

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *CO*
Acting Executive Director

DATE: January 30, 2002

SUBJECT: Staff Tasking

ESTIMATED TIME
2 HOURS

ACTION REQUIRED

- (a) Review tasking and provide direction.
- (b) Review agency initiative for mandatory data collection.

BACKGROUND

Staff Tasking

Attached (Item D-2(a)(1)) is the familiar spreadsheet summarizing the status of Council projects which reflects the direction you gave me over the last two Council meetings. I will walk through each of these, inform you of progress on each, and get your feedback and direction where necessary. Some of these have already been discussed under previous agenda items, but this is our opportunity to look at the whole picture and assign priorities where necessary. We do now have another economist on board, Jon McCracken, who started in January, and this will allow us to tackle some projects that have been previously tasked but have been on the back burner pending staff availability. Once we get the crab rationalization package completed, I intend to get our Senior Economist, Dr. Mark Fina, more involved in managing other Council projects. An additional staff position, NEPA Specialist/Fisheries Analyst supported by special NEPA funding we received, remains unfilled but I intend to hire someone for that position as soon as possible.

Since the December meeting we (primarily Helen and I) have expended considerable effort on an additional project which does not show up on the Council's tasking list - that is responding to a request for information from NMFS HQ and the National Academy of Public Administration (NAPA). NAPA has been contracted to review the agency's structure and operations and make recommendations for streamlining the fisheries management process. As part of that review they have requested each of the Councils to provide detailed information on our part of the process, including relevant timelines for all plan and regulatory amendments over the past 7 years (dates for analyses, Council review, Council action, Secretarial approval, implementation, etc), and staff time spent on analysis of selected projects. We completed a first draft last week but have some additional work to do to respond to this request. FYI.

While I will be discussing each item on the list, I want to elaborate on a few of them here. The package of AFA processor sideboard measures now includes proposed adjustments to the IR/TU program, as well as proposed reductions in the BSAI trawl halibut PSC cap and further development of the halibut mortality avoidance program (HMAP) proposal or other bycatch management measures. That package is being completed by Northern Economics, Inc. (who compiled most of the original processor sideboard analyses)

and the Marine Resource Assessment Group (MRAG), who is focusing on the HMAP and other potential bycatch management measures. MRAG has expertise in observer program issues associated with sampling protocols (Graeme Parkes) and expertise with halibut bycatch issues in general (Bob Trumble). Per your direction, that package is scheduled for initial review in April, final action in June, though specific measures for the HMAP program, or other bycatch reduction programs, could require additional development depending on results of this analysis.

You previously tasked us with analysis of two additional AFA-related amendments - (1) relaxation of the single geographic location (SGL) restrictions for floating processors (see Item D-2(a)(2) for a copy of the Icicle Seafoods proposal), and (2) additional measures to protect non-AFA trawl cod fishermen (original proposal from Russell Pritchett), including limiting access to the January/February fishery to those vessels meeting historic landings minimums during that period, and allocating a certain portion of the TAC to the sub-group of vessels meeting those minimums. Another option identified was to require co-ops to limit the number or size of AFA vessels on the cod grounds at any given time. Unless your direction for priorities changes, I intend to assign these to our new economist with outside assistance from ResourceEcon consultants (Jim Richardson), and attempt to get them done for initial review this April.

Regarding the SGL restrictions, I would like to clarify the scope of the proposal, in terms of the interactions between GOA and BSAI fisheries, relative to changes to the inshore/offshore regulations being developed under the AFA final rule. As we understand the intent of the proposal (and the Council) the potential changes would affect only activities of the pollock-eligible floating processors in the BSAI; i.e., all restrictions related to the GOA would remain. However, the GOA regulations when final will state that GOA inshore floating processors are prohibited from processing BSAI and GOA pollock (and GOA cod) in more than one geographic location. The net result of this appears to be that we will have to also amend the GOA regulations (an FMP amendment), in order for the two affected AFA floating processors to retain their GOA inshore permits. This in turn could allow additional floaters, the three BSAI motherships for example, to operate in the GOA inshore component, unless specific measures are included to restrict these vessels. These issues will be further clarified in the analysis. Given the nature of this proposal, it may make sense to include it within the overall processor sideboard package. Or we can bring it back as a separate amendment package for initial review in April

Regarding the second amendment package, this is a more involved analysis with potentially significant management actions, including minimum landings requirements to operate in a specific time period in a specific fishery (related to potential LLP recency requirements) and making specific sector allocations of TAC (which could be in violation of the Congressional moratorium). It is also likely that we will need waivers of confidentiality from the non-AFA cod vessels involved, in order to provide meaningful information to the Council in April.

A third AFA related amendment package discussed in October was an analysis of conversion of AFA sideboards to quotas, along with an examination of rollovers from the trawl to fixed gear sector between 1997 and 2000, so the Council could also consider a reapportionment of BSAI cod TAC based on actual catch during that period. This analysis has not been initiated or assigned staff at this time.

Recall that we have scheduled Amendment 68 (pot cod split between catcher and catcher processor vessels) for final action in June. If approved, it would be likely that such an amendment could be implemented in 2003. Recall also that Amendment 64, which established the basic Pacific cod allocations among the fixed gear sectors, sunsets on December 31, 2003. A new plan amendment will be required to either continue or alter those allocations.

Item D-2(a)(3) is the three-meeting outlook (including this meeting) for reference.

Mandatory Data Collection

As most of you are aware, in addition to selected Council projects Darrell Brannan is working for the Alaska Fisheries Science Center on a project to re-initiate collection of socio-economic data (including cost, earnings, and employment information). Previous attempts at voluntary data collection have been largely unsuccessful, and our ability to conduct meaningful cost/benefit analyses is severely compromised by lack of these data. Our own SSC has continually noted this deficiency and stressed the need for routine collection of these data. The proposal under Item D-2(b) details these problems and contains a protocol for a mandatory data collection program. This proposal, developed by representatives of the Council, NMFS, ADF&G, and the CFEC, underscores the need for multi-agency endorsement of this approach. The proposal also contains data-sharing provisions among the agencies, and mechanisms to ensure the confidentiality of the information collected.

Multi-agency support for this project will be necessary in order for it to have any chance of success. At some point it would come back to the Council for review and approval, in the form of a regulatory amendment package, after further development by agency analysts, including review and approval of the plan by the major agencies involved. At this time we are informing you of the initiative, and seeking the Council's support for further development of the proposed data collection program.

Council Staff Tasking Summary Updated January 30, 2002

Mandated Actions	Projected Weeks	Council/ NMFS %	Comments
Programmatic Groundfish SEIS (revision)	4	10/90	Identify alternatives for analysis in Feb 2002 (David, Jane, Chris)
FMP Updates	2	90/10	Concurrent with DPSEIS (David/Jane)
AFA Report to Congress (final)	1	100/0	Finalize in February (Darrell)
EFH EIS	12	40/60	Major project for 2002 (David/Cathy)
Crab FMP EIS	8	20/80	Will dovetail with crab rationalization after April (Mark, Chris)

Additional Council Priorities *Bold =Highest priority

BSAI Crab Rationalization*	4	90/10	Additional work anticipated after Feb meeting (Darrell, Chris, Mark + contract help)
Halibut Subsistence (new reg amendments/BOF mtgs)*	2	95/5	Final Action on subsistence in April (Jane)
Community based QS (GCCC buy in proposal)*	2	90/10	Initial review in February/final action in April 2002 (Nicole)
Groundfish processing s/b, IR/IU, HMAP*/ bycatch discussion	2	80/20	Initial review in April 2002. Primarily outside contract w/ AFA funds. Initiated.
CDQ Amendment (policy committee)*	5	50/50	Final action in April/June. Further work required (Nicole)
SSL Trailing Amendment*	5	30/70	Review in April or June (Dave/Cathy, plus contract assistance)
SR/RE retention*	2.5	80/20	Not started. (Jane/NMFS)
Develop RFP's/SOWs for AFA funds	1	70/30	Partially Complete - see below (Chris)
Halibut Charter IFQ	4	100/0	Prepare SOC Document (Jane)
BSAI pot cod split- amendment 68	3	100/0	Final Action in June (Nicole)
Observer Program (short-term changes/Committee)	1	10/90	Initial review in February (Nicole and Chris)
Shark/Skate FMP amend. and CDQ aspect	2	90/10	Review in the fall (Jane)
GOA Rationalization	?	90/10	White paper in February - Council direction (Jane,Mark)
Seabird avoidance measures	1	10/90	Action in December. Finalize for SOC review. (Cathy)
Other Species (Target and non-target)& CDQ aspects	6	40/60	Further analysis required (NMFS/Council Staff)

Other Projects Previously Tasked

Additional P. Cod sideboards (Prichett proposal)	3	100/0	Initial review in April. Assumes contract with AFA funds, not yet initiated. (Jon)
Trawl LLP recency discussion paper	?	100/0	Review in February. Further direction. Contract with AFA funds.
AFA single geographic location change	2	100/0	Review in April. Contract with AFA funds, not yet initiated. (Jon)
GOA Salmon bycatch reduction measures (Discussion Paper)	0	100/0	Review in February (Cathy)
HAPC Stakeholder Process	?	90/10	Part of larger EFH process
TAC Setting Process	2	Oct-90	Review in April or June (Jane)
Opilio VIP	2	50/50	Tasked in February - Not started (Jane)
Catch/bycatch disclosure (vessel level)	1	70/30	Discussion paper in February (Elaine) - Postponed
Scoping paper on fee/loan program for IFQ Charter (NMFS?)	1	10/90	Sometime in 2002
F40 Review	2	90/10	Review terms of reference in February. Outside contracts (Chris)

Potential New Projects

Differential gear impacts	?	?	Council direction in February
AFA s/b caps to quotas and P cod gear split	8	80/20	Pending further Council direction
IFQ amendments (1999)	?	90/10	Pending Staff availability
Charter IFQ Community Set-Aside	4	90/10	Pending Council Direction
IFQ Amendments (new)	1	10/90	Pending Council Direction

AGENDA D-2(a)(1)
FEBRUARY 2002



ICICLE

April 27, 2001

AFA REGULATIONS REVISION ON INSHORE PROCESSING SECTOR

The purpose of the proposed revision is to allow the two AFA-qualified BSAI inshore floating pollock processors to operate in more than one location in the BSAI area while processing pollock. The proposal would do the following:

1. Allow the two AFA-qualified inshore floating pollock processors to operate in more than one location in the BSAI during a fishing year.
2. Continue to require that such floating processors operate in a single location for the fishing year while processing GOA pollock and cod.
3. Continue to prohibit offshore catcher processors and motherships from operating in the inshore sector in the GOA.
4. Continue to limit AFA-qualified pollock processing operations to the facilities and vessels that processed their AFA-qualifying pollock in 1996 and 1997.

The current AFA and inshore-offshore regulations have two objectives with regard to the "single geographic location" language. First, the Council decided in June 1999 to limit the AFA-qualified pollock processors to processing BSAI directed fishery pollock in the facilities and vessels that were used by them in 1996 and 1997, and at a single geographic location during a fishing year (December 1999).

Second, the AFA and the inshore-offshore decisions of the Council limited processors to operating in a single sector, e.g. a vessel could not operate in the offshore sector in the BSAI and in the inshore sector in the GOA. The current regulations use the single geographic location definition and several regulatory prohibitions to achieve this separation.

This proposal requests a change in the limitation that an AFA pollock inshore floater must operate in the same location for the entire fishing year while processing pollock. The AFA statute does not require that an AFA floater operate in a single location. In 1999, when the Council decided this issue, inshore cooperatives had not been formed and there was uncertainty as to how the AFA would operate. The inshore sector is now in its second year of cooperative operations with strong positive results. The AFA inshore sector is stable and has reduced harvesting capital successfully. We believe that the BSAI AFA inshore processing sector will accept this proposal.

The current inshore-offshore restrictions will continue under this proposal. In the BSAI, the AFA statute and regulations have defined and limited the three sectors—inshore, catcher-processor, and mothership—and do not allow processor crossovers from one sector to another. The single geographic location restriction is not needed for that purpose. For the GOA, the proposal continues all of the current processor restrictions in the inshore-offshore regulations.

ICICLE SEAFOODS, INC.

4019-21st Avenue West • Seattle, WA 98199

P.O. Box 79003 • Seattle, WA 98119 • Tel: 206-282-0988 • Fax: 206-282-7222

Icicle Seafoods purchased the NORTHERN VICTOR at the end of 1999 and has operated it at its current location in Beaver Inlet. Icicle may consider pollock operations at another site in the BSAI, although any decision is in the future. Regulations for the protection of Stellar sea lions have resulted in significant changes in pollock harvesting operations, and require that we consider other options for location of our pollock processor, the NORTHERN VICTOR. Acceptance of this proposal will allow Icicle to move forward with considering its options.

DRAFT NPFMC Three Meeting Outlook

February 4, 2002 Anchorage	April 8, 2002 Anchorage	June 3, 2002 Dutch Harbor
ADF&G Enforcement Report (State waters)		
Joint Council/BOF meeting		
DPSEIS: <i>Select alternatives for analysis</i>	DPSEIS: <i>Progress Report</i>	DPSEIS: <i>Identify Preferred Alternative (T)</i>
Crab EIS: <i>Report and Discuss Alternatives</i>	Crab EIS: <i>Finalize Alternatives</i>	
Ecosystem Committee: <i>Provide direction</i>		BSAI pot cod split (Amendment 68): <i>Final Action</i>
	Processor s/b IR/IU/HMAP/Bycatch Measures: <i>Initial Review</i>	Processor s/b IR/IU/HMAP/Bycatch Measures: <i>Final Action</i>
Community QS purchase: <i>Initial review</i>	Community QS Purchase: <i>Final Action</i>	
GOA Rationalization: <i>Review white paper</i>	P.cod s/b proposal: <i>Initial Review (T)</i>	P.cod s/b proposal: <i>Final Action (T)</i>
Review IFQ Committee Report		
LLP Recency: <i>Review Discussion Paper and data</i>		SSL Trailing Amendments: <i>Initial Review</i>
AFA: <i>Final review coop agreements/reports</i>	AFA SGL change: <i>Initial Review (T)</i>	
AFA Report to Congress: <i>Approve</i>	AFA S/B caps to quotas: <i>Progress Report/Discussion</i>	
CDQ Policy Amendments: <i>Status Report</i>	CDQ Policy Amendments: <i>Final Action</i>	
Observer Program: <i>Initial Review on reg amendments</i>	Observer Program: <i>Final Action on Reg Amendments</i>	
F ₄₀ Review: <i>Discussion/Direction</i>		SR/RE Retention: <i>Initial Review (T)</i>
Differential gear impact analysis: <i>Provide direction</i>		SSL Trailing Amendments: <i>Initial Review</i>
SSL Trailing Amendments: <i>Discuss</i>		TAC-setting process: <i>Initial Review (T)</i>
Crab Rationalization amendment: <i>Initial Review</i>	Crab Rationalization amendment: <i>Select Preferred Alt.</i>	
Catch and bycatch disclosure: <i>Review status (T)</i>	Hallibut Subsistence: <i>Final Action</i>	Charter/IFQ Community Set-Aside: <i>Discuss (T)</i>
Salmon Bycatch: <i>Review discussion paper</i>		Rockfish/Other species breakout: <i>Report</i>
TRAFFIC Report		
EFH: <i>Discuss alternatives for mitigating fisheries impacts</i>	EFH: <i>Review Progress</i>	EFH: <i>Report and Direction</i>

*NOTE: This tentative timeline will be updated periodically, particularly after each Council meeting, as the Council works through its decision process.

TAC - Total Allowable Catch
 IFQ - Individual Fishing Quota
 AFA - American Fisheries Act
 HAPC - Habitat Areas of Particular Concern
 LLP - License Limitation Program
 PSC - Prohibited Species Catch
 QS - Quota Share

MSA - Magnuson Stevens Act
 SGL - Single Geographic Location
 SSL - Steller Sea Lion
 GHF - Guideline Harvest Level
 SEIS - Supplemental Environmental Impact Statement
 CDQ - Community Development Quota
 GCCC- Gulf Coastal Communities Coalition

SAFE - Stock assessment and fishery evaluation
 CV - Catcher Vessel CP- Catcher Processor
 SR/RE - Shortraker/Rougheye
 MSST - Minimum Stock Size Threshold
 FMP - Fishery Management Plan
 (T) Tentatively scheduled

DRAFT FOR AGENCY REVIEW (February, 2002)

A Proposal to Develop an Inter-Agency Economic Data Collection Protocol And Data Sharing Agreement for FMP Fisheries in Alaska and Other Fisheries for Which the North Pacific Fishery Management Council Makes Recommendations to the U.S. Secretary of Commerce (SOC)

1. Summary

Economists from four State and Federal agencies have met to discuss methods of collecting economic data that are necessary for the preparation of FMP amendments but are currently not available. After review of past experiences and agency problems associated with voluntary data collection, participants in the meeting have concluded that it is necessary to develop a mandatory data collection program. Participants in the meeting also felt that it was necessary to ensure that the data collected under such a program would be available only to authorized staff from each of the represented agencies.

Economists from these agencies are charged with conducting net benefit and distributional analyses. A mandatory data collection system is believed to be the best way to meet these objectives. Voluntary data collection programs, with rare exceptions, are not timely, have low response rates, do not result in adequate time series, and can be subject to strategic bias. Moreover, several recent attempts by NMFS, ADF&G and the Council to collect economic data have not been successful despite multiyear efforts and working very closely with industry members.

Many important issues, including property rights, closed areas, Improved Retention/Improved Utilization, and endangered species, have been brought to the forefront recently, but economists do not have adequate data to conduct complete and thorough analyses of these issues. New emphases on regulatory completeness, such as was the case in the shark FMP amendment, have also highlighted the need for better economic data.

Economists attending the meeting believe that successful economic data collection will require the State and Federal agencies to continue to work together on the program. To facilitate development of the proposed economic data collection program the economists also concluded that the agencies should provide the staff time and resources necessary to develop a draft document that would outline some alternatives for a mandatory data collection program.

2. Background Information

Economists from four State and Federal management agencies are currently involved in developing a proposal for an inter-agency agreement to collect economic data for Alaskan fisheries. Combined, those agencies¹ have the responsibility of managing both the commercial and recreational fisheries off the coast of Alaska. The agencies involved in developing the proposal are the:

- Alaska Department of Fish and Game (ADF&G) represented by Jeff Hartman;

¹Dave Colpo, Pacific States Marine Fishery Commission (PSMFC) economist, also attended the meeting in an advisory capacity. The Commission has no opinion on voluntary versus mandatory data collection mechanisms for economic data.

- Commercial Fisheries Entry Commission (CFEC) represented by Kurt Schelle;
- National Marine Fisheries Service (NMFS) represented by Todd Lee;
- North Pacific Fishery Management Council (NPFMC) represented by Darrell Brannan.

The economists held a meeting during September 2001 to discuss the current status of economic data collection and the future outlook. The economists from each agency unanimously agreed that a mandatory data collection program should be explored and that inter-agency coordination is needed. The need for mandatory economic data collection is evident since several attempts to collect these data under voluntary programs have only had very limited success. It is important that a mandatory data collection program has the support of each of the management agencies involved in overseeing FMP fisheries and other fisheries for which the NPFMC makes recommendations to the SOC. Cooperation will ensure that the necessary data are collected while minimizing the burden on industry members. Cooperation will also help to ensure that once the data are collected they will be available only to the analysts within each agency.

The present need for economic data is quite high. Currently there are many important policy issues that affect commercial fisheries in Alaska. These include property rights, closed areas, Improved Retention/Improved Utilization, and endangered species. These policy issues may lead to economic and structural change in the fishing industry and result in distributional effects that rival or exceed those associated with the initial americanization of North Pacific fisheries. Economic analyses are also coming under increased scrutiny to ensure that agencies are living up to their statutory requirements. New emphases on regulatory completeness, such as was the case in the Atlantic shark FMP amendment, have continued to highlight the need for better economic information.

In light of the increased scrutiny and threat of litigation, there has been a national and regional commitment by NMFS to supply more resources to improve the collection and analysis of economic data. If these regulatory requirements are to be addressed, the economists participating in this meeting are not aware of any viable alternatives to mandatory economic data collection for the FMP fisheries of the North Pacific. Thus, we recommend that the participating agencies work toward a unified data collection system. The data to be collected would include cost, employment and earnings data at the vessel or plant level.

3. Voluntary Economic Data Collection

Over the past several years, as the stakes have increased in fisheries management decisions, it has become more and more difficult to collect economic data on a voluntary basis, and the most recent attempts were met with very limited success. Today there are no economic cost data being collected for the commercial fleets on a voluntary basis that can be used for FMP and regulatory amendments for fisheries that the NPFMC makes recommendations to the SOC.

The most recent attempt at voluntary economic data collection was a program developed by NMFS. That economic survey focused on the pollock harvesting and processing sectors participating in the Bering Sea and Aleutian Island groundfish fisheries. After approximately two and a half years of working with industry members to develop the data collection surveys, only one firm completed a survey and that was ultimately returned to the company when no other industry members responded. This effort included the development of a data verification process as requested by the industry.

ADF&G has recently attempted to collect ownership information from pollock catcher vessel owners. This

- Economic performance
- Rights based management

It is critical that the process to develop these protocols begins within a relatively short period of time. Currently several fisheries under the authority of the NPFMC, NMFS, and ADF&G are moving towards systems of more rational management. The management system changes being discussed for these fisheries will alter the economics of the industries and communities that rely on them. Without collecting information on the fisheries before these changes take place, economists and policy makers will not be in a position to determine the overall impacts of the programs. Therefore, without an adequate data collection mechanism, the successes, failures, and ability of those programs to meet their objectives may never be truly understood.

8. The Next Steps

If each of the agencies agrees to provide staff support for development of this project, the next two steps towards implementing a mandatory data collection program will be (1) developing a draft Inter-agency proposal fleshing out the mandatory data collection mechanisms and (2) presentation of the proposal to each agency for modification and approval of the concepts.

Should each of the agencies agree to the proposal then efforts will focus on developing the implementation details of the program and the collection of data. These steps will require additional support from a broad group of people with specialized knowledge in the agencies (lawyers, policy experts, and database designers and administrators).

information is essential to defining each firm as an entity for economic analysis. Catcher vessel response rates to the survey was initially very low and there has been continuing resistance to requests for reporting this basic data. These data were ultimately collected after a strong request was made by both the ADF&G and the NPFMC.

In another independent effort, the Council's economic data committee was unable to secure a commitment from industry participants to collect individual firm level cost data from the EEZ pollock groundfish fisheries after several meetings from 1998 through 2000. That committee has recently been disbanded by the Council for lack of progress towards meeting its objectives. Given the reluctance of industry members to supply these data, economists from each of the agencies have concluded that it is unlikely that any voluntary program will result in a systematic and periodic data collection program that would provide analysts with a useful time series of disaggregated economic data. Therefore, the focus should shift to studying how the data can be collected through a mandatory program.

4. Existing Mandatory Data Collection

Currently, revenue and price data are the only economic data being systematically collected under mandatory programs. Two examples of these are ADF&G's fish ticket records, which contain a value field, and ADF&G's Commercial Operator's Annual Reports (COAR) which contain data on both ex-vessel and wholesale values.

The data from these reporting systems are extremely useful for a variety of purposes, but neither fish tickets nor COAR reports collect the additional data on costs or employment that are needed to carry out requisite economic net benefit and economic impact analyses. A systematic approach to collecting cost, employment, and earnings data at the vessel or plant level is needed.

In recent years, some efforts have been made to indirectly estimate marginal costs from fish ticket data based upon the participant's in-season fishing decisions. While similar approaches to estimate in-season marginal costs deserve continued exploration, the methodologies require many simplifying and ad hoc assumptions. The regular and systematic collection of detailed cost and employment data from participating entities would directly provide a reliable database that could be used for the analyses of many proposals.

5. Problem Statement

A successful economic data collection program has all of the following characteristics:

- The data are available in a timely fashion
- Sufficient cross sectional and time series data coverage at the operating unit level to allow for statistical analyses
- Sufficient in scope to carry out standard economic analyses (i.e., net benefit)
- Minimal biases (i.e., non-response bias and strategic bias)
- High degree of confidence in the accuracy of the data

If data satisfying the above characteristics were available, it would substantially improve the ability of economists to develop models and provide useful information to the public, fishing industry, policy makers, and fishery managers.

The economic data necessary to study the impacts of regulatory changes are currently not available. Analysts are being tasked with analyzing complex FMP and regulatory amendment packages without being provided

the economic data necessary to conduct formal economic analyses. These analyses are considered to be inadequate by many reviewers of the documents, since most must fall back on gross revenue calculations, which provide no insights to profitability or net benefits to the nation. Recent legal actions leave the agencies vulnerable to regulatory challenge (i.e., Atlantic Shark Amendment). Because the analysts lack the data required to conduct formal cost-benefit or distributional analyses, policy makers that rely on their work are often required to base their decisions on incomplete economic analyses. Furthermore, the number of policies requiring these types of analyses are increasing.

6. Goals

The goal of the proposed project is to develop a mandatory data collection program for vessel or plant level data that is verified to the extent practicable. The program will be designed to protect confidential data, coordinate the collection of data, minimize the burden on industry, and be administratively efficient. Improving the quality and scope of the economic data that are being collected will require cooperation from all of the agencies involved, as well as a commitment to supply the resources necessary to make the program successful.

It is the intent of this group that the disaggregated (raw) data be shared among participating agencies in accordance with Federal and State laws². Each agency would then be responsible for ensuring that the confidentiality of the data is protected.

7. Tasks

To facilitate the collection of economic data it is necessary to develop a data collection protocol that all of the agencies would agree to follow. The protocol would establish the following:

- Which agency would collect specific data
- Who would be responsible for oversight of the data collection and ensuring its confidentiality
- How the data would be shared between agencies,
- Ensure adequate data sharing agreements that allow the exchange of disaggregated economic data among the appropriate staff members within the participating agencies, and
- The funding sources for the data collection projects.

Defining the basic structure of the data collection process before setting out to collect the data should ensure that the proper data are collected, they are properly stored and maintained, and that they can be used in the most effective manner.

A larger group of economists from the agencies met in July 2001 to develop a list of needs for economic research. That list represents the areas we feel need to be improved. Some of the areas of need that relate to this effort are:

- Markets
- Industrial organization
- Regional and community economic impacts
- Prediction of behavior

² It is also the intent of the committee that if current laws prohibit/inhibit the sharing of disaggregated economic data among the appropriate analytical staffs of the agencies participating in this effort, that those laws be modified to allow the sharing of disaggregated economic data.

Appendix I

Summary of Agencies Involved

ADF&G

Mission and Statutes

The mission of the Alaska Department of Fish and Game (ADF&G) is to manage, protect, maintain, and improve the fish, game and aquatic plant resources of Alaska. The primary goals are to ensure that Alaska's renewable fish and wildlife resources and their habitats are conserved and managed on the sustained yield principle, and the use and development of these resources are in the best interest of the economy and well-being of the people of the state.

The mission of the Division of Commercial Fisheries of the ADF&G is to manage, protect, rehabilitate, enhance, and develop fisheries and aquatic plant resources in the interest of the economy and general well-being of the state, consistent with the sustained yield principle and subject to allocations established through public regulatory processes. The division is responsible for management of the state's commercial; subsistence, and personal use fisheries; the rehabilitation and enhancement of existing fishery resources; and the development of new fisheries. Technical support is provided to the private sector mariculture and salmon ranching industries. The division also plays a major role in the management of fisheries in the 200-mile Exclusive Economic Zone and participates in international fisheries negotiations.

The Alaska Department of Fish and Game is an independent regulatory agency, whose fishery regulations are deliberated by the appointed members of the Alaska Board of Fish and the Commissioner of ADF&G. Statutes relating to fisheries are covered within selected sections of Alaska Statutes Titles 5, 8, 12, 16, 20, 37, 38 and 44.

Data Bases and Collection

There are three primary commercial fishery and seafood information databases maintained by the Alaska Department of Fish and Game that are relevant to economic analysis. In combination these reports are used to generate available data on commercial fishing harvests, industry participation (by processor, buyer, exporter) by name and area, seafood production, and landed and seafood processor purchase and sales (processing sales are determined at wholesale level).

The three databases are:

- Alaska Fish Ticket Data Base
- Seafood Processors Intent to Operate
- Commercial Operators Annual Report.

For the purpose of fishery management many other minor databases exist, including survey data from large and small fisheries, crab observer data, sport fishery Statewide harvest survey data, creel census data, Charter logbook data, recreational license data and other commercial and recreational fishery registration data. There are also production and permit databases from Private Non-Profit Salmon Hatcheries, as well as production data for Maricultured species within the state.

CFEC

The Alaska Commercial Fisheries Entry Commission (CFEC) is an independent regulatory and quasi-judicial agency of the State of Alaska. Alaska's Legislature passed the Limited Entry Act (AS16.43) in 1973. The law created Alaska's limited entry program and established CFEC. The purpose of the law is to promote the conservation and sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination.

The commission consists of three members who are appointed by the governor and confirmed by the legislature. Commissioners are appointed for terms of four years. The commissioners are responsible for the agency and serve as administrative judges in adjudicative proceedings. The commissioners employ professional staff to help carry out the functions of the agency.

The limited entry law requires persons to have fishery specific CFEC permits for the operation of gear in all Alaska commercial fisheries, both unlimited and limited. CFEC annually issues between 20,000 and 30,000 interim-use and permanent entry permits for Alaskan commercial fisheries. In 1974, 19 salmon fisheries were placed under limited entry programs. At the end of 2000, more than 60 Alaskan fisheries had been placed under permanent limited entry programs and two fisheries were operating under temporary vessel moratoria. Since 1978, CFEC has also handled vessel licensing for the State of Alaska.

CFEC creates, maintains, and updates CFEC gross earnings files, which are derived from ADF&G fish ticket files, CFEC permit data, price modules containing CFEC ex-vessel price estimates, and other CFEC data.

The CFEC gross earnings files are generated primarily for the agency's own analytical needs and reporting purposes. However, fishery analysts at NMFS and NPFMC also use versions of these CFEC gross earnings files. Fishery analysts from other agencies also use CFEC vessel license files as a source of data. Both as a data provider and a data user, CFEC agrees that quality data are needed to analyze regulatory proposals and make informed decisions.

NMFS

The National Marine Fisheries Service (NMFS) is the agency responsible for the science-based conservation and management of the Nation's living marine resources. NMFS is part of the National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce. NMFS scientists collect and analyze scientific data on the Nation's living marine resources, marine ecosystems and habitats, and the benefits to the Nation.

Resource managers and other stakeholders, including the public at large, cannot make well-informed decisions concerning the conservation and management of living marine resources without a sound basis for assessing a wide range of potential effects, including the economic effects of management actions. Therefore, the Magnuson-Stevens Fishery Conservation and Management Act, the National Environmental Policy Act, the Endangered Species Act, the Regulatory Flexibility Act, Executive Order 12866, and other Federal laws include requirements for economic analysis of Federal management actions and policies. The principal mission of economists at the Alaska Regional Office and the Alaska Fisheries Science Center is to assist NMFS in meeting its stewardship responsibilities in the Alaska Region by improving the economic information available for the management of living marine resources. This economic information is provided to resource managers, the fishing industry, the environmental community, fishing communities, and other stakeholders, including the public at large. To meet this mission, NMFS collects data and conducts research in order to measure economic performance, estimate the economic effects of existing management measures, and predict the economic effects of proposed management measures.

NPFMC

The NPFMC is one of eight regional councils established by the Magnuson Fishery Conservation and Management Act in 1976 (which has been renamed the Magnuson-Stevens Fishery Conservation and Management Act) to oversee management of the nation's fisheries. With jurisdiction over the 900,000 square mile Exclusive Economic Zone (EEZ) off Alaska, the Council has primary responsibility for groundfish management in the Gulf of Alaska (GOA) and Bering Sea and Aleutian Islands (BSAI), including cod, pollock, flatfish, mackerel, sablefish, and rockfish species harvested mainly by trawlers, hook and line longliners and pot fishermen. The Council also makes allocative and limited entry decisions for halibut, though the U.S. - Canada International Pacific Halibut Commission (IPHC) is responsible for conservation of halibut. Other large Alaska fisheries such as salmon, crab and herring are managed primarily by the State of Alaska.

The Council has eleven voting members, six from Alaska, three from Washington, one from Oregon, and a federal representative, the Alaska Regional Administrator of NMFS. The non-federal voting members represent state fisheries agencies, industry, fishing communities, and academia. The Council also has four non-voting members representing the U.S. Coast Guard, U.S. Fish and Wildlife Service, the Pacific States Marine Fisheries Commission, and the U.S. Department of State.

The Council meets five to six times each year, four times in communities around Alaska, and once in Washington or Oregon. The Council's office is located in Anchorage. The Council receives advice each meeting from its Advisory Panel (AP) representing user groups, environmentalists and consumer groups, and from its Scientific and Statistical Committee (SSC) of highly respected scientists who review all information brought to the Council. Each of these groups has expressed concern over the lack of economic data available to them when making recommendations to the Council regarding fisheries policy decisions.

The need for these data by Council staff is becoming more acute as the required analyses become more rigorous and the standards for review are tighter. The Regulatory Impact Reviews (RIRs) that are required for each FMP amendment require specific issues be analyzed. Those include the National Standards in the Magnuson-Stevens Act (NS 8 is an excellent example), net national benefit analyses, and distributional analyses. Currently the information is not available to the analysts to conduct those analyses in a formal economic framework.

PSMFC

Our goal

The goal of the Pacific States Marine Fisheries Commission (PSMFC) is to promote and support policies and actions for the conservation, development and management of fishery resources of mutual concern to member states through a coordinated regional approach, monitoring and utilization. The PSMFC does not have regulatory or management authority; rather it serves as a forum for discussion, works for coast-wide consensus, and represents that consensus to state and federal authorities. The PSMFC works to increase the recognition of the importance of recreational and commercial fisheries to local economies, and try to address issues that reflect the needs of the industry in federal and state legislation. In addition, the Commission works to facilitate inter-jurisdictional fishery agreements and coordinate information.

Commission and Advisors

Fifteen commissioners, three from each of the five member states, Alaska, Washington, Idaho, Oregon and California, work to set policy and provide direction for Commission activities. One-third of these members are appointed by the state legislatures one-third are appointed by the state's governors, and the remaining third are the state fishery directors. Each member state also maintains a PSMFC advisory committee, composed of representatives from the recreational and commercial fishing communities.

EFIN and AKFIN

The Economics Fisheries Information Network (EFIN) is a cooperative data collection effort to address the needs of fisheries managers and industry for economic data on the West Coast and in Alaska. This project is conducted by the Commission as part of a cooperative agreement with the National Marine Fisheries Service and with the help of the Pacific Fishery Management Council and the North Pacific Fishery Management Council.

The goals of EFIN are to provide reliable and timely data to assist with: 1) the monitoring and measuring of the economic performance of the West Coast and Alaska fishing industry and 2) analysis of the economic effects of present and future management decisions on these fisheries and fishing communities.

The Alaska Fishery Information Network (AKFIN) is a cooperative data program to support collection, entry, transfer, analysis and management of critical Alaska fishery information. AKFIN's objectives are to:

- Coordinate inter-agency participation and facilitate cooperation in data management
- Provide central access to Alaska fishery, biological, economic and social data
- Provide transfer, validation, integration and reporting of historical and real-time data
- Maintain the confidentiality of data
- Assure the quality and integrity of data.

Agenda D-1 (b), D-2 (a)

Freezer-Longliner Coalition

The Freezer-Longliner Coalition is an ad hoc group of North Pacific freezer-longliner vessel owners that supports rationalization of the BSAI cod fisheries under the jurisdiction of the North Pacific Fishery Management Council.

To ensure stability in the cod fisheries as we move towards rationalization we favor maintenance of the gear allocations contained in Amendments 46 and 64 to the BSAI groundfish FMP, with consideration of trawl rollovers that have occurred since Amendment 46 was implemented.

During its October, 2001 meeting the Council approved a motion to examine cod rollovers from the trawl sector to the fixed gear sector from 1997-2000 (2001 data if available) so the Council can consider a reapportionment of BSAI cod TAC based on cod catch history during that period. In view of this motion we believe that catch history and associated dependence on the resource since the implementation of Amendments 46 and 64 should be key considerations. The attachment that follows, prepared by Northern Economics, describes the BSAI Pacific Cod Allocations and the history or quota rollovers from 1997 to 2000.

We thank the Council for it's consideration and are hopeful that analysis of this motion will be undertaken promptly (staff tasking.) We look forward to working with the Council and other industry sectors as we move towards rationalization of the cod fisheries.

RECEIVED

JAN 30 2002

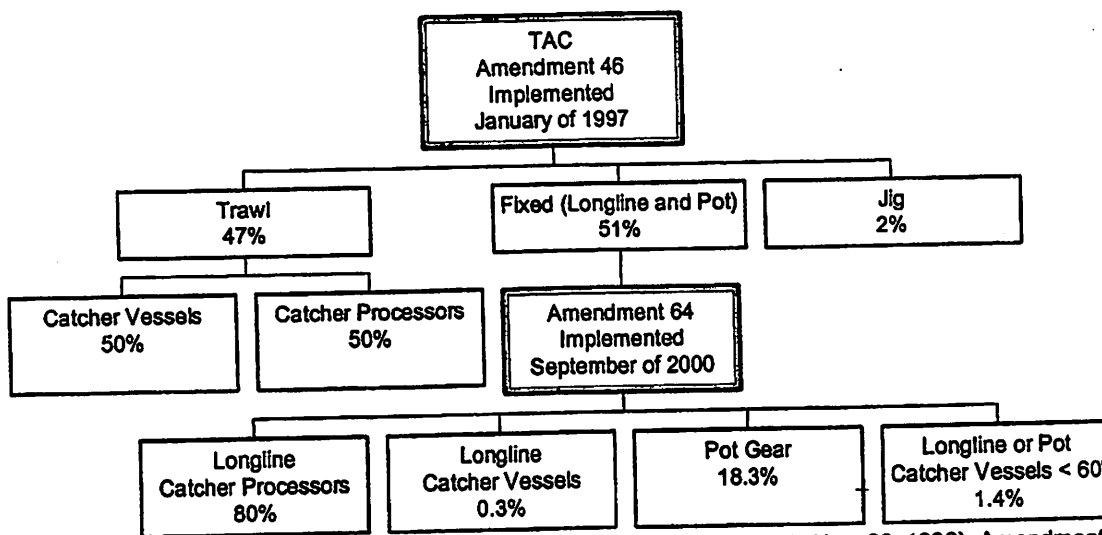
N.P.F.M.C



Synopsis of Bering Sea and Aleutian Islands Pacific Cod Allocations

Since 1997, allocations of Pacific Cod in the Bering Sea and Aleutian Islands have been affected by two regulatory actions. Amendment 46 and amendment 64 both affect the split of allocations between harvesting sectors. Figure 1 clarifies how each amendment affects the allocations.

Figure 1: Bering Sea and Aleutian Islands Pacific Cod Allocations



Sources: Amendment 46 was implemented in January of 1997 (61 FR 59029, Nov. 20, 1996), Amendment 64 was implemented in September of 2000 (65 FR 51553, Aug. 24, 2000)

Amendment 46 established a split of the Total Allowable Catch (TAC) between harvesting sectors in the Bering Sea and Aleutian Islands area (BSAI). That available TAC is the remainder of the TAC once the CDQ quota amount of 7.5% has been set aside. The amendment allocated 51% of the available TAC to the fixed gear category, which consists of longline and pot sectors. Two percent of the TAC was allocated to the jig sector and the remaining 47% was allocated to the trawl sector with a further 50/50 split between catcher vessels and catcher processors. The amendment became effective in January of 1997.

In September of 2000, a further split of TAC allocated to the Fixed gear sector was established with the implementation of Amendment 64. The amendment assigned 80% of the TAC available to the fixed gear sector to longline catcher processors, and 0.35 to longline catcher vessels. The pot gear sector was assigned 18.3% and the remaining 1.4% of the fixed gear TAC allocation was assigned to longline or pot catcher vessels that are less than sixty feet in length. Amendment 64 did not affect the allocation of TAC to the Trawl sector or the 50/50 split of trawl allocation between catchers and processors.

Table 1 shows TAC apportionments and rollovers in the BSAI Pacific Cod Fishery since amendment 46 was implemented and also shows the further split of TAC among the fixed gear sector in 2001 resulting from amendment 64. Under Amendment 46, if NMFS determines that one gear group or the other would not be able to harvest its allocation of Pacific cod NMFS may reallocate unused Pacific cod allocations from vessels using trawl gear to vessels using fixed gear and vice versa anytime during the fishing year. Amendment 46 also specifies similar reallocation of unused jig gear allocation to fixed gear by September 15th of each year. The method for determining how the reallocations will be made is to be in "a manner determined by NMFS, after consultation with the Council." It is important to note that any unused trawl sector allocation will first be made available to the other trawl sector before being reallocated to fixed gear.

The quota rollover data shows reallocation of quota share from the trawl sector to the fixed gear sector in each year since 1997. The amount of reallocated quota has ranged from 11,500 to 25,266 metric tons during that time and shows a consistent pattern of reallocation of unused quota share to the fixed gear sector. Upon closer examination, it is apparent that the Jig boats have not utilized a large amount of their allocation with more than 80% of their allocation rolled over to the fixed gear sector in each year.

The trawl fishery has also consistently underutilized their Pacific Cod allocation in the BSAI fishery resulting in reallocation of quota to the fixed gear sector in each year. The data trend shows an increasing percentage of the initial trawl allocation being reallocated to the fixed gear sector. In 1997 the reallocation amounted to less than 10% but in 2001 over 25,000 metric tons, or about 30% of the initial trawl allocation was reallocated to the fixed gear sector due to underutilization. It is important to note that the overall TAC has been falling during this time.

Several factors may contribute to this apparent reallocation trend. In several seasons the trawl fishery was closed due to bycatch limitations prior to quota utilization. Seasonal allocations also result in openings for Pacific Cod occurring simultaneously with those for roe Pollock. It is possible that the higher comparative value associated with roe Pollock due both to market condition and higher catch per unit effort induce underutilization of the trawl sector allocation. It is also possible that seasonal closures due to Stellar Sea Lion protection measures may affect the trawl sector's ability to fully utilize their BSAI Pacific Cod allocations.

It is also important to consider the significance of the annual reallocations to the fixed gear sector. The 15,000 metric tons of Pacific Cod quota reallocated to the fixed gear sector in 1997 represents an addition of nearly ten percent of their initial TAC allocation. By 2001, the over 25,000 metric tons reallocated to fixed gear represented an increased harvest of more than 28% of the initial allocation made to the fixed gear sector. Clearly, the fixed gear sector has consistently been willing and able to utilize reallocated TAC that the trawl and jig gear sectors have been either unable or unwilling to utilize.

Table 1: Bering Sea and Aleutian Islands Pacific Cod Allocations, Harvests, and Rollovers, 1997-2001.

Item	1997	1998	1999	2000	2001
Allocation (Initial)					
CDQ (7.5%)	0	15,750	13,275	14,475	14,100
Fixed Gear (51%)	137,700	99,068	83,500	91,048	88,689
Longline (C-P)	-	-	-	-	70,551
Longline (C-V)	-	-	-	-	265
Pot	-	-	-	-	16,139
Other	-	-	-	-	1,735
Jig (2%)	5,400	3,885	3,275	3,571	3,478
Trawl (47%)	126,900	91,298	76,951	83,907	81,733
Catcher-Processor	63,450	45,649	38,475	41,953	40,867
Catcher-Vessel	63,450	45,649	38,475	41,953	40,867
TAC	270,000	210,000	177,000	193,000	188,000
Allocation (Year-End)					
CDQ	0	15,750	13,275	14,475	14,100
Fixed Gear	152,700	110,567	95,300	103,048	113,955
Longline (C-P)	-	-	-	-	95,821
Longline (C-V)	-	-	-	-	665
Pot	-	-	-	-	17,469
Jig	400	385	475	571	478
Trawl	116,900	83,298	67,950	74,906	57,734
Catcher Processor	51,450	42,649	31,475	32,953	30,867
Catcher-Vessel	65,450	40,649	36,475	41,953	26,867
Total	270,000	210,000	177,000	193,000	186,267
Total Catch (Fixed Gear)					
Longline (C-P)	-	-	-	-	96,032
Longline (C-V)	-	-	-	-	637
Longline subtotal	124,233	98,094	78,852	85,106	96,669
Pot	22,047	13,657	16,150	18,783	16,460
Total	146,280	111,751	95,002	103,889	113,129
Total Catch (Trawl)					
Catcher-Processor	48,177	41,639	31,111	31,883	29,397
Catcher-Vessel	63,035	39,669	36,079	41,593	21,354
Trawl Total	111,212	81,308	67,190	73,476	50,751
Total Catch (Jig)	173	192	169	71	71
BSAJ All Gear Total Catch	257,665	193,251	162,361	177,436	163,951
Quota Rollover Amounts					
Fixed Gear	15,000	11,500	11,800	12,000	25,270
Longline (C-P)	-	-	-	-	25,270
Longline (C-V)	-	-	-	-	-843
Pot	-	-	-	-	1,239
Trawl	-10,000	-8,000	-9,000	-9,000	-24,000
Trawl (C-P)	-12,000	-3,000	-7,000	-9,000	-10,000
Trawl (C-V)	2,000	-5,000	-2,000	0	-14,000
Jig	-5,000	-3,500	-2,800	-3,000	-3,000
Net Rollover	0	0	0	0	-1,733

Source: National Marine Fisheries Service catch statistics and harvest specification table available at <http://www.fakr.noaa.gov/sustainablefisheries/catchstats.htm>

January 24, 2002

NPFMC
605 West 4th suite 306
Anchorage, AK 99502-2252

RECEIVED

JAN 31 2002

N.P.F.M.C

Dear Chairman Benton and Council Members,

Subject: Jig gear groundfish regulation change

I represent the Cook Inlet Jig Association. I am a commercial fisherman and have long lined and jigged Pacific cod, halibut, and rockfish in the GOA, PWS and Cook Inlet.

The federal hook and line (non-trawl) ground fish season usually closes in February or March due to the PSC of halibut. As stated in the PSEIS, jig gear bycatch is nil. We have no interaction with seabirds or sea mammals and our rate of harvest is very low and slow. In the North GOA, March, April, May and June are our natural season when Pacific cod are schooled sufficiently for jig gear to be a cost-effective method of harvest.

We feel that because of the regime shift or other contributing factors, Pacific cod have changed their migration pattern and are not entering the state waters as in the past. The PWS harvest of Pacific cod during the state water fishery in 2000 was 22,377 lbs. out of a state water GHL of 1,180,000 lbs and 0 during the parallel federal fishery. During the 2001 season the state waters take was 228 lbs. with a GHL of 1,048,000 lbs., the parallel federal Pacific cod harvest was 0. The Cook Inlet state waters Pacific cod harvest was 562,022 lbs. in 1997, about 46% of the GHL and has since continually declined. The 2000 season state waters take was 13,885 lbs. from the GHL of 1,080,000 lbs., the parallel fishery is confidential. During the 2001 season our state waters harvest was 19,428 lbs. and again the parallel federal fishery took 0. (ADF&G Homer Office)

We propose the federal Pacific cod season remain open as a parallel fishery for jig gear until our dedicated state waters GHL is taken. This would create a great opportunity for the small boat fleet to prosecute a clean, safe fishery. We desperately need this change to encourage activity and growth. All participants fishing in the EEZ would be required to have an LLP and an FFP license.

Sincerely,



Don N. Bunker, Chairman
Cook Inlet Jig Association
PO Box 604
Anchor Point, AK 99556

Groundfish Data Bank

P.O. BOX 788 - KODIAK, AK. 99615

Alaska

PH: 907-486-3033

FAX: 907-486-3461

Julie Bonney, Director

jbonney@eagle.ptialaska.net

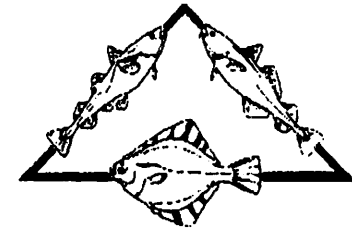


Table 1. Comparison of GOA salmon bycatch by year and Pollock season structure

Year	Chinook	Other Salmon
1990	16913	4172
1991	38894	14950
1992	20462	17846
1993	24465	56388
1994	13973	40513
1995	14647	64806
1996	15761	4176
1997	15119	3420
1998	16941	13539
1999	30600	7529
2000	26706	10996
2001	14946	5995
Total	249427	244330
Average	20786	20361

Year	1st season	2nd season	3rd season	4th season
1993	20-Jan	1-Jun	1-Jul	1-Oct
1994	20-Jan	1-Jun	1-Jul	1-Oct
1995	20-Jan	1-Jun	1-Jul	1-Oct
1996	20-Jan	1-Jun	1-Oct	N/A
1997	20-Jan	1-Jun	1-Oct	N/A
1998	20-Jan	1-Jun	1-Oct	N/A
1999	20-Jan	1-Jun	1-Sep 5 dys closes	
2000	20-Jan	1-Mar	20-Aug	1-Oct
2001	20-Jan	1-Mar	20-Aug	1-Oct
2002	20-Jan	10-Mar	25-Aug	1-Oct

