FMP was developed in accordance with the guidelines. Several work groups (e.g., ABC/ACT Control Rules, Vulnerability Evaluations) have been created to produce reports on how to carry out the more technical components of the guidelines. Statutory deadlines require compliance with the MSA by the start of the 2011 fisheries, although these work group reports have not been finalized.

The ACL amendments to the FMPs are necessary to facilitate compliance with requirements of the MSA to end and prevent overfishing, rebuild overfished stocks, and achieve optimum yield. Some of the amendments to the groundfish FMPs are "housekeeping" in nature, while amendments to the crab and scallop FMPs are more substantive. Draft action plans for amendments to the FMPs for groundfish (Item D-1(b)(1), crab (Item D-1(b)(2), and scallop (Item D-1(b)(3)) are attached.

Recommendations from members of the SSC and Plan Teams which arose from an ACL workshop held on May 21 and 22, 2009 at the Alaska Fishery Science Center are also attached (<u>Item D-1(b)(4)</u>). Due to statutory deadlines, the Council and NMFS should prioritize these amendments for action in 2009/2010. The statutory deadline of January 1, 2011, for implementation of ACL/AM requirements for groundfish requires Council final action no later than April 2010. The Council may wish to reevaluate its previous tasking priorities for revising management of its "other species" FMP amendments (see <u>Agenda D-2</u>). Statutory deadlines of October 2011 and June 2011 for the crab and scallop FMP amendments also require Council action in 2010.