MEMORANDUM

TO: Council, AP, and SSC Members

FROM: Clarence G. Pautzke
Executive Director

DATE: June 16, 1993

SUBJECT: Pacific cod allocation in the BSAI

ESTIMATED TIME
4.0 HOURS

ACTION REQUIRED

Final action on the preferential and seasonal allocations of Pacific cod analysis.

BACKGROUND

At its January 1992 meeting, the Council asked staff to prepare an amendment package that included alternatives to establish fixed allocations of the Pacific cod TAC by gear. The Council's request was, in part, the result of a proposal it received from the North Pacific Fixed Gear Coalition that proposed that fixed gear operators be given preferential access to certain groundfish species in the BSAI.

At the September 1992 meeting, the Council reviewed the preliminary analysis of this proposal for allocating Pacific cod by gear types. At that meeting the Council asked that the draft be expanded to include, in addition to preferential allocation, an analysis of alternatives designed explicitly to change the seasonality of the cod fisheries.

The Council again reviewed the analysis in April and recommended the analysis be reviewed by interested members of the public prior to the June meeting, with some minor changes. First, the Council recommended the inclusion of the following problem statement:

> "The Bering Sea/Aleutian Islands Pacific cod fishery, through overcapitalized open-access management, exhibits numerous problems which include: compressed fishing seasons, periods of high bycatch, waste of resource, gear conflicts and an overall reduction in optimum benefit from the fishery. The objective of this amendment is to provide a bridge to comprehensive rationalization. It should provide a measure of stability to the fishery while allowing various components of the industry to optimize their utilization of the resource."

Secondly, the Council stated that though its intent is to have this issue on the agenda for June for a final recommendation, unless the Council is presented with a substantial consensus among major industry components, the Council would be unlikely to take any action on this issue in June. The Council also requested that available 1993 product value be considered and that jig gear be included in the analysis. Information for the latter request will be presented to you at the June meeting in the form of an addendum. Item D-2(a)(1) is an executive summary of the analysis.

In summary, the analysis reviews the impacts of two types of changes. One would establish explicit allocations of the cod TAC among the trawl, longline, and pot groundfish fisheries. The other would change the seasonality of the cod fisheries by changing the fishing season for Pacific cod from January 1-

December 31 to September 1 - August 31 and/or by establishing an explicit distribution of the cod TAC among the following trimesters: January - May, June - August, and September - December. The fishing season can be changed with a regulatory amendment. The other changes would require an FMP amendment. The Council can consider making one, both, or neither of these two types of changes.

With respect to establishing explicit allocations by gear, the options considered range from only bycatch amounts of cod for the trawl fisheries to only bycatch amounts of cod for the longline and pot fisheries. The blend estimate of total cod catch for 1992 is 205,326 mt and the TAC was 182,000 mt. The blend estimate of cod bycatch in other trawl fisheries is 42,387 mt. This is 20.6% of the total cod catch or 23.3% of the cod TAC. The blend estimate of cod bycatch with all non-trawl gear is 355 mt. This is about 0.17% of the total cod catch or 0.20% of the cod TAC. Using these data, the range of allocations of the cod TAC to the trawl fishery would be from between 20.6% and 23.3% to over 99%.

Three processes are being considered for changing the seasonal allocation once it is established: (1) an FMP amendment, (2) a regulatory amendment, and (3) a framework that could be used annually.

Currently, the analysis addresses the Pacific cod allocation proposal in a broad manner by considering many alternatives or combinations thereof. At this meeting, the Council can recommend a preferred alternative for the draft amendment package (Amendment 24 to the BSAI FMP). If the Council recommends specific changes to the FMP and its regulations, and if those recommendations are approved by the Secretary, the implementing regulations probably would not be in place until the beginning of the 1994 fishing year. Comments received on allocation of Pacific cod are included here as Item D-2(a)(2).

EXECUTIVE SUMMARY FOR BSAI AMENDMENT 24

ALLOCATING THE PACIFIC COD TAC BY GEAR AND/OR DIRECTLY CHANGING THE SEASONALITY OF THE COD FISHERIES

BACKGROUND

With the exception of sablefish, no BSAI groundfish TAC is allocated explicitly by gear. At its January 1992 meeting, the Council asked staff to prepare an amendment package that included alternatives to establish fixed allocations of the Pacific cod TAC by gear. The Council's request was, in part, the result of a proposal it received from the North Pacific Fixed Gear Coalition that proposed preferential access for fixed gear operators.

At the September 1992 meeting, the Council reviewed a preliminary analysis of allocating the BSAI Pacific cod TAC among gear types. The Council recommended that certain deficiencies be eliminated and that the draft be revised to include an analysis of alternatives designed to change the seasonality of the cod fisheries.

Staff prepared and presented a revised draft in April, 1993. It evaluated the potential impacts of establishing a fixed allocation of the Pacific cod TAC by gear and/or explicitly changing the seasonality of the cod fisheries. After reviewing the revised draft the Council: (1) developed a problem statement for Amendment 24; (2) stated that unless the Council is presented with substantial consensus among major industry components, it would be unlikely to take any action on this amendment; and (3) voted to have the draft released for public review after it was modified to include jig gear and 1993 data to the extent possible.

PROBLEM STATEMENT

The following problem statement was developed by the Council at its April 1993 meeting:

> The Bering Sea/Aleutian Islands Pacific cod fishery, through overcapitalized open access management, exhibits numerous problems which include: compressed fishing seasons, periods of high bycatch, waste of resource, gear conflicts and an overall reduction in benefit from the fishery. The objective of this amendment is to provide a bridge to comprehensive rationalization. It should provide a measure of stability to the fishery while allowing various components of the industry to optimize their utilization of the resource.

ALTERNATIVES

Two types of changes are being considered. They are:

1. establish explicit allocations of the BSAI cod TAC either among the trawl, longline, jig, and pot groundfish fisheries or among groups of these fisheries; and

2. directly change the seasonality of the BSAI cod fisheries by:

    a. change the fishing season for Pacific cod from January 1 - December 31 to September 1 - August 31; and/or

b. apportion the cod TAC among the following trimesters: January - May, June - August, and September - December.

The fishing season can be changed with a regulatory amendment. The other changes would require an FMP amendment. The Council can consider making one, both, or neither of these two types of changes.

With respect to establishing explicit allocations by gear, the options considered range from only bycatch amounts of cod for the trawl fisheries to only bycatch amounts of cod for the longline, jig, and pot fisheries. Based on 1992 data, the range of allocations of the cod TAC to the trawl fishery would be from between 20.6% and 23.3% to over 99%.

Three processes are being considered for changing the seasonal allocation once it is established. They are:

1. an FMP amendment;
2. a regulatory amendment, and
3. a framework that could be used annually.

SUMMARY OF RESULTS

1. Expected Effects on the Biological Productivity of the BSAI Cod Resource

The yield per recruit model indicated that yield per recruit is not affected either by large changes in the distribution of cod catch between the cod longline and cod trawl fisheries or by a change from the current seasonal distribution to a 65%, 10%, and 35% distribution among trimesters. However, an increase in the percent of catch taken in the cod pot fishery did increase yield per recruit.

Fishing on spawning stocks early in the year does tend to reduce equilibrium stock size, while equilibrium catch can either increase or decrease, depending on parameter values. Though no direct research has been conducted in the BSAI on this issue, conclusions of recent studies indicate that there is no clear deleterious effect of fishing on spawning concentrations of cod or other marine fishes. However, as a Canadian northern cod study points out, there may be subtle effects that cannot be readily detected. Nevertheless, the history of fisheries does not indicate that fishing during the spawning period only has led to any measurable biological changes or caused reduced survival of prodigy.

Restrictions on fishing on spawning stocks are easier to justify when a stock is heavily overexploited or at very low levels for other reasons and any action that may aid in the stock's recovery is of greater benefit. The BSAI cod stocks do not meet these conditions.

2. Expected Effects on Marine Mammals and Seabirds

Current cod fisheries' interactions with marine mammals and seabirds are not thought to be large enough to have statistically significant effects on their populations. The differential effects among the alternatives being considered are thought to be even smaller. Therefore, the alternatives being considered are not expected to differ significantly with respect to their effects on marine mammal and seabird populations.

3. Impacts of Trawling on the Seabed and Benthic Community

Neither the directions nor the magnitudes of alternative-specific differences in the effects on the seabed and benthic community are known. The information that is available does not indicate that significant differences should be expected.

4. Expected Effects of Changes in the Bycatch of Prohibited Species

Due to differences in bycatch rates by fishery and trimester, changes in the distribution of cod catch by fishery and trimester can change the bycatch of prohibited species in the cod fishery. Such changes could be modified by any associated redeployment of effort to other groundfish fisheries. Ignoring the bycatch effects of the redeployment of effort, some of the implications are listed below.

A. Based on data for 1991 and 1992, halibut bycatch mortality can be decreased by:

   a. taking all of the longline catch during the first trimester,

   b. replacing first trimester trawl catch with first trimester longline catch, and

   c. replacing any trawl or longline catch with pot catch.

B. Based on 1991 and 1992 data, decreasing cod trawl catch during the first trimester in order to increase cod longline catch the third trimester could result in either a small increase or decrease in halibut bycatch mortality in the cod fisheries.

C. Herring bycatch mortality can be decreased by replacing trawl cod catch with longline or pot cod catch. If the cod trawl fishery is eliminated, total herring bycatch in the BSAI groundfish fishery would be reduced by 0.6% based on 1992 data.

D. Crab bycatch can be reduced by replacing pot catch with trawl catch or by replacing trawl catch with longline catch. If the cod trawl and pot fisheries are eliminated, total red king and Tanner crab bycatch mortality, respectively, in the BSAI groundfish fishery would be reduced by less than 2% and by less than 7% based on 1992 data.

E. Chinook salmon bycatch can be reduced by replacing trawl catch with longline or pot catch. If the cod trawl fishery is eliminated, total chinook salmon bycatch in the BSAI groundfish fishery would be reduced by 11.6% based on 1992 data.

5. Expected Effects on Coastal Community Stability

The seasonal distribution of cod catch can affect the seasonal stability of the coastal communities impacted by the BSAI cod fisheries. However, given the seasonality of all other fisheries, it is not clear what changes in the seasonal distribution of cod catch would be beneficial to specific communities.

A redistribution of catch from the cod trawl fishery to the cod longline fishery would decrease the level of economic activity in those communities where BSAI cod is processed. This is because a much larger percent of the cod catch from the trawl fishery is processed on shore. For example in 1992, 21% of the cod catch in the cod trawl fishery was for onshore processing compared to only 1% for the cod longline fishery (Table A13). The differences were about the same in 1990-92.

Community stability can also be affected by the effect the distribution of catch has on the economic viability of existing fishing and processing operations. With respect to this issue, there are both immediate and long term considerations. The decision to reduce the amount of cod available to any one of the three cod fisheries may result in some operations going out of business. However, given that the cod fishery is overcapitalized, some operations may fail even if the distribution of catch among the three cod fisheries is not changed. It is not known what the immediate effect of the alternatives would be in terms of business failures and the resulting instability of associated coastal communities.

The long term consideration has to do with the ongoing economic viability of participants in the cod fishery as a whole. Increasing the allocation either to less profitable participants or to participants with more specialized operations would tend to decrease the economic viability of the fishery during periods of less favorable market and regulatory conditions. Although profitability is thought to vary substantially within each cod fishery and to overlap among the three cod fisheries, the factory longliners appear to be the most specialized operations in the cod fisheries.

6. Historical Use of the Cod Fishery

For the domestic (DAP) groundfish fishery in the BSAI, trawl gear was dominant from 1981-92. However, its dominance decreased rapidly beginning in 1989 (Table A4). Trawl gear accounted for 100% of the domestic fishery cod catch from 1981 through 1986, 97% in each of the next two years, but only 44% in 1992. The percent of the domestic fishery cod catch taken with longline gear increased from 0% in 1986 to 3% in 1987 and 1988 and then increased very rapidly reaching 49% for 1992.

The increase in the percent of catch taken with longline and pot gear was in part the result of cod trawl fishery closures beginning in 1989 due to halibut PSC allowances being taken. The closures (Table A5) provided improved market and regulatory opportunities for the use of non-trawl gear.

7. Current Dependence on the Cod Fishery

The cod factory and catcher boat longline fleets as a whole are much more dependent on the BSAI cod fishery in terms of either weeks of operation or product value than is the cod factory trawler and catcher boat fleets. However, within each fleet there are vessels that are highly dependent on the BSAI cod fishery and there are other vessels that have a very low level of dependence on the BSAI cod fishery.

The dependence of a vessel on a fishery is also determined by its ability to be refitted to participate in other fisheries. Typically it is much less difficult to refit a trawler to use longline gear than it is to refit a longline vessel to use trawl gear.

8. Expected Effects on Economic Benefits to the Nation

The difference between the values of the outputs (revenues) and inputs (costs) for a particular use provides a measure of the net benefit of that use. Revenues are generated from sales of cod and other groundfish products and costs include the value of the inputs used to produce the fishery products. Net benefits provides a means of comparing alternative uses of cod because the sum of net benefits under various scenarios about harvest distribution among cod fisheries or across seasons provides an estimate of the overall net benefit of the cod fishery.

Estimates of net benefits per metric ton of cod catch (ANB) by cod fishery and trimester for 1991 and 1992 were presented in Section 2.2.13. Despite the fact that the determinants of ANB are variables that change over time and despite the other stated limitations of the estimates for 1991 and 1992, those

estimates of ANB probably provide the best available indication of how a change in the distribution of cod catch among cod fisheries and trimesters would affect an important subset of net benefits to the nation.

It is very difficult to estimate how ANB will change over time by fishery and trimester. Some of the conclusions that can be drawn from the estimates of ANB and its components are listed below.

A. For the cod longline fishery, each 1,000 mt of cod that is transferred from the first trimester to the third would decrease net benefits by $188,000 or by $228,000 based on 1991 and 1992 data. This unexpected result is explained by the following: a decrease in the ratio of product weight to catch weight between the first and third trimesters in both years (Table D3); the increase in variable cost between the first and third trimesters both years (Table 1); and in 1992 a decrease in the average price of the principal products between the first and third trimesters (Table D2) due to the concentration of third trimester catch during September.

B. For each 1,000 mt of catch that is taken from the first trimester trawl fishery and given to the first trimester longline fishery, net benefits would be reduced by $85,000 or by $100,000 based on 1991 and 1992 data.

C. For each 1,000 mt of catch that is taken from the first trimester trawl fishery and given to the third trimester longline fishery, net benefits would be reduced by $273,000 or by $328,000 based on 1991 and 1992 data.

D. Conclusions 2 and 3 would not be changed substantially even if it is assumed that halibut bycatch mortality will be eliminated in the cod longline fishery.

E. For each 1,000 mt of catch that is taken from the first trimester trawl fishery and given to the first trimester pot fishery, net benefits would be increased by $212,000 based on 1992 data. In 1991, there was not sufficient catch in the pot fishery the first trimester to allow a meaningful comparison.

Although these comparisons in ANB can be made among cod fisheries and trimester, it is important to remember that within each fishery and trimester there are substantial differences in ANBs among individual operations.

9. Expected Distribution Effects

An alternative that provides redistributions of cod catch where more cod for one fishery comes at the expense of another tends to benefit participants in the former at the expense of participants in the latter. If there had been no cod trawl fishery in 1992, the loss in product value to the trawl fishery as a whole would have been $54.3 million. The comparable estimates are $72.8 million for the cod longline fishery and $9.8 million for the cod pot fishery. It is not clear how much of this product value could be made up by increased participation in other fisheries. What is clear is that with the attainment of the 2.0 million mt OY for the BSAI groundfish fishery, the redeployment of effort will impose a loss on current participants in other trawl fisheries, and decrease the gain to the current participants in the cod longline and pot fisheries.

10. Expected Effects on Consumers

Due to the relatively low importance of BSAI cod in the budgets of most consumers and due to the availability of substitutes for BSAI cod, none of the alternatives is expected to have a measurable or significant effect on domestic consumers with respect to the amount of food available or the price of that food.

11. Expected Effects on Competitiveness of the US Fishing Industry

An allocation of cod to operations that are currently less profitable or that could become unprofitable if market or regulatory conditions deteriorate would tend to decrease the competitiveness of the US fishing industry in domestic and world markets. The difficulty in determining which cod fishery will tend to be the most competitive and the fact that within each cod fishery there is likely to be a range of very unprofitable to very profitable operations increase the probability that the allocation decision made will decrease competitiveness.

12. Expected Effects on Reporting, Management, Enforcement, and Information Costs

In general, the differences among the alternatives are expected to be minimal in terms of effects on reporting, management, enforcement, and information costs.

An explicit allocation of the cod TAC that decreases catch in the cod trawl fishery would be expected to increase the need to be able to differentiate between cod catch and bycatch in the trawl fisheries.

The option to framework the seasonal distribution of the cod TAC would impose additional costs on the Council/NMFS annual specification process. However, that cost may not be substantially higher than the current cost of accomplishing many of the same results by apportioning PSC limits among fisheries and seasons.

13. Differences in the Quantity and Quality of Biological Data from the Cod Fisheries

Differences in the quantity and quality of biological data from the cod fisheries do not appear to provide much justification for favoring a specific allocation of the cod TAC among the cod fisheries and/or among trimesters.

14. Gear Conflicts and Vessel Safety

A reallocation of cod to the cod longline or pot fishery will tend to increase gear conflicts in the groundfish fishery because, typically, there are fewer gear conflicts among trawlers than there are either among non-trawlers or between trawlers and non-trawlers. A decrease in the size of the trawl cod fishery could decrease conflicts between the cod trawl fisheries and fixed gear fisheries for groundfish and crab. An increase in effort in the cod pot fishery could increase gear conflicts for all three cod fisheries and other fisheries as well.

Gear-specific differences in vessel safety have not been identified. However, season-specific differences in vessel safety are more apparent. The wind speed and wave height data presented in Tables A40 - A42 indicate that November through January is often the most hazardous period for fishing in the BSAI.

15. Effects on Other Fisheries

A change in the distribution of cod catch among the three cod fisheries and/or trimesters will affect both the periods of time which the vessels that participate in the BSAI cod fisheries will have available to participate in other fisheries and the incentives these vessels will have to participate in other fisheries. Although the responses of each fleet are difficult to predict, some possible effects can be identified.

Some of the vessels that participate in the BSAI cod fishery have the option to also participate in the GOA cod fishery. As a result of Amendment 23 to the GOA FMP (i.e., the Inshore/Offshore allocation), this option is limited to catcher boats and very small catcher/processors. Therefore, an alternative that reduced the catch available to one of the BSAI cod fisheries would tend to result in increased competition in the GOA by some vessels in that BSAI cod fishery.

16. Fairness and Equity

The determination of what is fair is very subjective. The Council has often used the historical distribution of catch to define what is fair and has favored the traditional fishery. Alternatively, it can be argued that it is not fair to the nation as a whole to have an allocation that does not maximize the benefits that the nation can receive from its cod resources or from all resources into which cod is an input. These two definitions of what is fair often have different implications concerning what allocation is fair. The latter would include environmental benefits and costs to the extent they can be measured.

17. Difficulties Associated with Changing the Fishing Year for Pacific Cod to September - August

Two issues need to be resolved before a final decision can be made concerning the merits of changing the cod fishing year to September - August. The first issue has to do with allowing the cod TAC and the cod fisheries' PSC allowances to be exceeded by perhaps more than 50% for the calendar year in which the transition would take place to the September - August fishing year. The other issue is scheduling the changes that would be necessary to have a September - August fishing year. Two options are considered with respect to establishing a September 1 - August 31 fishing year for Pacific cod. Option 1 would revise the annual specification process so that final initial TAC amounts for Pacific cod and associated PSC bycatch allowances would be available for harvest on September 1 of each year. Option 2 would not significantly revise the annual specification process, but would allow for the harvest of a subsequent year's interim TAC starting on September 1 of the current year.

Additional management and administrative costs under Option 1 include those associated with (1) BSAI Plan Team preparation of a separate SAFE report for Pacific cod TAC during a May - August TAC specification process; (2) Council consideration of proposed and final Pacific cod TAC specifications would require that this agenda item be addressed within a time schedule that would allow for a September 1 starting date of the Pacific cod fishery; and (3) additional NMFS staff time to prepare, review, and approve separate TAC and bycatch specifications for the Pacific cod fishery and any associated NEPA and ESA documentation and determinations.

Option 2 would involve fewer administrative and management costs relative to the option 1 because a separate TAC specification process would not be required for Pacific cod. Additional costs could be incurred by the fishing industry, however, because target fishing for Pacific cod would be prohibited from the time the interim TAC or associated bycatch allowances were taken until final TAC and bycatch specifications were effective.

18. Options for Changing the Allocation of the Cod TAC Among Trimesters Once the Initial Allocation Has Been Established

One alternative would amend the FMP to establish trimester apportionments of the Pacific cod TAC. Under this alternative, there are three options concerning the Council/NMFS process for changing the trimester apportionments once they have been established. They are: (1) an FMP amendment, (2) a regulatory amendment, and (3) a framework that could be used annually. The last option would be similar to the process currently followed by the Council for setting seasonal allowances for the pollock roe and non-roe seasons.

There are two major problems with a framework process that uses the pre-season TAC specification process. First, NMFS simply cannot complete the filing of the final specifications before the beginning of the year. The second problem is more substantive, the specification process is so rushed that it is unlikely to result in carefully reasoned allocation decisions or perhaps even conservation decisions.

A framework for cod similar to that for apportioning pollock between the A and B seasons would tend to have substantially greater allocation effects than does the pollock framework. This is because the three cod fisheries are much less homogeneous than are the pollock fisheries.

19. Benefits of Explicit Allocations by Fishery with Respect to Establishing Optimal Seasons for Each Fishery

In the absence of an explicit allocation of cod by fishery, the catch in each fishery is determined by: (1) the cod TAC; (2) the amount of cod that is taken in the other cod fisheries before they are closed by their halibut PSC limits; (3) the amount of cod that is expected to be taken as bycatch in other fisheries (principally non-cod trawl fisheries); (4) its own halibut PSC limit; and, (5) the pace at which cod is harvested in each fishery.

If each cod fishery had an explicit share of the cod TAC, a fishing season could be set for each fishery that would allow it to maximize the benefits it can derive from that level of catch. The optimal season for each fishery, which would be determined by biological, environmental, regulatory, and market conditions, could differ substantially from the current season on a yearly basis. In the absence of explicit allocations by fishery, common seasons are required and agreement on optimal common seasons is expected to be very difficult.

20. Allocating the TAC by Trimester and Changing the Cod Fishing Year to September - August

If it is determined that trimester apportionments will be used, it would appear that the benefits of changing the fishing year would be eliminated for the most part and without some of the difficulties and costs associated with changing the fishing year.

There are two exceptions to this. If the objective is to assure that catch during September - December is not limited by catch during the remainder of the year, both changes would be necessary. This is because with a January - December fishing year, catch in excess of the apportionments for the first and second trimesters together would reduce the amount of the TAC actually available in the third trimester.

It is not clear that also changing the fishing year would be an advantage to one or more of the cod fisheries in terms of the amount of the cod TAC that is reserved for cod bycatch in other fisheries. However, the fishing year change could increase the probability that cod would become a prohibited species in other groundfish fisheries in the June - August trimester.

P.O. Box 15233
Fritz Creek, AK. 99603
May 14, 1993

North Pacific Fisheries Council
605 West 4th Avenue
Anchorage, AK 99501

Dear Mr. Paine,

It is my understanding that you will soon be considering changes to present Pacific Cod regulations. I encourage you to adopt the changes you proposed in your recent newsletter.

Allocations by gear type would make the fisheries more fairly accessible, as each gear type has the potential of affecting different species as by catch and are impacting different locations. Also, including Jig Gear as a separate gear type for those allocations has my full support. Jig Gear is species specific; untargeted species can be released unharmed, few hooks are fished to determine a school's composition, and a fisherman can move his gear without bringing aboard undesired by catch. In addition, the product is of higher quality as it is landed live. All this considered, Jig Fishing is a very clean gear type, and should be encouraged with its own allocations. The jig fishery would be mostly fished by smaller boats which are affected by winter weather, therefore your proposal to manage the fishery by tri-mester would prevent them from shutting down for a majority of the season. It appears that this group of regulatory changes as proposed would provide for more equitable distribution of the catch by the different participating vessels and enhance potential for year round markets of smaller volume, but higher quality.

Thank you for considering my views on these issues. I trust you will give serious thought as you make changes to your regulations and will weigh that decision on aspects that will maintain a healthy population of fish shared fairly amoung participating groups, large and small, in an economically viable fishery.

Sincerely,

Charles A. Piper, Jr.

F/V BLUE FIN

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Date: May 30th. 1993

To: North Pacific
Management Counsel.

Att. Rick Lauber.

We support a Codfish quota specific for Pot fishing. There is virtually no bycatch and the quality is superb on fish cought with pots.

The size on the fish can easily be controlled by mesh size. So that we do not take the very small, but let them mature to at least 10-12 pounds.

A Cod allocation caught with pots, would hopefully enable interested parties to have an extended season throughout the summer and fall. Which is much needed by all these days.

I would appreciate any feedback on this issue, since it is very important to us.

Sincerely: OLUF VEDOY & KURT VEDOY

Oluf Vedoy Kurt Vedoy

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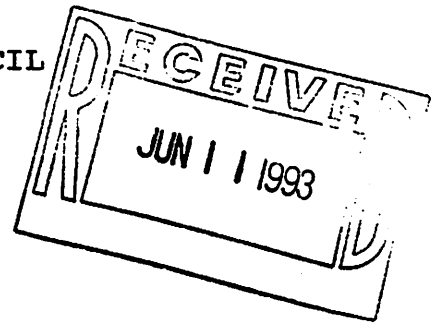

June 11,1993

Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
Box 103136
Anchorage, Alaska 99510

Dear Mr. Lauber and Members of the Council,

The Alaska Marine Conservation Council is a newly formed community-based organization of fishermen and women, coastal residents, biologists, subsistence users and others throughout Alaska whose way of life and livelihoods depend on healthy marine ecosystems.

We would like to commend the North Pacific Fishery Management Council on its decision to release for public review the Preferred Gear Type/Seasonal Allocation study for Bering Sea/Aleutian Island Amendment 24. It is appropriate that the study includes a new problem statement, additional 1993 data, and information on the newly developing jig fishery.

The release of this study is a first step towards the promotion of clean fisheries. We are concerned, however, that what has sometimes been seen as an allocation fight between trawlers and longliners has obscured the true goal of developing cleaner gear types and practices. Pots, jig, and new trawl technology should all be investigated without prejudice.

Such a course is mandated both by concern for the ecosystem and by the obligations of international protocol. In June 1992 in Rio de Janeiro, the United States attended the UN Conference of Environment and Development and signed what has become known as "Agenda 21."

Chapter 17.49 (c) of that document directs the signatory countries to "promote the development and use of selective gear and practices that minimize the waste of catch of target species and minimizes bycatch of non-target species."

This principle so concisely stated in Agenda 21 should be a primary motivation in Council actions now, and in the development of future management schemes. It should, in fact, be one of the corner stones of the eventual re-authorization of the Magnuson Act, incorporated in the congressional findings and purposes (Sec.2); the National Standards (Sec. 301) and in the Contents of Fishery Management Plans (Sec. 303).

Respectfully,

Paul K. Seaton /NB/

Paul K. Seaton
Spokesperson

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June 11, 1993

Richard B. Lauber, Chairman
North Pacific Fisheries Management Council
605 West Fourth Avenue
Anchorage, AK 99501

RE: Groundfish FMP Amendments (Agenda Item D-2), Pacific Cod

Dear Chairman Lauber

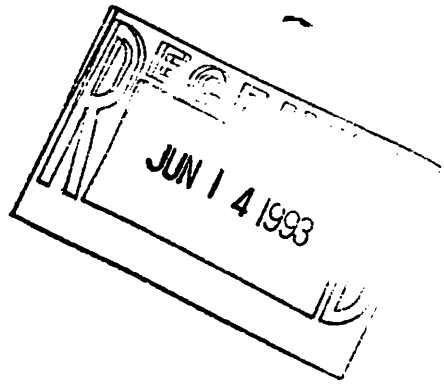
I am writing to submit our comments for the Council's rewiew during its April 1993 meeting.
North Beach Seafood is a U.S. seafood distributor which has been actively developing a U.S. market for domestically processed frozen-at-sea longline cod. This specialty market is developing fast however one of our biggest operating difficulties is the lack of a year round supply of frozen-at-sea product.

I urge the Council to take decisive action at this meeting to promote a year round fishery and allow the U.S. businesses to develop the market for high value, domestically re-processed frozen-at-sea longline Pacific cod.

Sincerely,

Graham Redmayne

Starboard Inc.



June 11, 1993

Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

Starboard, Inc. is an Alaskan Corporation who's primary business is cod. We are joint venture operators, brokers and traders and annually handle in excess of 10,000 mt of finished cod products.

The BSAI Amendment 24, which will be discussed during the June 24th NPFMC meeting is extremely important to our business. We want to express our full support for changing the opening of the BSAI cod season from January to September, and for seasonal apportionment of the TAC.

We have been in the cod business for the past 10 years and have lived through many of the changes. It's our experience that cod produced from August through February is consistently the best quality. Fish from March through May (spawn and post spawn) produces the worst quality product at the lowest yields. Exclusively fishing on the spawning stock, long term, has to be bad.

The demand and consumption of cod products is strongest from September through April. The market is generally lower from May through August. Prices paid to the fishermen and prices received for finished products reflect this poor harvesting practice.

I understand Amendment 24 will also address preferential access to cod by fixed gear vessels. Starboard believes fixed gear fishing produces the best quality fish and the least harmful of all catch methods. However, we do not endorse legislation which would give fixed gear vessels an exclusive right to the cod fishery.

We thank you for taking the time to consider our opinions.

Sincerely,

Ronnie Wrenn

Ronnie Wrenn

1714 East Boulevard, Charlotte, N. C. 28203 704/334-1677 800/777-0575
FAX: 704/332-9352

Fishermen's Finest

North Pacific Fishing, Inc.

4039 21st Ave. W. #201 ■ Seattle, WA 98199
(206) 283-1137 ■ TWX 5101004709 N PAC FI ■ FAX 2062818681

June 11, 1993

Richard B. Lauber, Chairman
North Pacific Fisheries Management Council
605 West Fourth Avenue
Anchorage, AK 99501

RE: Groundfish FMP Amendments (Agenda Item D-2), Pacific Cod

Dear Chairman Lauber:

I am writing to submit our comments for the Council's consideration during its April 1993 meeting. As a fisherman and vessel owner with interests in both the fixed gear and trawl fisheries I believe that my comments will be of use to the Council in making an even-handed decision. At its April meeting, the Council recognized that the Pacific cod fishery in the Bering Sea is being taken too fast and with excessive waste. The misuse of this economically vital species in neither biologically nor economically beneficial to the nation and the need for improved management measures in 1994 is indicated. In its problem statement the Council called for the amendment to, "provide a measure of *stability* to the fishery while allowing the various elements of the industry to *optimize their utilization* of the resource." (emphasis added) The following plan meets these requirements.

Having closely followed the proceedings of the Council-directed industry negotiations over the cod management proposal, I was gratified to see that in the end both sectors shifted their attention to a gear neutral proposal to manage the cod fishery through conservation measures rather than through an artificial TAC split. As Dr. Terry's analysis has shown, it is difficult to determine which fishing sector is more efficient. That is because this is determined by the skill of the vessel managers and crew, not just by gear type. As a vessel owner I must constantly consider the current status of stocks, regulatory environment, personnel, and material availability when deciding what to fish for. My decision to enter into a longline venture was based on biological and economic considerations. My decision to operate in a particular manner changes with the circumstances of the fishery. By enacting a TAC split the Council would limit our ability to adapt to changes in the fishery.

The proposal to allocate a 19% portion of the TAC to trawl bycatch needs and allow open competition for the remainder of the quota is both gear neutral and assures the trawl sector of access to the cod necessary to work the other 92% of the groundfish fishery. The requirement that all Pacific cod be retained answers the problem of waste (according to figures provided by

the fisheries management branch of NMFS almost 26% of the trawl sector's 1993 cod catch taken through May 15th was discarded, that is 21,710 MT of the 149,554 MT taken in the Bering Sea). The 100% observer requirement would answer the enforcement and waste issues presented to the Council at the April meeting by Capt. Van Schmitton of F/V FISH, and the Coast Guard report of its boardings in the Bering Sea where it found that 12 unobserved vessels under-reported catches and did not return halibut to the sea quickly with minimal damage to the fish. Finally, by limiting the portion of a gear type's halibut PSC which may be assigned to the cod fishery to equal amounts, the Council would level the playing field without allocating TAC.

The trawl delegation responded to this proposal stating that it, "supports many of the concepts outlined in the fixed gear group's proposal....Increased utilization and a reduction of waste should be an objective of the fishery management system." The trawl response went on to demonstrate concern that such a program could not be implemented at the June Council meeting. However, the Council could implement portions of the proposal along with a gear neutral non-allocative seasonal apportionment of cod TAC which would provide for a majority of the TAC to be taken in the first trimester, followed by a limited summer season to allow for a pot and jig fishery, and concluded by an open fall fishery for perhaps 30% of the TAC. This would allow a year-round fishery. Subsequent analysis and implementation of the various aspects of the plan would provide a rational cod management program for the 1994 and 1995 season and not wait for an uncertain Comprehensive Rationalization system which may not be implemented for five or more years if the Sablefish and Halibut ITQ system is any gauge.

Seasonal apportionment of cod TAC provides the least regulatory burden on individual fishermen while providing a simple and proven approach to solving the problem of lopsided supply. Biological benefits from a seasonal apportionment of TAC include removing effort from the high halibut bycatch summer season and gaining an increased yield from fishing over periods longer than the spawning season [Appendix H to the Cod Analysis]. This seasonal management plan mirrors the pollock "A" and "B" season apportionments and is well founded both in its practicality and its conformity to traditional management practice.

By applying the simple stand-alone management formula of seasonal apportionment we can improve the stock status and the economic yields to both fishermen and the developing U.S. cod industry. We then can analyze and implement the various items of the non-allocative fixed gear proposal to further improve cod management.

Sincerely,

Rudy A. Petersen

Rudy A. Petersen
President

COMMISSIONERS:

RICHARD J. BEAMISH
NANAIMO, B.C.
RICHARD ELIASON
SITKA, AK
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INTERNATIONAL PACIFIC HALIBUT COMMISSION

ESTABLISHED BY A CONVENTION BETWEEN CANADA
AND THE UNITED STATES OF AMERICA

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June 9, 1993

JUN 14 1993

Dr. Clarence Pautzke
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Dear Clarence:

As the Council moves toward a decision on allocation of Pacific cod among gear groups in the Bering Sea-Aleutian Islands (Amendment 24), we wish to reiterate our request that the Council give high priority to halibut bycatch reduction as a criterion in the decision. Our priority is to reduce effects of halibut bycatch mortality on the halibut fishery, while maintaining groundfish harvest. The issue is very complex, and many social, economic, and biological factors will weigh on the decision. The EA/RIR for Amendment 24 provides an excellent background for these issues.

Actual bycatch mortality per mt of Pacific cod or groundfish clearly favors pot fisheries. Estimated bycatch mortality rates for longline and bottom trawl are similar for two of the three years, and lower for longline in the third year. However, the cost to the halibut fishery is about twice as high from a unit of trawl bycatch than from longline bycatch. Halibut yield loss from small halibut typical of trawl bycatch is much greater than from larger longline-caught halibut. Now that the longline careful release requirement has gone into effect, mortality caused by longline bycatch should decrease. We hope that trawl mortality will also decline in the near future as we receive results of experiments such as sorting halibut with grates over the hold of a factory trawler.

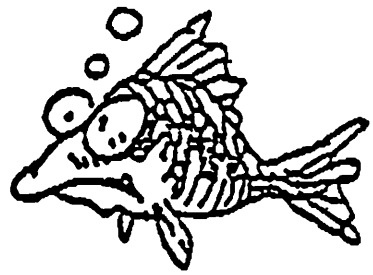
We note from the EA/RIR that the groundfish optimum yield from the BSAI was taken or exceeded in 1991 and 1992, so that halibut bycatch no longer causes foregone groundfish harvest. From this amount of harvest, combined with mortality-reducing measures underway, we conclude that halibut bycatch reduction is both possible and desirable. We look forward to working with the Council to lower halibut bycatch mortality while continuing the groundfish harvest, consistent with the international agreement for 10% per year reductions reached at a special meeting of the IPHC.

Sincerely yours,

Donald A. McCaughran
Director

cc. Commissioners

North
Pacific
Longline
Association



June 14, 1993

Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, AK 99510

RE: BSAI Amendment 24 - Cod Management

Dear Chairman Lauber:

We would like to offer the following general comments on the Amendment 24 analysis; more detailed comments will be offered by others.

I. Problem Statement/Prior Action

While the problem statement developed during the April Council meeting accurately details the problems inherent in the status quo, it hardly seems necessary to have restated them in this context. The problem has been described at considerable length and in great detail over the last two years by the North Pacific Fixed Gear Coalition - this documentation is part of the administrative record. **It is obvious that a departure from the status quo is necessary if these problems are to be recitfied.**

When the Council perceived similar problems in the BSAI pollock fishery in 1989 it responded with an emergency rule for the 1990 season, and seasonal apportionment of the BSAI pollock TAC for 1991 and beyond. Two years ago the North Pacific Fixed Gear Coalition anticipated that the same problems would occur in the BSAI cod fishery, and in response the Council voted to take preventive emergency action. The action was not approved by NMFS, and the fishery has since collapsed into a four-month derby focussed on spawning stocks. It will be years before any comprehensive rationalization program takes effect, and intermim measures are desperately needed to prevent further deterioration of the fishery.

II. Catch History

It should be noted carefully that Council policy in the days of "fish and chips" was to allocate BSAI cod TAC to TALFF, to encourage the Japanese to participate in pollock joint ventures and to purchase other American products. This policy stifled the development of a U.S. fixed gear fishery for cod, as Americans could not access premium Japanese markets. But for this policy the

American fixed gear fleet would have developed earlier, and established a greater catch history. Only very recent catch history should be considered in any division of cod TAC between gear types.

III. Dependence on the Fishery: Discards and Waste

Freezer-longliners are almost entirely dependent on the BSAI cod fishery. Table 27, at page 32 of the analysis shows that their dependence on cod catch increased from 88% in 1990 to 97% in 1992; dependence on cod value increased from 82% in 1990 to 91% in 1992. By comparison, trawl dependence on cod declined from 8% to 4% over the period, and in terms of value, from 13% to 5%. The cod fishery is far more important to the longline fleet than it is to the trawl fleet, which has a variety of alternative fisheries.

The trawl industry claims to need some 40,000 mt of cod as bycatch in order to prosecute its various fisheries - nearly 25% of the 1993 TAC. In 1992 and 1993, more than half of that cod was discarded. In the 1993 directed fishery for cod in the BSAI, trawlers discarded 50,892 mt of cod and other groundfish while retaining only 51,855 mt of cod - nearly a 1:1 ratio. (See attachments) From our perspective discards of that magnitude constitute unacceptable waste, and cannot be tolerated as "a cost of doing business."

IV. Economics

A. Net Benefits - Product Form

A central thesis of the analysis is that trawlers are more "efficient" in the use of cod - net benefits greater - because they produce fillets, which provide a higher return. The profits of fixed gear operators are based on head-and-gut prices, which have suffered of late because of Russinan dumping in the marketplace. Basing future management policy on such historic performance is like driving a car by looking into the rear-view mirror - a formula for disaster. Fixed gear operators will produce product forms other than head-and-gut, in response to market changes. One vessel installed Baader equipment this year and produced fillets exclusively, with great success. Others are now purchasing such fillet equipment. Estimates of net benefits from fixed gear operations should be recalculated using fillet prices. It will be demonstrated that fixed gear operators are at least as profitable as trawlers, and that cod can be harvested without the conservation disadvantages of mobile gear.

B. Prices

The average price of head-and-gut product used to determine a relationship between fillet and head-and-gut prices (page 22) is too low. If a more accurate base price of about $1.00 is used, the annual net benefits for all three gear types overlap. This indicates that given the undertainty in model inputs including vessel specifications and bycatch costs, it is not possible to

definitively declare one gear type more profitable than another (see attached memo from LGL).

V. Biology

A. Halibut Bycatch Mortality

The use of 1992 data to determine comparative halibut bycatch mortality is questionable. During 1992 freezer-longliners were obliged to fish for cod during the summer, when halibut bycatch is high. A central purpose of the proposed amendment is seasonal apportinment of TAC, to avoid such fishing. Table A 22, at page A 27 purports to show that trawlers inflict no more halibut mortality per ton of groundfish caught than do longliners. The presentation is misleading. The question is not how much halibut mortalty is inflicted per ton of groundfish caught, but how much halibut mortality is inflicted per ton of cod (or groundfish) retained. These compairsons are made on the attached table by FIS, dated 6/10/93. **In a rational year like 1993 in which summer fishing is eliminated, fixed gear is more than three times as efficient in its use of halibut bycatch.** During the 1993 BSAI directed fishery for cod, fixed gear operators retained 60,436 mt of cod for 373 mt of halibut mortality - while trawlers retained only 51,855 mt of cod for 1,001 mt halibut mortality.

B. Fishing on Spawning Stocks

The bottom line is that no one really knows the impact of intense fishing on spawning cod stocks. Other countries which manage cod impose fishery closures during the spawning season. The "Independent Review of the State of the Northern Cod Stock", February, 1990 (Canada) states, "For cod there is no recorded evidence that fishing during spawning periods affects the spawning habitat in a negative menner or that fishing in other periods of the year will result in better survival of the spawned eggs...Nonetheless...The state of our current knowledge is such that we cannot easily answer the question whether intnse fishing on spawning cod populations disturbs either the mating behaviour or the spawning success of the aggregate. No can we be sure that fishing on large spawning aggregates will not lead to localized depletions...Nor can we be absolutely certain that persistent and eventually violent disruption of spawning activity does not affect behaviour in a manner that might be inimical to fecundity or to the survival of the fertilized egg." (Sections 6.7.0, 2.8.4) The report concludes: "Furthermore, because the panel is uncertain of the effects upon mating behaviour and spawning succss of intense fishing during the spawning season, it proposes that there be a limit upon mortalities during the spawning period..." The Canadians imposed a one-month closure of the cod fisheries during the peak spawning times in each of its management divisions. Fishing News International announced: "Harvesting of cod by offshore trawlers during peak spawning periods will be banned." (See attachment)

In Norway cod is managed under a joint agreement with Russia, which requires "special arrangements" during the spawning season. Fishing is closed to all gear types for 10-14 days during the spawning season.

In Iceland there is an area about twenty by thirty miles in size off the south coast which is closed from March 20 to May 2, at the request of the fishermen. Whether this is to protect spawning stocks or small fish, or both, is not clear.

Finally, spawning area closures are employed in the U.S. and Canadian haddock fisheries off the northeastern U.S. and Nova Scotia.

Clearly managers in other countries have concluded that spawning cod stocks deserve protection. We have not recommended closure of the BSAI fishery during the spawning period, but we have suggested that the Council can use the authorities proposed in Amendment 24 to limit intense fishing on spawning cod.

VI. Conclusion

The deterioration of the BSAI cod fishery described in the Amendment 24 problem statement has progressed to a point where action must be taken. The status quo - a compressed fishery on spawning stocks which features high bycatch, waste of resource and reductions in overall benefit from the fishery - is intolerable. It will be years before comprehensive rationalization materializes.

The Amendment 24 analysis and appendices show a great deal of variation, and leave a number of questions unanswered. The text is full of related caveats. However, the summary of the information presented in the text does not include these cautions - and is likely to mislead the reader. Overlaps in net benefit ranges indicate that economic benefits from the various fisheries may well be a wash. Uncertainty dominates the biological analysis, calling for conservative management.

We are left with an acute problem, and common sense. Common sense suggests that we need to spread the fishery over the season; avoid excessive fishing on spawning stocks; avoid fishing in the summer when halibut bycatch is high and cod quality poor; reduce waste; and retain marketable species. These things can be done in a simple and straightforward manner. We sincerely hope that the Council will act now, to prevent further deterioration of the fishery.

Sincerely,

Donald C. Iverson

Don Iverson
President

THORN SMITH NPLA

From: Michael Sloan@FM@FAK

o: DCS@IRO@FAK[Thorn Smith NPLA\Fax:82062824684]
om: Michael Sloan@FM@FAK
ubject: Retained/Discard Data Request for BSAI Cod Target
at Thursday, June 10, 1993 at 11:32:39 am AKD
ttach:
ertify: N

----------[Message Follows]----------

ere is the portion of the data request that you wanted early. Standard time
or data request turnaround is two to three weeks due to backlog of requests.
e can sometimes bump things around for requests that are of an urgent nature.
nyway, here you are. If you have any questions or comments please feel free
o call.

993 Estimated Retained, Discarded, and Total Catch for BSAI Cod Fisheries
rom Observer Reports and Weekly Production Reports through 5/29/93.

ear/Species	Retained	Discarded	Total	% Retained
ongline				
Cod	60436	3486	63922	94.5%
Other Groundfish	1756	9512	11268	15.6
ot				
Cod	2213	34	2247	98.5%
Other Groundfish	3	64	67	4.5
l				
od	51855	7931	59786	86.7%
Other Groundfish	4583	42961	47544	9.6

50,892

BSAICD5.XLS

1991 - 1993 Estimated retained, discarded and total Pacific cod catch for each of three gear types, BSAI groundfish fisheries -- from Blend estimates
1993 data is through 5/15/93

TAC given is current (1993) or year-end OAP Apportionment

1993						TAC
					--	164,500
		Retained	Discarded	Total	% of Total	% of TAC
	Longline	59,853	3,123	62,976	42.1%	38.3%
	Pot	2,090	38	2,128	1.4%	1.3%
	Trawl	62,740	21,710	84,450	56.5%	51.3%
	Total			149,554		
1992						TAC
						176,700
		Retained	Discarded	Total	% of Total	% of TAC
	Longline	99,856	2,171	102,027	49.5%	57.7%
	Pot	13,578	103	13,681	6.6%	7.7%
	Trawl	68,535	21,737	90,272	43.8%	51.1%
	Total			205,980		
1991						TAC
						194,650
		Retained	Discarded	Total	% of Total	% of TAC
	Longline	77,363	1,570	78,933	36.3%	40.6%
	Pot	6,498	175	6,673	3.1%	3.4%
	Trawl	116,123	15,562	131,685	60.6%	67.7%
	Total			217,291		

FAX MEMORANDUM

TO: Thorn Smith, NPLA

FROM: Dick Tremaine

DATE: June 14, 1993

SUBJECT: Cod analysis, changes in cod H&G prices

Adjusted H&G price. As explained in my last memo, the H&G price Joe used, for all gear types, was calculated incorrectly. I have estimated about a 20% increase in the H&G price using a base of about $1.00 for 1992. For longliners, this resulted in about a 18% increase in overall gross revenues ($86,087,000 for Table D2, pg D-13). I did similar recalculations for the other two gear types. The change involved a respecification of the exvessel price of H&G cod to $0.73 for longline western cut and to $0.868 for longline eastern cut. The price ratios from old to new were applied to the other two gear types. I recalculated net benefits on an annual basis only and for 1992 only. The new 1992 gross revenue totals became $10,304,500 for pots and $48,875,200 for trawls.

I used these new figures in Joe Terry's Lotus model (data locations K49, K50 and K51). The revised range of net benefits per metric ton of cod catch, for the high and low values calculated for all three models (column F calculations for 1992) became:

Longliners	$303 - $388
Pots	$288 - $435
All trawlers	$341 - $500

As can be seen, all three ranges overlap. This indicates that, given the uncertainty in model inputs including vessel cost specifications and bycatch costs, it is not possible to definitively declare one gear group more profitable than another. Remember that Joe used three different vessel cost structures for longliners but for pots and trawlers he had only one estimate. Therefore, for these two gear types he varied time dependant variable costs, not including crew share, up and down by 25%. Model 1 was lower costs, model 2 his point estimate, and model 3 higher costs. In the recalculation, trawler model 3 had lower benefits than those associated with longline model 1. Since trawler H&G costs in model 2 may well be lower than average (see previous memo), model 3 is probably just as accurate a mid-point for H&G trawler costs. Such a change would lead to even more overlap in net benefits (the highest model 2 trawl benefits are $433 as recalculated).

FIS
6/10/93

CALCULATION OF RATES IN PACIFIC COD TARGET FISHERIES

	SOURCE: A24 5/93 A 18	A24 5/93 A 18	A 16	TABLES A 18	A 20	A22	(CALC)	(CALC)	(CALC)
1991	GF MT	COD MT	RET GF	RET COD	HALMORT	HM/GF	HM/COD	HM/RGF	HM/RCOD
H & L	92920	79387	80057	77842	743	0.80%	0.94%	0.93%	0.95%
TRL	154879	90141	96827	87042	1755	1.13%	1.95%	1.81%	2.02%
TRL/ H & L						1.42	2.08	1.95	2.11

1992	GF MT	COD MT	RET GF	RET COD	HALMORT	HM/GF	HM/COD	HM/RGF	HM/RCOD
H & L	118957	100903	100759	99035	1585	1.33%	1.57%	1.57%	1.60%
TRL	81042	47886	50368	44548	1079	1.33%	2.25%	2.14%	2.42%
TRL/ H & L						1.00	1.43	1.36	1.51

1993 SOURCE: NMFS/AKR PRELIM. RPTS THROUGH 5/29/93

	GF MT	COD MT	RET GF	RET COD	HALMORT	HM/GF	HM/COD	HM/RGF	HM/RCOD
H & L	75190	63922	62192	60436	373	0.50%	0.58%	0.60%	0.62%
TRL	107330	59786	56438	51855	1111	1.04%	1.86%	1.97%	2.14%
TRL/ H & L						2.09	3.18	3.28	3.47

KEY:

GF MT	GROUNDFISH, MT
COD MT	PACIFIC COD, MT
RET GF	RETAINED GROUNDFISH, MT
RET COD	RETAINED PACIFIC COD, MT
HALMORT	HALIBUT MORTALITY, MT
HM/GF	HALMORT/GROUNDFISH
HM/COD	HALMORT/PACIFIC COD
HM/RGF	HALMORT/RETAINED GF
HM/RCOD	HALMORT/RETAINED COD

KODIAK LONGLINE
VESSEL OWNERS' ASSOCIATION

326 CENTER AVENUE, P.O. BOX 135
KODIAK, ALASKA 99615
(907) 486-3781 FAX (907) 486-2470

HALIBUT • SABLEFISH • PACIFIC COD • CRAB

June 14, 1993

Mr. Rick Lauber, Chairman
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
P. O. Box 103136
Anchorage, Alaska 99510

SENT BY FAX: 271-2817

RE: Amendment 24/Pacific Cod Allocation Comments

Dear Chairman Lauber,

The Council is scheduled to make a final decision at the June meeting regarding the request from the fixed gear coalition to rationalize the Bering Sea/Aleutian Islands cod fishery through seasonal apportionments and allocation between the fixed and trawl gear groups.

In reviewing the Council's problem statement adopted at the April, 1993 meeting, it is apparent that the Council realizes the numerous problems in the BS/AI Pacific cod fishery. These problems include waste of the resource and periods of high bycatch. According to the NMFS reports through May 29, 1993, the trawl directed Pacific cod fishery retained approximately 114 million pounds of Pacific cod and discarded 112 million pounds of groundfish. Of that, about 17.5 million pounds were Pacific cod. That 17.5 million pounds equates to over **80 million fish & chip meals.** These are just the cod discards in the trawl directed fishery for cod and don't account for cod discards in other trawl directed fisheries.

We have had the opportunity to briefly review the analysis and find that the economic benefits are basically a wash for either side. The analysis doesn't show any clear economic benefits to allocating the resource to either side. Page 7 of the analysis gives the caveats to the economic data.

Other areas that should be considered in making any type of decision on this issue are the conservation elements.

While the document doesn't state that concentrating a fishery on a spawning stock will devastate the resource, it does provide information that indicates there is substantial reason for concern. On page 45 it states, "...fishing on spawning stocks early in the year does have the potential for reducing stock sizes and catches, which is certainly a valid concern for management." Page 52 of the analysis indicates that if a decision were to be made that fishing on a spawning stock were harmful, two actions could be taken. The first would be to reduce the amount of fish taken during the spawning season and the second would be to reduce the total TAC. It is clear that the writers believe there is some reason for concern.

Information in the analysis relating to loss to the directed halibut fishery clearly shows that there is a significantly higher loss per metric ton of halibut taken by cod trawl vessels vs. that of the longline fleet. In 1992, the average size of halibut taken in all trawl fisheries was under a pound while the longline average size of halibut was over 11 pounds.

Page F-3 of the appendices indicates that bottom trawling can impact both the seabed and the benthic community. While it is difficult to measure these impacts, we believe that if you can take the cod without bottom trawling, it is better for the environment.

The analysis on pages 18-20 speaks to the dependence on the cod fishery. The table below shows the percentage of vessels that spent from 75% to 100% of their Alaskan groundfish weeks in the BS/AI cod fishery:

YEAR	FACTORY LONGLINE	FACTORY TRAWL
1990	56%	5%
1991	73%	4%
1992	56%	0%

It is clear that longline is much more dependent on the cod fishery than factory trawlers. The Council problem statement addressed this by stating that the amendment should provide a measure of stability to the fishery.

We strongly believe that the current situation in the Bering Sea/Aleutian Islands Pacific cod fishery should not continue. The discard and waste of cod and other species, as well as impacts on the spawning stock and seabed from bottom trawling must be minimized.

We realize that this issue is quite controversial and emotional. We believe that the Council has been given adequate information to make this difficult decision. It is necessary to "bite the bullet" and take steps to improve the opportunities that selective gear

have on the Pacific cod resource. During this year when the Magnuson Act is being reauthorized, the North Pacific Fishery Management Council has a clear and distinct opportunity to prove that the focus of decisions reflect the important conservation elements necessary to maintain a viable resource.

We urge the members of the Council to carefully consider the decision to be made on this issue. You have the opportunity to make a decision in favor of selective gear which doesn't throw away half of everything it catches and doesn't concentrate a fishery on a spawning stock while tearing up the bottom. You can make a policy decision that makes sense for the longterm benefit of the resource.

Let me thank you for reviewing our comments on this issue.

Sincerely,

Linda Kozak

Linda Kozak
Director

COMMENTS ON AMENDMENT 24 EA/RIR
ALLOCATE THE PACIFIC COD TOTAL ALLOWABLE CATCH BY GEAR AND/OR DIRECTLY CHANGE THE SEASONALITY OF THE COD FISHERIES

by

John Winther

Introduction

For several years the fixed gear component of the Bering Sea/Aleutian Island fishing industry has petitioned the North Pacific Fishery Management Council to implement an allocation scheme favoring fixed gear. At its April meeting, the Council adopted a statement identifying the "numerous problems" facing the BS/AI cod fishery. Included in that statement were the following:

- Compressed fishing seasons;
- Periods of high bycatch;
- Waste of resource;
- Gear conflicts; and
- An overall reduction in benefit from the fishery.

The Council also stated that the objective of the proposed amendment would be to provide "a bridge to comprehensive rationalization" and to "provide a measure of stability to the fishery" that allows the different components of the industry "to optimize their utilization of the resource." I believe an allocation to fixed gear is the most appropriate way to address the problems identified by the Council.

Fixed Gear Reliance Upon Pacific Cod

Table A27 displays the relative reliance of fixed gear upon Pacific cod as compared to trawl gear. In 1990, 88% of the total longline catch in the BS/AI and 82% of the total longline value was derived from the Pacific cod fishery. By 1992 the level of reliance had grown even greater as Pacific cod generated 97% of the total BS/AI longline harvest and 91% of the total longline value. Conversely, 8% of the total BS/AI trawl catch and 13% of the total trawl value was generated by Pacific cod in 1990; this level of reliance declined steadily since 1990, and was just 4% of the total trawl harvest and 5% of the total trawl value in 1992.

	1990	1991	1992
Longline			
Catch	88%	95%	97%
Value	82%	85%	91%
Pot			
Catch	100%	100%	100%
Value	100%	100%	100%
Trawl			
Catch	8%	8%	4%
Value	13%	9%	5%

The annual TAC for all species in the Bering Sea/Aleutian Islands is capped at 2 million mt. The 1993 TAC for Pacific cod was 164,500 mt, or 8.2% of the total groundfish harvest available. Although the trawl fleet has access to 1.835 million mt of alternative species to harvest, there are no other fisheries of consequence available to the BS/AI fixed gear fleet.

Harvest Levels by Gear Type

As shown below, the percentage of the total cod harvest by fixed gear in the directed cod fishery has changed remarkably since 1990:

	1990	1991	1992	1993
Longline	35%	45%	62%	49%
Pot	1%	4%	8%	2%
Total Fixed Gear	36%	49%	71%	51%
Trawl	64%	51%	29%	49%

With the exception of 1993, in which the cod quota was taken earlier than ever before, the fixed gear portion of the directed harvest has increased steadily. The decline in 1993 provides real evidence of the need for the Council to implement an allocation formula. The fixed gear component is simply unable to compete with the harvesting capacity of the trawl fleet. Given ever decreasing seasons, the absence of an allocation to fixed gear is a *de facto* allocation to the trawl component. Such a result is contrary to the issues identified in the Council's problem statement.

The fixed gear component has also seen its share of the total cod harvest in all fisheries increase during the past few years as shown below.

	1991	1992	1993
Longline	36%	50%	42%
Pot	3%	6%	1%
Total Fixed Gear	39%	56%	43%
Trawl	61%	44%	57%

The increase has, however, been limited by the amount of cod taken as bycatch in the other trawl fisheries. To satisfy that need, NFMS sets aside a sufficient amount of the cod TAC to meet the anticipated cod bycatch needs of the other target fisheries. Nearly 100% of the amount set aside goes to trawl fisheries. In 1990, other trawl fisheries took approximately 31,500 mt of cod as bycatch; in 1991 and 1992 the bycatch jumped to approximately 42,000 mt. The EA/RIR speculates that closures of the target trawl cod fishery due to halibut PSC induced closures "probably gave some [trawl] vessels an incentive to increase their bycatch of cod."[1]

Waste of Pacific Cod

The trawl fleet discards substantial amounts of the Pacific cod it harvests. During the 1993 fishery to date, nearly 22,000 mt (48 million pounds) of cod have been thrown over the side dead.[2] Assuming a fixed gear harvest of 3,000 mt per week, a 50% recovery on head and gut product, and an 80¢ per pound value, the amount thrown away by the trawl fleet during 1993 would have resulted in an additional 7 weeks of fishing time for the fixed gear fleet and generated 24 million pounds of additional product valued at over $19 million.

The EA/RIR states that every 1,000 mt of catch taken from the first trimester trawl fishery and given to the first trimester longline fishery during 1992 would have resulted in a reduction of net benefits to the nation of $100,000.[3] Assuming that is an accurate statement and the $100,000 net loss per 1,000 mt figure is appropriate for 1993, allowing the longline fishery to harvest the 22,000 mt of cod discarded by the trawl component would have reduced net benefits by $2.2 million — yet the value alone of the products

[1]EA/RIR, pg. 12.
[2]NMFS Bulletin Board.
[3]EA/RIR, pg. 38.

produced from the trawl waste by the longline fleet would have offset the net loss by $16.8 million.

Waste of the resource is a serious issue and must be addressed by the Council. During the time period 1990 through 1992, the trawl component discarded 36%, 42%, and 41% respectively of its total groundfish catch during the target cod fishery.[4] In the 1993 directed cod fishery, the trawl component discarded a total of 114 million pounds of groundfish, of which 17.5 million pounds was cod. The fixed gear fleet, by comparison, retains nearly all of its harvest.

Halibut Bycatch

For 1993, the trawl halibut PSC cap for the cod fishery is 1,000 mt and the longline halibut PSC cap is 750 mt. During the directed cod fishery, the trawl component caught approximately half of the directed harvest, resulting in approximately 1,100 mt of halibut mortality; the fixed gear component, conversely, took approximately half of the harvest but only caused 327 mt of halibut mortality.

Conclusion

Pacific cod constitutes 8% of the 1993 combined BS/AI TAC. The fixed gear component is total reliant upon cod for its livelihood — unlike the trawl component, there are no other alternative fisheries. The fixed gear component fishes clean and retains its catch. Halibut bycatch mortality is appreciably lower with fixed gear than with trawl. If this was a virgin fishery and the Council was contemplating what type of gear would be best suited to harvest cod, there's no doubt the Council would choose fixed gear. It makes too much sense to do anything else.

An allocation would address the problems identified by the Council. An increasingly compressed season would be expanded, waste would be dramatically reduced, halibut bycatch would decline, and the benefits to the nation increased.

[4]EA/RIR, Table A14.

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June 14, 1993

Mr. Rick Lauber, Chairman
NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL
PO Box 103136
Anchorage, AK 99510

Sent by fax: 271-2817

RE: Amendment 24/Pacific Cod Allocation Comments

Dear Chairman Lauber,

Thank you for the opportunity for our company to express it's view regarding the allocation of the Pacific Cod resource in the Bering Sea/Aleutian Islands between fixed and trawl gear user groups.

Our company owns and operates the 150' F/V Alaskan Leader. This vessel is the largest freezer vessel home ported in Alaska. Our company is in turn owned by six long-time Kodiak fishing families.

Many participants in the Fixed Gear Sector believe the cod resources in the BSAI will be seriously depleted without a Fixed Gear preference. An analysis of Trawl Gear discards of Pacific Cod in the directed fishing and as bycatch in other fisheries indicate the number of sub-commercial sized Pacific cod (1 lb. average) being wasted exceed the number of Pacific Cod animals outnumber the animals that comprise the total commercial catch (8 lb. average). (30,000 MT ÷ 2.204 lbs. ÷ 1 lb. = 66,120,000 individuals vs 136,000 MT ÷ 2.204 lbs. ÷ 8 lbs. = 37,468,000 individuals).

In addition to this destruction of younger year classes, the bottom trawl cod fishery has been shown to be grossly inefficient and destructive. This is clearly seen in the damage to both other fisheries and natural resources (crab, halibut, king salmon, herring, sea lions) as well as to ocean floor eco-system. This type of gear is literally the 'clearcutting' destroyer of sea life. If we are willing to stand around and watch, we will go home empty handed.

Although the argument may be made that much of the waste of these smaller cod fish is done in the directed fishery of other species (i.e. pollock & yellowfin), that argument pales when even the most casual observer looks at the bycatch of halibut in the directed trawl fishery for cod. It is our calculation that annually the directed cod trawl fishery in the BSAI region has a morality of over 2,000,000 halibut individuals. This number of animals is greater than the entire commercial harvest for the halibut fishery from British Columbia to the Northern Bering Sea. This type of fishing clearly knows no boundary with it's indiscriminate destruction of the young and unprotected age groups of many species.

Since many of the vessels participating in the trawl fishery for cod already have the capacity to operate in the fixed gear fishery, economic disruption thru gear allocation to the existing trawl fleet will be minimal. In addition this fixed gear allocation can be phased in over a period of three years to dampen any economic impact.

We believe the following allocated percentages would be appropriate to help substantially reduce waste and conserve not only the cod resources but also halibut, crab, salmon and other valuable resources negatively and needlessly effected by the taking of cod by trawls in the Bering Sea and Aleutian Islands. These percentages are based on the total allowable catch (TAC) and percentages represent all harvesting of the Pacific Cod resources including bycatch in other "directed" fisheries both fixed and trawl gear.

PROPOSED ALLOCATION OF PACIFIC COD IN BSAI

YEAR	FIXED GEAR	TRAWL GEAR
1994	60%	40%
1995	65%	35%
1996	70%	30%

In this decision, we believe the North Pacific Fisheries Management Council has a very real opportunity to show it can make decisions that reflect both a strong sense of conservation and proper stewardship of fisheries under it's control. We hope through this approach the Council will make that commitment to industry to truly make these fisheries renewable resources rather than ones that are mismanaged into extinction.

Thank you again for the opportunity for our comments on this important issue.

Best regards,

Nick Delaney

Nick Delaney

PHONE (206) 443-0633 FAX (206) 443-1653

EMERALD

EMERALD OVERSEAS COMPANY, INC.
THIRD & LENORA BUILDING, SUITE 401
2112 THIRD AVENUE
SEATTLE, WASHINGTON 98121

June 14, 1993

Mr. Rick Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Selective memory is a convenient mechanism to employ when one is faced with unendurable circumstances. I can personally attest to the usefulness of, and even necessity for, this phenomenon in appropriate situations. We can all agree that it would be inappropriate for the Council to employ such a mechanism. As the watch dog for the fishery resource of the north Pacific and the guardian for the continued viability of the commercial industry, the Council cannot permit itself to fall into the trap of selective memory.

As I have listened from the sidelines over the past several months and years to the discussions with respect to rights of protected and preferential access to specific fisheries resources for various interest groups and gear types, I find myself both amazed and dismayed at how myopic one becomes in high pressured, complex situations.

As you deliberate on the BSAI P. cod issue, the next in the series of management challenges, I hope you will take the time to review this bit of history on the development of groundfish off Alaska. I offer it for the record, as it is my opinion that the record is not complete. For some this information will be old hat, for others it will not be as they remembered it and for still others it may be new information. I offer it with the hope that it may help you, the Council in your review and evaluation of the cries and pleas for protection as you proceed forward in your quest for the optimum management scheme. That's the one that stabilizes the industry, minimizes waste and optimizes value and benefit to the Nation.

Respectfully submitted,

Sara S. Hemphill
President

NORTH PACIFIC GROUNDFISH DEVELOPMENT
A
RETROSPECTIVE

One dilemma facing the U.S government in 1976 was that of engendering enthusiasm and capacity on the part of the U.S. industry for groundfish production. It was necessary for such a climate to exist before it would be possible to put any teeth into the implementation of the 200 mile limit law and start to move foreign fishing operations out of the U.S. FCZ.

At that time the primary targets of the Alaskan fishery were halibut, salmon, crab and herring. There were a hand full of shrimp draggers, based in Kodiak, a scalloper here and there, some pot shrimp fishers scattered around the Gulf and a few halibut fishermen who targeted blackcod occasionally. With the exception of the Kodiak shrimp fleet and the scallopers there were no "draggers" in Alaska. With the exception of P. cod for bait and a few East coast markets for black cod, there was no domestic market for U.S. caught groundfish.

Enter Alaska Fisheries Development Foundation. Its *raison d'etre* was to inspire, encourage, cajole, browbeat or drag kicking and screaming , the Pacific commercial fishing community into a commitment to develop groundfish. Bored would be an understatement to describe the response from the majority of the processing component of the industry. Icicle Seafoods, New England Fish Company and Peter Pan (only for a period of 8 months) initially evidenced interest in and support for groundfish development. Prior to 1984, only New England and its successor, Alaska Food Company, and then later Trident ever really committed to experimenting with the processing and marketing of these underutilized species.

On the other hand, a number of fishermen showed interest in and became involved in the groundfish development program from the get go. Some were hoping that a new target fishery would bail out their existing inefficient and unsuccessful operations; they were sorely disappointed. Others bit the bullet and experimented at their own expense with groundfish gear, both trawl and longline. A third group stood in line with their hands out waiting for development funds before making any moves.

The movers and the shakers included Jake Phillips and the SE Alaska long line fishermen who had, with blackcod, a fish that commanded a price that at least one could talk about. The other eager beavers were the Burch brothers and the other Kodiak based shrimpers. Their challenge was to find to a fish they could catch that was also one for which someone would pay money. Tough challenge.

Domestic and European markets for U.S. produced bottomfish were scarce as hen's teeth. The Japanese market was non-existent. The only aspect more discouraging than the dearth of markets was the purchase price.

It was painfully apparent, once the development "experts" put pencil to paper, that only those who could catch significant quantities of product would succeed. It was the hope of the Foundation and NMFS that automated longline gear would provide adequate catching capacity to permit long line fishing to compete from the start.

The preference for long line gear sprang from two bases: 1) it was familiar and in use through out Alaska, and 2) it was proven to be more selective and less intrusive than trawl gear; thus it promised to present fewer problems down the line as the effort expanded. AFDF's first major project was an automated longline installation. Putting the Mustad system on the F/V Aleutian Mistress made the point. It was deemed, at the conclusion of the project (1981), that the time had not yet come for a longline factory vessel to be competitive.

The thrust of the Foundation's efforts shifted then to focus on trawling as the only viable alternative in an arena where volume made it feasible, almost. In particular the Foundation's projects focused on small and mid-sized trawlers that could ice product for shore delivery or deliver to mother ships. The lack of shoreside processors made the choice a simple one. It was during this period that many boats and operators moved up the coast to Alaska, and joint ventures proliferated like mushrooms after the rain.

With this briefest of backgrounds, I propose to answer the following "most asked questions" from the perspective of the former Executive Director of AFDF.

Why should longliners be permitted to come in at the eleventh hour and take a significant share of the P. cod resource?

They are not "coming in at the eleventh hour". Rather, they were the first gear type to fight for U.S. control over north Pacific groundfish. Yet, they, like the rest of us, were forced to wait until the U.S. was firmly and exclusively in control of access to the resource e.g. all foreign fishing had ceased, before a viable market for line caught P.cod was available.

It should not be forgotten that the chit that was held until the very last, in order to force the Japanese market open, was the BSAI P.cod allocation to the Japanese long line fleet. For those who are unfamiliar with the situation, the relationship between the Japanese fishing industry and the markets is very close, one might even say incestuous..

This 'waiting game' for the longliners is not put forth with the intent of taking anything away from those trawlers who invested and struggled, with little support from either the State of Alaska or the domestic financial community, to overcome tremendous hurdles and build a domestic groundfish industry.

Most importantly, it is in the best interests of the whole: markets, shoreside communities, support industries, the fish and their eco systems that a viable long line factory fleet operate steadily throughout the year.

Why didn't the use of longline gear aboard at-sea processing vessels develop before 1988?

Such operations were not economically feasible until the price offered to U.S. producers increased enough to cover the investment and operating costs. Consequently, development decisions and programs were designed to favor and support trawling until such time as long lining could be prosecuted competitively.

Why were the trawlers able to make it when the long liners were not?

Trawlers are able to capture large quantities of fish over a relatively short time span. Trawling is a very efficient method of fishing, so long as one is either allowed to discard any and all unwanted by catch or able to optimally utilize all species caught. Crews on trawlers relatively speaking are smaller than those on longliners. A poor tow is readily apparent and can be covered, or made up for, relatively quickly.

Longliners catch one fish per hook. An average of twelve hours passes from the time the longline gear is set until the fisherman knows whether or not he has hit the mark. The longliner will never make up for the water haul. The risks and the expenses are higher for the longliner.

Additionally, as noted above, the U.S. industry chose to sacrifice longline development as a trade off for market access in Japan for surimi. Not a bad choice, frankly. In order to have a lock on things, we needed to develop a strong, solid and internationally competitive groundfish industry. Our best shot was a factory trawl fleet. One of the prices we had to pay was no Japanese market for U.S. caught P.cod until after 1988 and delayed development of a factory longline fleet. But not, I stress, stifling of development of a longline factory fleet once it was possible.

The economics of trawl caught P.cod as a component of a multi-specied operation will always prevail against the economics of a single or dual species longline operation. On a large diversified factory vessel the P.cod enjoys the economies of scale as it serves to augment the primary revenue source. The situation for the wet boat trawlers is similar in that they have the option of targeting multiple species which gives them an advantage, though not as dramatic a one, over the longliners.

Why haven't the longliners invested in filleting equipment so that they are adding value as are many of the trawlers? Should they be expected or incented to maximize the value of their production?

Longliners are evolving to value-added product out of necessity, just as the trawlers did. However, the ROI for the long line boat is not as attractive as that for a trawler. Labor is a bigger bite of the pie, bait is an expense, and as noted above errors and poor weather are unrecoverable. Just ask a trawler why he favors his gear type over long line gear.

Thus the longline boats are just coming to the point of committing to value-added product. They must be urged to do so. Just as trawlers must strive to minimize discards.

We all know that there are no blue chip stocks in this industry. No one is promised tomorrow. Unless we can adapt and be flexible, we will continue to thwart ourselves and give the advantage to our competitors. Hopefully, we've learned this lesson by now.

Sara S. Hemphill

Northwest Renewable Resources Center

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(206) 623-7361 fax (206) 467-1640

June 18, 1993

To: North Pacific Fishery Management Council

From: Frank Gaffney

Re:: Bering Sea Pacific Cod Allocation Negotiations

Enclosed please find a report and attachments that comprise the record of the negotiations between fixed gear interests and trawl interests regarding the harvest of Pacific Cod in the Bering Sea. I served as the mediator for these negotiations and submit these materials for your review.

If you have any questions regarding this report or the process, please call me at 206-938-0371.

R E P O R T

Bering Sea Pacific Cod

Allocation Negotiations

June 2-4, 1993

Process Summary and Outcome

Representatives of Bering Sea Pacific Cod trawling and fixed gear interests met for three days in Seattle to try and resolve allocation conflicts for the upcoming fishing seasons. Frank Gaffney, a professional mediator/facilitator from the Northwest Renewable Resources Center was retained to assist the parties in trying to reach an agreement.

The process consisted of a mix of facilitated plenary sessions which included the nine principals and the mediator, and caucus meetings for each gear group which were attended by anyone of that groups choosing, and were also attended by the mediator if the group felt that it was helpful. All plenary sessions were held in the conference room of the C-3 building, within the Port of Seattle's Fishermans' Terminal. Caucus meetings were held in nearby business offices.

Unfortunately, the group was unable to reach a consensus on how to divide the Bering Sea Pacific Cod Total Allowable Catch (TAC). This report describes the process and the offers that were made during the course of these negotiations.

Participation

The parties themselves determined that advisors, consultants, attorneys and others in the industry would be allowed to attend only the first plenary session, and after that would be admitted to only the caucus meetings. That format was adhered to throughout the process.

The negotiators for the fixed gear group were as follows:

Don Iverson - North Pacific Longline Association

Kevin O'leary - Kodiak Longline Vessel Owners' Assoc.

John Bruce - Deep Sea Fishermen's Union

Charlie Johnson - United Fishermen's Marketing Assoc.

John Winther - Petersburg Vessel Owners' Assoc.

The negotiators for the trawl group were as follows:

David Fraser - American High Seas Fisheries Assoc.

Sam Hjelle - American Factory Trawlers Assoc.

Phil Chitwood - Arctic Alaska Fisheries Corp.

Gary Westman - The Midwater Trawlers Cooperative

Ground Rules

The negotiators agreed to a set of ground rules that are included with this document as **Attachment One.**

Negotiations

Both sides presented opening statements at the first plenary session. The order was determined by a coin flip with the fixed gear group winning and electing to go second.

The trawl group initial offer is **Attachment Two.**

The fixed gear group initial offer is **Attachment Three.**

The second offers from both groups were submitted orally, but have been recorded by the mediator and are attached. The fixed gear group's second offer is **Attachment Three A.**

The trawl group second offer is **Attachment Three B.**

The fixed gear group third offer is **Attachment Four.**

The trawl group third offer is **Attachment Five.**

The fixed gear group fourth offer is **Attachment Six.**

The trawl group fourth offer is **Attachment Seven.**

All offers were rejected.

Mediator's Comments

Ultimately, these negotiations failed because both parties felt they could get a better deal elsewhere. There was also some level of disagreement about the latitude provided to the negotiators in the directive from the Council. Since everything is connected to everything else in natural resources, this disagreement about latitude made it very difficult to "package" several items together in an attempt to accomplish the TAC split through trade-offs on related issues.

Finally, I believe that the Council needs to think very carefully about how to use a process like this in the future. It would appear that there are significant conflicts that might be resolved through assisted negotiations, but the Council's instructions to the parties must be very specific, and the parties must have a clear sense of what would be done with a consensus if they could reach one.

Attachment 1

Northwest Renewable Resources Center

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GROUNDRULES

Pacific Cod Allocation Negotiations

1. All parties to these discussions bring with them the legitimate purposes and goals of their organizations. All parties agree to respect the goals of others and assume that their own goals will be respected.

2. This effort will receive priority attention, staffing and time commitments during the week of May 31, 1993.

3. Never assume that others understand. Tell them.

4. We will all try to make "I" statements. We will all separate the people from the issues.

5. Any negotiator may request a caucus meeting at any time to confer with constituents.

6. Any agreement must be acceptable to both sides of this dispute. Each side will speak with one voice when the final proposal is considered.

7. If an agreement is reached, all parties to the agreement agree to support it before the North Pacific Fisheries Management Council.

8. The mediator shall be responsible for recording the outcome of these discussions and making that document available to the North Pacific Fisheries Management Council. All parties must approve the language of this document before it is forwarded to the Council.

9. In the event this effort is unsuccessful, participants are free to pursue their interests in other forums without prejudice.

ATTACHMENT 2

TRAWL POSITION
Bering Sea/Aleutian Islands Cod Allocation
Presented at Cod Allocation Negotiations
June 2, 1993

1. The trawlers support a Bering Sea/Aleutian Islands allocation of Pacific cod, 75% trawl and 25% fixed gear. This allocation will remain in effect until Bering Sea/Aleutian Islands groundfish ITQs are implemented by the Secretary of Commerce. Catch histories accrued during the period of this Agreement will not count for ITQ qualification purposes. This position is supported by the following facts:

   - Trawlers developed the Bering Sea/Aleutian Islands cod fishery. They represent the traditional fleet in the area--not longliners or other fixed gear vessels. Protection of traditional fleets has been the primary criteria utilized by the Council in all previous allocation decisions.
   - ~~Trawl~~ Fixed Gear cod catches comprised less than 20% of the total DAH cod catch 1981-1993. (See attached tables.)
   - Most of the fixed gear fleet entered the Bering Sea/Aleutian Islands cod fishery after 1988--the year in which the fishery was fully capitalized and after the Council began discussing the need for a moratorium. At that point, fixed gear accounted for only 3% of the Bering Sea cod catch.
   - Halibut bycatch mortality is virtually equal between longliners and trawlers.
   - Trawler's cod products are diverse and support a large domestic filet market. (See attached table.)
   - Domestic Bering Sea cod markets were developed by the trawl fleet to supply quality fish to wholesalers, retailers, restaurants and other American consumers.
   - Fixed gear cod and primarily freezer longline cod are virtually all (98%) exported as H&G product without further benefit to the nation--much like selling barked logs to Japan.
   - Trawl cod net economic benefit to the nation is nearly double that of fixed gear per ton of catch.

2. The trawlers oppose a seasonal allocation of cod, unless agreement is reached on a trawl/fixed gear allocation of cod TAC. Given allocation agreement, the trawlers believe each gear group should be entitled to set their preferred harvest season. The preferred trawl season is January through April when cod catch rates are highest and bycatch rates are lowest.

3. The trawlers oppose a "delayed start" unless agreement on TAC is reached. Given agreement on the allocation, trawlers could support a delayed start date for fixed gear.

4. Any agreement reached on a split of the cod TAC between trawl and fixed gear is <u>not</u> to be used as a surrogate for catch histories in the ITQ apportionment process.

Annual Distribution of BSAI DAH Pacific Cod Catch by Trawl and Fixed Gear, 1981-93

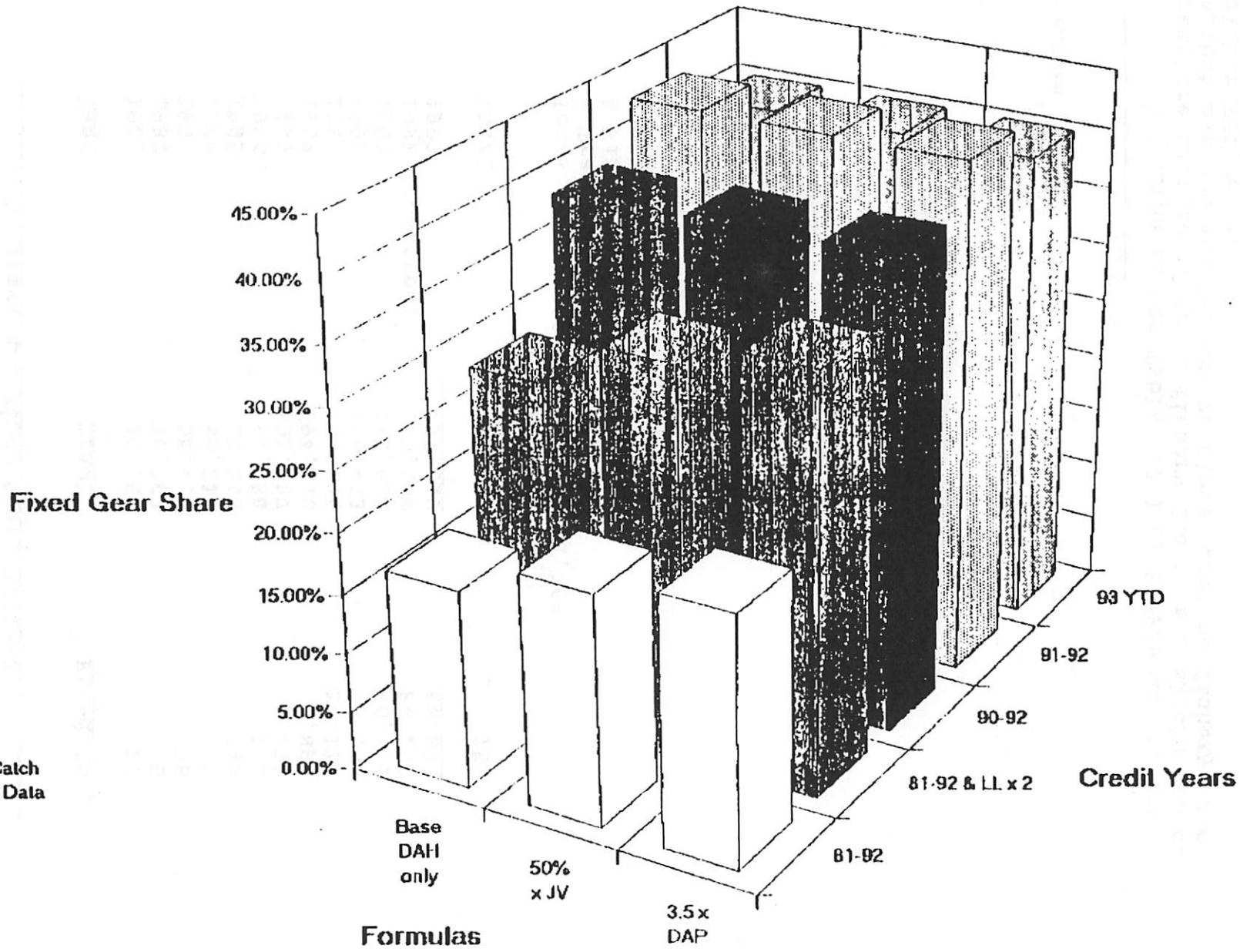
Year	Trawl	Fixed Gear
1981	23,256	27
1982	36,767	5
1983	55,747	25
1984	69,216	8
1985	87,046	49
1986	97,898	111
1987	101,387	1,478
1988	194,110	2,893
1989	154,264	14,116
1990	126,413	48,984
1991	131,688	86,376
1992 (adjusted)[1]	98,600	86,200
1993	97,619	66,881
TOTAL	1,274,011	307,153

Total Catch 1981 - 1993 = 1,581,164
% Trawl Gear = 80.58%
% Fixed Gear = 19.42%

Table.008/pmt

[1]Adjusted as per Table 2.2.1 of EA/RIR to reflect premature closure of trawl fishery due to miscalculation of halibut bycatch and failure to close longline fishery once halibut PSC was reached.

Fixed Gear Allocation Senarios



CRP Catch History Data

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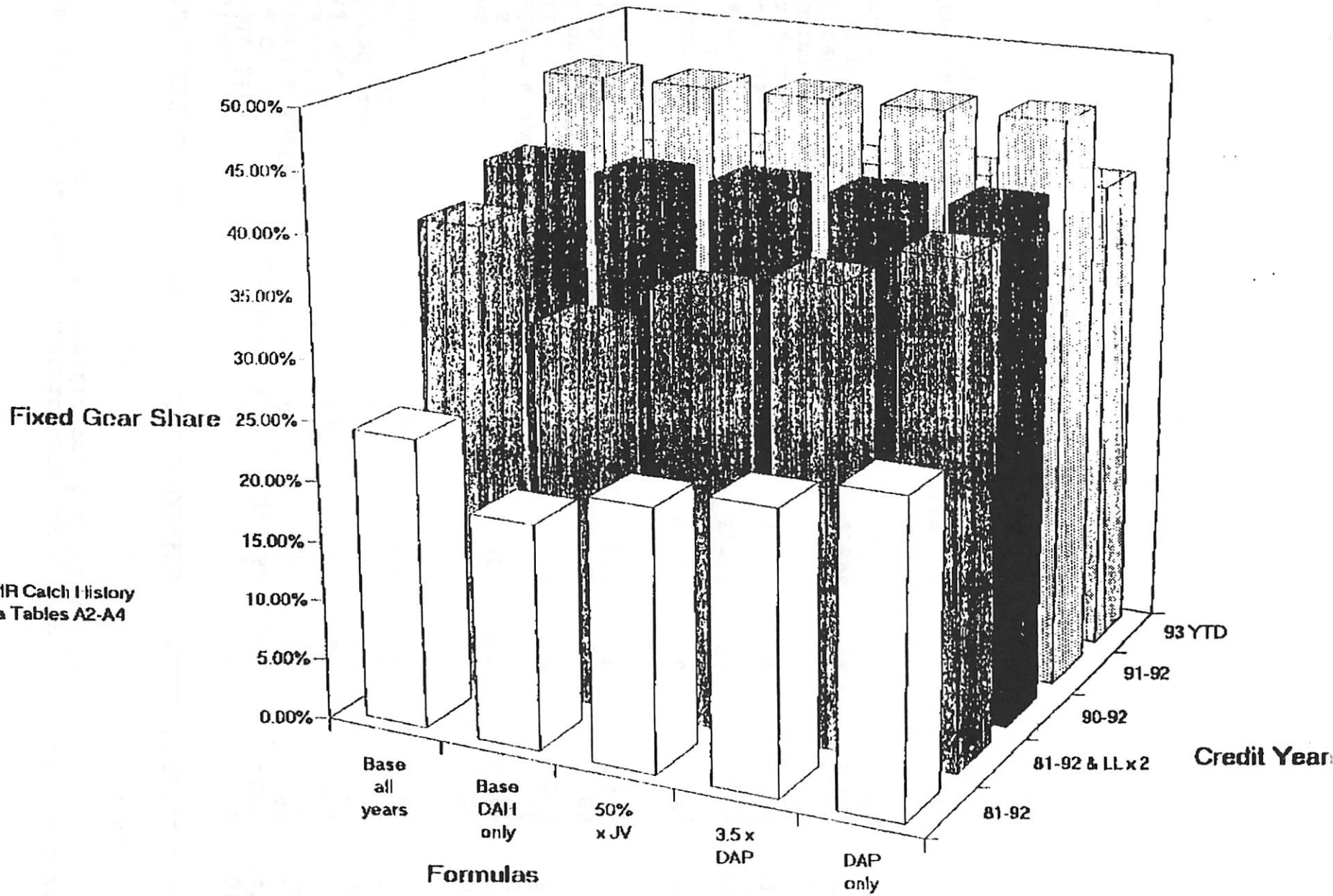
Fixed Gear Allocation Senarios



EA/RIR Catch History
Data Tables A2-A4

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Table A17 Annual weight (metric tons) by cod product form for three domestic BSAI Pacific cod fisheries, 1990-92.

	1990		1991		1992	
Gear/Product	Quantity	%	Quantity	%	Quantity	%
Longline						
Whole fish	47	0%	105	0%	27	0%
H & G	27,746	93%	34,962	96%	42,521	96%
Salted & split	20	0%	127	0%	40	0%
Roe only	213	1%	207	1%	427	1%
Fillets	13	0%	163	0%	802	2%
Minced fish	.	.	10	0%	150	0%
Fish meal	1	0%	13	0%	8	0%
Other	1,691	6%	811	2%	481	1%
Pot						
Whole fish	25	3%	9	0%	16	0%
H & G	715	84%	1,850	78%	4,366	79%
Salted & split	1	0%	141	6%	374	7%
Fillets	49	6%	43	2%	325	6%
Minced fish	.	.	.	.	104	2%
Fish meal	12	1%	2	0%	158	3%
Other	44	5%	319	13%	161	3%
Trawl						
Whole fish	4,129	10%	7,701	20%	686	4%
H & G	16,704	41%	10,963	29%	5,337	32%
Salted & split	6,275	15%	6,438	17%	2,304	14%
Roe only	409	1%	353	1%	185	1%
Fillets	7,860	19%	7,587	20%	5,131	31%
Surimi	.	.	.	.	176	1%
Minced fish	715	2%	1,178	3%	1,166	7%
Fish meal	128	0%	2,394	6%	1,523	9%
Other	4,467	11%	1,473	4%	300	2%

Source: Weekly processor report data - 1990-91, product data - 1992.

Attachment 3

Opening Statement - Fixed Gear Group: June 2, 1993

The fixed gear group recognizes that all gear types engaged in the groundfish fisheries of the BSAI face similar difficulties in these hard times - though these difficulties may differ significantly by degree. In order to coexist, competing groups are going to have to acknowledge each other's circumstances and make compromises which enable us to survive. A division of the BSAI cod TAC could benefit both the trawl and the fixed gear interests which engage in the fishery. In that spirit, we offer the following opening comments:

Catch History and Americanization - BSAI Cod

In the days of "fish-and-chips" and "industry-to-industry" negotiations, significant amounts of cod TALFF were given to foreign countries to encourage their participation in joint venture trawl operations and their purchase of U.S. seafood production. In particular Japanese freezer-longliners were given significant amounts of cod TALFF until 1988. American longliners were thus denied access to key Japanese markets, and development of the American fixed gear fishery was artificially delayed. U.S. fixed gear catch history in the BSAI would have started earlier and would have been more substantial but for this Council policy - as indicated by the rapid growth in catch from 1990-1992. At the time Americans were designing and building freezer-longliners (1987-1988) large amounts of JVP cod were available, exceeding DAP. The fishery was far from "Americanized" - DAP fishermen did not achieve OY (TAC) in the fishery until 1992.

Conservation

Fixed gear operations are widely regarded as having significant conservation advantages - minimizing prohibited species mortality, discards of target species, discards of other species, harvest and discard of small fish. Fixed gear is both size and species - selective. Fixed-gear fish are of the highest quality. Fixed gear does not have destructive impacts on bottom topography or fauna, and does not disrupt the spawning process. A considerable body of scientific, academic and descriptive literature addressing these conservation issues has been written both here and abroad (other countries have much greater experience in managing cod fisheries), and is referenced in the administrative record. As the fixed gear fisheries mature, we expect that the implementation of measures such as the careful release regulation will improve fixed gear conservation performance. The data series now available is too short to demonstrate these known advantages.

Economics - Dependence, Discards

Freezer-longliners are almost entirely dependent upon the cod fishery. Alternative fisheries are severely limited. Other fixed gear fishermen anticipate increased dependence on the fishery, particularly as crab stocks decline.

Cod discards in the fixed gear cod fishery are minimal. Discards of cod in the trawl fisheries are substantial. If these trawl discards were utilized in the fixed gear fishery our compressed season would be lengthened, and cod production increased.

Fishing on Spawning Stocks

While no one knows whether intense fishing on spawning stocks affects the mating behavior and spawning success of cod, managers in other countries such as Canada and Norway are sufficiently concerned, that they have imposed trawl fishery closures during cod spawning seasons. The fixed gear fishery does not focus on spawning cod. The current management system forces intense fishing on spawning stocks, at a time when overall stocks have declined drastically.

It is our position that a division of the BSAI cod TAC could alleviate these concerns, to the benefit of both fixed and mobile gear operators in the cod fishery.

Fixed Gear Proposal

a.) The Pacific cod TAC be allocated 80% to fixed gear and 20% to trawl gear. Fixed gear includes longline, pots, and jigs. Trawl vessels may use fixed gear to harvest the fixed gear allocation.

b.) All removals of cod shall be deducted from each gear's respective allocation.

c.) Each gear group shall be entitled to advocate season opening as they desire, and the other gear group shall not oppose the proposed opening date.

Attachment 3A

Fixed Gear Group - Second Offer

Crossovers from trawl gear to fixed gear would be deducted from the trawl TAC.

Pacific Cod bycatch in all trawl fisheries in the Bering Sea would be limited to 30,000 metric tons. (currently 41/42,000 tons annually)

The TAC split would be 75% fixed gear, 25% trawl gear.

Attachment 3B

Trawl Gear Group - Second Offer

Averaging the Bering Sea Pacific Cod catch totals for 1988 through 1993 produces an average split of 67.5% trawl gear, 32.5% fixed gear. The trawl group proposed to continue that split.

Cod bycatch in other trawl target fisheries would come out of the trawl TAC.

Attachment 4

Fixed Gear Group Proposal*

June 3, 1993

TAC split:	**1994/1995**	**1996/1997**	**1998 & Beyond**
Fixed Gear	**55%**	**60%**	**70%**
Trawl Gear	**45%**	**40%**	**30%**

Crossovers: If any vessel fishes both fixed and trawl gear in any given year, its cod harvest and halibut PSC shall be taken from the trawl apportionments for that year.

Note: We strongly urge NMFS to manage the Pacific cod resource so that each gear group's portion of TAC is not exceeded. Each gear group shall be entitled to advocate its own season opening date, without opposition by the other group.

* This is a package proposal. The parts are interdependent.

Trawl Gear Open

June 4, 1993

164,500 Harvestable

− 40,000 Bycatch Allocation Trawl Fisheries

124,500 ÷ 2 = 62,250

102,250 TRL = 62,250

62,250 Fixed = 38%

Attachment 6

Fixed Gear Group Proposal

June 4, 1993

1.) Allocate 31,600 mt of cod to serve as trawl cod bycatch in other trawl fisheries.

2.) Cod taken as bycatch in other groundfish fisheries must be retained.

3.) Cod taken in all directed cod fisheries (trawl and fixed gear) must be retained.

4.) In all cod target fisheries, all groundfish species other than arrowtooth flounder, squid and species in the "other" category must be retained.

5.) All trawl and longline vessels participating in the BS/AI directed cod fisheries must carry observers at all times.

6.) The halibut PSC caps for the trawl cod fishery and for the longline cod fishery shall not exceed 750 mt of mortality, respectively.

7.) Vessels must elect at the beginning of any given year their choice of gear: trawl or fixed. No "double dipping" will be allowed.

For cod

Attachment 7

Trawl Group Response to June 4, 1993 Proposal by Fixed Gear Group

The trawl group supports many of the concepts outlined in the fixed gear group's proposal of June 4, 1993. Increased utilization and a reduction of waste in all fisheries should be an objective of the fishery management system. It is for this reason that the various components of the trawl fleet represented at these negotiations have enthusiastically endorsed the development and implementation of a comprehensive management system as quickly as possible. An ITQ system would, for example, deal with all seven of the items set forth in the fixed gear group's proposal in the most effective and rationale way.

Unfortunately, none of the items set forth in the fixed gear group's proposal of June 4, 1993, is contained in the array of alternatives currently before the Council in Amendment 24, and none of the items have been analyzed in the EA/RIR. The items are not, therefore, "on the table" insofar as the Council's authority to take action on this amendment package is concerned.

Nor are the items within the negotiating authority of the trawl representatives and the negotiators. The Council's direction to this group was to see if some consensus could be reached on a split of the cod TAC, and that is what we have been authorized to negotiate. An altogether different approach (such as the fixed gear group has proposed) would require additional interests to be represented at the negotiations, certainly including shoreside processors.

While it might be possible to consider the issues raised in the fixed gear group's proposal as part of a new amendment package and analysis[1], we continue to believe that such efforts to deal with these issues on a case-by-case basis is in and of itself a waste of valuable time and other resources available to the Council, its staff, NMFS and the industry. These resources could be more productively used in the development of a comprehensive management system. As long as the Council is diverted from that most important task, rationalization of the fisheries is only further delayed.

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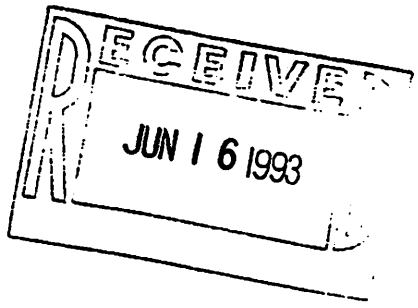
[1]Other elements that could be incorporated in such an amendment would include: King crab and bairdi PSC limits on the cod pot fishery; 100% observer coverage on pot vessels; caps on the number of birds taken in longline operations; halibut retention requirements on freezer longliners; deduction of cod used as bait in the crab fishery from the fixed gear quota; trawl mesh size regulations; etc.

You have not responded to our most recent offer to split the cod TAC between the two gear groups. We remain interested in and willing to discuss some sort of split based on the "status quo" of the industry at this time -- a split that freezes the various components of the trawl and fixed gear fleets at their current utilization levels until such time that the Council can develop and implement the comprehensive rationalization plan.

ATrawl.008/pmt

FIXED GEAR COALITION

June, 14, 1993



Mr. Richard B. Lauber, Chairman
North Pacific Fishery Management Council
P.O. Box 103136
Anchorage, Alaska 99510

Re: Industry Cod Negotiations

Dear Mr. Chairman:

As requested by the Council during your April meeting, representatives of the fixed gear industry met with representatives of the trawl industry to determine if we could reach agreement on an allocation of Pacific cod in the Bering Sea/Aleutian Islands cod fisheries. This serves as the fixed gear group's report on those negotiations.

The group representing fixed gear consisted of John Winther (Petersburg Vessel Owner's Association), Kevin O'Leary (Kodiak Longline Vessel Owner's Association), Charlie Johnson (United Fisherman's Marketing Association and Alaska Crab Coalition), Don Iversen (North Pacific Longline Association), and John Bruce (Deep Sea Fisherman's Union and Fishing Vessel Owner's Association). John Winther served as spokesman.

The first morning was spent giving opening statements. After a coin toss, the trawl group made the first presentation. The bottom line of their proposal was to split the TAC 25%/75% in their favor. We presented our opening statement, and offered a TAC split of 80%/20% in our favor. Each side then presented arguments why our respective offer was so good the other side should support it. We really didn't hear anything from either side that hasn't been heard in this battle before.

We rejected their TAC split offer of 25% since it is not enough for our fleet to survive on. Based upon the 1993 TAC, the 25% would have given us approximately 41,000 mt. This is less than we took during 1993, and is about the same as the bycatch of cod in other fisheries taken by the trawl fleet.

After two days of counter offers, it was apparent that we were close to an impasse. At the end of the second day we proposed a phase-in allocation scheme: the first two years (1994-95) the TAC would be split 55%/45% in favor of fixed gear, the second two years (1996-97) the TAC would be split 60%/40% in favor of fixed gear, and for 1998 until rationalization is implemented a TAC split of 70%/30% in favor of fixed gear. This offer was rejected, and a counter offer of 38%/62% in favor of trawl gear was made.

We broke for the day to discuss the latest offer from the trawl group, but we agreed it wasn't much of a counter offer since we took 40% of the TAC in 1991 and 56% of the TAC in 1992.

In a last ditch effort to reach an agreement, we decided to present a counter offer of a different approach and, at the same time, leave our last proposal (the phase-in schedule) on the table; in this manner, the trawl side could have two options to choose from.

During the two days we had been meeting, we were continually accused of fishing as dirty as the trawlers in terms of halibut bycatch mortality and waste of other species. We have also heard these same comments during public testimony before the Council. We have consistently argued that fixed gear is a much cleaner gear type, and believe we have proven that by the amount of cod we catch for a given amount of halibut. In the 1993 directed cod fishery, for example, the trawl fleet harvested 59,786 mt of cod with 1,111 mt of halibut mortality while fixed gear harvested 60,436 mt of cod with just 373 mt of halibut mortality.

We are tired of hearing that we fish as dirty as the trawl gear. That is an untrue statement. Therefore, we made a new proposal on the morning of the third day that would put this argument to rest once and for all. The following is a brief review of that proposal:

1. Provide 31,600 mt of cod off the top of the TAC to satisfy trawl cod bycatch needs in other trawl fisheries. This represents the approximate cod bycatch taken in the non-cod trawl fisheries during 1990. In 1991 and 1992 the trawl bycatch of cod was approximately 41,000 mt, but there is much speculation that the increase was because of trawl vessels topping off with cod after completing their target fishery.

2. All cod taken in all fisheries would be retained — discards of cod would be prohibited. This would eliminate the waste of cod, and increase the benefits derived from this resource.

3. All groundfish taken in the directed cod fishery by both gear types would be retained, except for arrowtooth flounder, squid, and species in the "other species" category which could be discarded. This would likely slow down the fishery and stretch out the "compressed season" as vessels fish more carefully to avoid undesirable bycatch. It would also "reduce waste" and "increase the benefits" derived from our resources.

4. All trawl and longline vessels participating in the BS/AI cod fisheries would have 100% observer coverage (alternately, all trawl and hook and line vessels in Areas 517 and 519 would have 100% observer coverage).

5. The halibut PSC cap for both trawl and longline cod fisheries would be set at 750 mt of halibut mortality. The EA/RIR states, and the trawl representatives insist, that trawlers are as "clean" as fixed gear operators in terms of halibut mortality. If that is true, they do not need more halibut PSC mortality than we do. This would reduce waste of halibut in the cod fishery, and free up additional halibut for other trawl fisheries which are currently operating without a halibut PSC cap (namely, the mid-water pollock fishery).

There were a few other points in our offer as well (the proposal is attached).

Our proposal would provide adequate cod bycatch for the other trawl fisheries, expand the compressed fishing season, reduce halibut bycatch, reduce waste, and improve returns from the fisheries — without requiring a TAC split. It would provide a fair opportunity for each gear type to harvest cod in a conservation manner. And it would serve as a good

bridge to comprehensive rationalization by requiring that all marketable species be retained.

One of the main thrusts of our proposal was to give all the players in the cod fishery a level playing field. They say they are just as clean or cleaner than us, and we say we are cleaner. This proposal would give you a chance to see who is right and who is wrong.

Needless to say, we were deeply disappointed the trawlers rejected this offer. We really felt we had proposed something that might break new ground and allow us to reach an agreement. We believe it is time for all gear groups to be responsible for their actions. We cannot condone needless waste when so many people need the opportunity to catch the fish.

Please take these comments into account as you make your decision next week.

Sincerely,

John Winther, Petersburg Vessel Owner's Association

Kevin O'Leary, Kodiak Longline Vessel Owner's Association

Charlie Johnson, United Fisherman's Marketing Association

Don Iversen, North Pacific Longline Association

John Bruce, Deep Sea Fisherman's Union and Fishing Vessel Owner's Association

Fixed Gear Group Proposal

June 4, 1993

1.) Allocate 31,600 mt of cod to serve as trawl cod bycatch in other trawl fisheries.

2.) Cod taken as bycatch in other groundfish fisheries must be retained.

3.) Cod taken in all directed cod fisheries (trawl and fixed gear) must be retained.

4.) In all cod target fisheries, all groundfish species other than arrowtooth flounder, squid and species in the "other" category must be retained.

5.) All trawl and longline vessels participating in the BS/AI directed cod fisheries must carry observers at all times.

6.) The halibut PSC caps for the trawl cod fishery and for the longline cod fishery shall not exceed 750 mt of mortality, respectively.

7.) Vessels must elect at the beginning of any given year their choice of gear: trawl or fixed. No "double dipping" will be allowed.

L. Cotter

Status Quo Calculations

1. Total catch with discards backed out.

	1991	1992	1993	3yr Avg
FG	42%	62%	44%	49.3%
Trawl	58%	38%	56%	50.6

2. Directed catch with discards backed out.

	1990	1991	1992	1993	3yr Avg	4yr Avg
FG	37%	49%	72%	53%	58%	53%
Trawl	63%	51%	28%	47%	42%	47%

BSAICD6.XLS

1991 - 1993 Estimated retained, discarded and total Pacific cod catch for each of three gear types, BSAI groundfish fisheries -- from Blend estimates							
1993 data is through 5/15/93							
TAC given is current (1993) or year-end DAP Apportionment							
1993							TAC
						--	164,500
			Retained	Discarded	Total	% of Total	% of TAC
	Longline		59,853	3,123	62,976	42.1%	38.3%
	Pot		2,090	38	2,128	1.4%	1.3%
	Trawl		82,740	21,710	84,460	56.5%	51.3%
	Total				149,564		
1992							TAC
							176,700
			Retained	Discarded	Total	% of Total	% of TAC
	Longline		99,856	2,171	102,027	49.5%	57.7%
	Pot		13,578	103	13,681	6.6%	7.7%
	Trawl		88,535	21,737	90,272	43.8%	51.1%
	Total				205,980		
1991							TAC
							194,650
			Retained	Discarded	Total	% of Total	% of TAC
	Longline		77,363	1,570	78,933	36.3%	40.6%
	Pot		6,498	175	6,673	3.1%	3.4%
	Trawl		116,123	15,562	131,685	60.6%	67.7%
	Total				217,291		

Fixed

62474
2128
65104
= 40%

Trawl
84450
+ 15,900
99450 ÷ 164 500
= 60%

DAVE FRASER

TRAWL COALITION COMMENTS ON AMENDMENT 24

To: Richard B. Lauber, Chair
North Pacific Fishery Management Council

From: Dave Fraser, American High Seas Fisheries Association
Sam Hjelle, American Factory Trawler Association
Gary Westman, Midwater Trawlers Cooperative
Phil Chitwood, Arctic Alaska Fisheries Corporation

Date: 18 June 1993

Re: Amendment 24 to the Bering Sea FMP

The above referenced representatives of associations and companies that engage in the Bering Sea trawl fisheries (the "trawl coalition") are writing to comment on Amendment 24 to the Bering Sea FMP. The amendment would preferentially allocate Pacific cod in the Bering Sea to fixed gear fishermen through one of the following measures: (1) a delayed start of the fishery until after the period of high trawl CPUE and low bycatch rates was over; (2) a division of the cod TAC into seasonal apportionments which would require trawlers to fish at times and/or in areas where their fishing operations are less productive; or (3) a direct preferential allocation of the cod TAC to fixed gear fishermen.

For the reasons set forth below, we are opposed to any of the three options identified above. As will be further explained, however, we would support a split of the cod TAC based on historical usage levels so as to stabilize the fishery while the Council develops its Comprehensive Rationalization Program for the Bering Sea groundfish fishery.

(1) <u>The trawl coalition opposes a delayed start in the fishery.</u> As clearly demonstrated in the EA/RIR, the late winter/early spring of the year is the time of highest cod productivity in trawl operations. It is the time of the year when CPUE rates are the highest and bycatch rates of halibut and other PSC species are lowest. For these reasons, the trawl coalition is opposed to any delay in the annual start date for the Bering Sea cod fishery - at least, for that portion of the fishery that is prosecuted by trawlers.

(2) <u>The trawl coalition opposes a seasonal apportionment of the cod TAC.</u> For the reasons set forth in #1 above, any shift of cod harvesting effort from the late winter/early spring time frame will result in lower overall catch rates and higher PSC catches for cod trawlers. The EA/RIR has identified no offsetting benefits that might accrue from such a seasonal split that

would counteract the lower CPUE/higher PSC bycatch problems. For these reasons we oppose a seasonal apportionment of the cod TAC - at least, for that portion of the cod TAC taken by trawlers.

(3) The trawl coalition opposes a preferential allocation of Bering Sea cod to fixed gear fisheries. The trawl coalition opposes a preferential allocation of Bering Sea cod to fixed gear fisheries for the following reasons:

(a) Preemption of Traditional Fisheries. Trawlers are the traditional users of Bering Sea cod. The Bering Sea cod fishery was developed by factory trawlers and catcher vessels. Indeed, trawlers had operated in the Bering Sea for nearly a decade before the factory longline fleet developed to any great extent (see attached table). Between 1981 and 1993 trawlers accounted for 75% of the total cod harvested in the area. The factory longline fleet was built after 1988 - after the cod fishery had been Americanized and after the Council had begun the development of a moratorium on further entry into the fishery. Since 1988, fixed gear catch rose from 2% of the quota to 40% in 1993. A preferential allocation of cod to longliners in the Bering Sea would further "preempt" the traditional fleet in the area.

(b) Diversity of Products and Markets. Trawlers produce a variety of products which includes a large and viable domestic fillet market - a market that they painstakingly developed during the early years of their fishery when foreign markets were unavailable. The longline fleet is highly dependent on one species (cod), one product form (H&G) and one market (Japan), while the trawl fleet has developed a much wider range of products and markets. This versatility allows trawlers to respond to changes in market conditions, exchange rates and other variables in a much more effective way - enabling the trawl fleet to be much more competitive in domestic and world markets than the highly specialized longline fleet.

(c) Bycatch Issues. Longliners are not a "cleaner gear type" than trawlers. Indeed, in 5 of the 8 fisheries in which both longliners and trawlers operate, trawlers have a lower halibut bycatch mortality per ton of groundfish than do longliners (see attached chart). While their halibut mortality rate may be marginally (.36%) lower than trawlers in the Bering Sea cod fishery, they have a 2.53% higher halibut mortality rate in the GOA sablefish fishery. Yet the Council has declared that fishery to be longline only. The fact of the matter is that the Council has never used relative halibut bycatch rates as an allocation criterion. If it did, GOA sablefish would have to be reallocated to trawlers and the BSAI cod fishery would have to be allocated to pot fishermen - not longliners!

(d) Impact on Local Communities. The trawl fleet contributes to the stability of local communities in Alaska. A significant percentage of the Bering Sea trawl catch of cod is landed in Alaska and processed in local communities. (According to the EA/RIR, only about 2% of the longline catch is delivered shoreside.) In addition, factory trawl operations have aggressively hired and trained western Alaskan residents to work on their vessels - providing a source of income and opportunity to local communities that are economically distressed (see attached letter).

(4) The trawl coalition would support an interim split of the cod TAC based on current usage levels. A split of the TAC based on "status quo" usage levels would be acceptable to the trawl coalition on a temporary basis in order to stabilize the fishery while the Council develops its Comprehensive Rationalization Plan. In 1993 trawlers will account for approximately 60% of the Bering Sea cod catch; fixed gear catch will total 40%.

If the TAC was split along status quo lines, the trawl coalition would have no objection to a delayed start of the fixed gear season and/or a seasonal apportionment of the fixed gear quota.

Under no circumstances should the catch history accrued during such an interim split count towards ITQ eligibility.

CATCH TABLE

Annual Distribution of BSAI DAH Pacific Cod Catch by Trawl and Fixed Gear, 1981-93

Year	Trawl	Fixed Gear
1981	23,256	27
1982	36,767	5
1983	55,747	25
1984	69,216	8
1985	87,046	49
1986	97,898	111
1987	101,387	1,478
1988	194,110	2,893
1989	154,264	14,116
1990	126,413	48,984
1991	131,688	86,376
1992 (adjusted)[1]	98,600	86,200
1993	97,619	66,881
TOTAL	1,274,011	307,153

Total Catch 1981 - 1993 = 1,581,164
% Trawl Gear = 80.58%
% Fixed Gear = 19.42%

Table.008/pmt

[1]Adjusted as per Table 2.2.1 of EA/RIR to reflect premature closure of trawl fishery due to miscalculation of halibut bycatch and failure to close longline fishery once halibut PSC was reached.

Comparative Halibut Bycatch Mo[illegible]in H&L and Trawl Fisheries

H&L	year	grfsh mt	hal mt	% Hal Catch	% Hal (Mortality)	Trawl	year	grfsh mt	hal mt	% Hal Catch	% Hal (Mortality)	difference
GOA LL Cod	91	7288.91	956.5	13.12%	2.10%	GOA Trwl Cod	91	56673.59	923.57	1.63%	0.90%	-1.20%
	92	15241.46	2398.36	15.74%	2.52%		92	54627.67	814.26	1.49%	0.82%	-1.70%
	93	8259.33	482.01	5.84%	0.93%		93	35972.67	737.62	2.05%	1.13%	0.19%
	91-93	30789.7	3836.87	12.46%	1.99%		91-93	147273.93	2475.45	1.68%	0.92%	-1.07%
GOA LL Rkfsh	91	602.61	59.5	9.87%	1.58%	GOA Trwl Rkfsh	91	19821.24	1216.12	6.14%	3.68%	2.10%
	92	1137.18	112.26	9.87%	1.58%		92	25419.8	794.11	3.12%	1.87%	0.29%
	93	471.66	61.14	12.96%	2.07%		93	2136.41	123.54	5.78%	3.47%	1.40%
	91-93	2211.45	232.9	10.53%	1.69%		91-93	47377.45	2133.77	4.50%	2.70%	*1.02%*
GOA LL Sable	91	20926.71	4145.71	19.81%	4.06%	GOA Trwl Sable	91	180.18	5.6	3.11%	1.71%	-2.35%
	92	21796.76	2734.99	12.55%	2.57%		92	116.77	4.65	3.98%	2.19%	-0.38%
	93	21913.93	7263.97	33.15%	6.80%		93	241.81	8.88	3.67%	2.02%	-4.78%
	91-93	64637.4	14144.67	21.88%	4.49%		91-93	538.76	19.13	3.55%	1.95%	-2.53%
GOA LL Deep	91	38.28	3.77	9.85%	1.58%	GOA Trwl Deep	91	17905.66	936.62	5.23%	2.88%	1.30%
	92	1.32	0.13	9.85%	1.58%		92	18302.4	906.64	4.95%	2.72%	1.15%
	93	0	0	0.00%	0.00%		93	0	0	0	0.00%	0.00%
	91-93	39.6	3.9	9.85%	1.58%		91-93	36208.06	1843.26	5.09%	2.80%	*1.22%*
BSA LL Cod	91	69188.79	2549.15	3.68%	0.66%	BSA Trwl Cod	91	93795.39	1818.47	1.94%	1.16%	0.50%
	92	103857.5	6587.55	6.34%	1.14%		92	66198.99	1595.98	2.41%	1.45%	0.30%
	93	68265.52	2075.39	3.04%	0.55%		93	104146.4	1851.65	1.78%	1.07%	0.52%
	91-93	241311.81	11212.09	4.65%	0.84%		91-93	264140.78	5266.1	1.99%	1.20%	*0.36%*
BSA LL Rkfsh	91	80.62	11.81	14.65%	2.64%	BSA Trwl Rkfsh	91	3637.03	43.64	1.20%	0.72%	-1.92%
	92	0.92	0.03	3.26%	0.59%		92	16549.07	185.54	1.12%	0.67%	0.09%
	93	105.88	18.8	17.76%	3.20%		93	20074.6	172.05	0.86%	0.51%	-2.68%
	91-93	187.42	30.64	16.35%	2.94%		91-93	40260.7	401.23	1.00%	0.60%	-2.34%
BSA LL Sable	91	3542.13	230.38	6.50%	1.17%	BSA Trwl Sable	91	52.48	1.38	2.63%	1.05%	-0.12%
	92	2830.76	170.73	6.03%	1.09%		92	30.85	0.64	2.07%	0.83%	-0.26%
	93	1474.51	147.31	9.99%	1.80%		93	0	0	0	0.00%	-1.80%
	91-93	7847.4	548.42	6.99%	1.26%		91-93	83.33	2.02	2.42%	0.97%	-0.29%
BSA LL Turbot	91	31.95	0.53	1.66%	0.30%	BSA Trwl Turbot	91	6749.51	319.57	4.73%	1.89%	1.60%
	92	97.4	13.39	13.75%	2.47%		92	0	0	0.00%	0.00%	-2.47%
	93	2653.67	305.31	11.51%	2.07%		93	25.86	0.06	0.23%	0.09%	-1.98%
	91-93	2783.02	319.23	11.47%	2.06%		91-93	6775.37	319.63	4.72%	1.89%	-0.18%

Negative numbers in the final column indicate trawl halibut rates are less than H&L rates
Positive numbers in the final column indicate H&L halibut rates are less than trawl rates

91 LL rate	jan-may	june-aug	sept-dec
bsa cod	1.66%	4.81%	5.14%
92 LL rate	jan-may	june-aug	sept-dec
bsa cod	6.84%	11.33%	3.15%

6/16/9310:51 PM

COMPARATIVE BYCATCH MORTALITY

GKV & Sons

GALE K. VICK
P.O. BOX 220221
ANCHORAGE, ALASKA 99522-0221
(907) 248-4264 (phone) (907) 248-3652 or 561-4315 (fax)

DATE: JUNE 21, 1993

TO: RICHARD B. LAUBER, CHAIRMAN
NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL
C/O THE WESTMARK HOTEL
KODIAK, ALASKA

RE: PACIFIC COD ALLOCATIONS

I am writing on behalf of the work I do as a training consultant in Western Alaska through the Bering Sea Commercial Fisheries Development Foundation. For the past two years I have developed and organized introductory training for over 150 people in Western Alaska to work on processing ships in the Bering Sea and Gulf of Alaska. Approximately fifty of our graduates have worked on boats which have fished for Pacific cod.

The Foundation may be training as many as 240 additional people from Western Alaska before July 1994. In addition, the Foundation, along with the CDQ partners, identifies and recommends experienced Western Alaskans for direct hire on fishing vessels. Many of the upcoming graduates as well as direct hires will depend upon income made during the Pacific cod season.

It has been my experience, and part of the rationale for creating the Foundation, that Alaskans in general and specifically rural residents are cut off from the kind of information and physical access that has been necessary to work on processing ships. The American Factory Trawler Association has really made a determined effort to correct this by a commitment to training and hiring from Western Alaska. No other group has yet joined them in this effort.

We see this as only the beginning.

I urge you to consider the impact of job availability to Western Alaskans. I would like our graduates to speak for themselves but almost everyone is out working and unavailable for comment.

Thank you very much for your time.

Sincerely,

Gale K. Vick
GKV & Sons
Anchorage

Hughes/Graham

TRAWL GEAR COALITION

To: Richard B. Lauber, Chair
North Pacific Fishery Management Council

From: Dave Fraser, American High Seas Fisheries Association
Sam Hjelle, American Factory Trawler Association
Gary Westman, Midwater Trawlers Cooperative
Phil Chitwood, Arctic Alaska Fisheries Corporation

Date: 18 June 1993

Re: Industry Cod Negotiations

We have read with interest the letter to you from the negotiators for the fixed gear coalition regarding the recent industry cod negotiations. We generally agree with their description of the process that was followed and the various offers by the two sides.

The problem we were both attempting to address was a temporary division of the BSAI cod TAC in order to provide some stability to the industry while the Council develops its Comprehensive Rationalization Plan. The proposals by the trawl group called for a TAC split based on demonstrated usage of the fishery. Our first offer (75% trawl/25% fixed gear) is the average of the historical catch from 1982 to 1993. Our second proposal (67.5% trawl/32.5% longline) is the average catch from 1988 to 1993 - an approach that ignores seven years of trawl catch history. Our third offer was to split the TAC in half, after setting aside the incidental cod catch needed for other BSAI fisheries. Our fourth proposal was for a split based on the status quo - an approach that would freeze the two fleets at their current levels until Comprehensive Rationalization can be implemented.

As the fixed gear group indicated in their letter, they were unwilling to consider a TAC split that did not make them economically viable by transferring large quantities of the TAC from us to them. We, on the other hand, were unwilling to subsidize their bad business decisions at our own expense. Especially when those decisions were made <u>after</u> our fleet had fully developed the fishery and <u>after</u> the Council had begun the process of developing a moratorium on new entrants.

The fixed gear group's final proposal (attached to their letter) contained some interesting elements that would have increased utilization and reduced waste in the cod fishery by both sides. But, as we explained to the fixed gear group at the negotiations, those elements (such as mandatory retention) have not been examined in the EA/RIR and are not part of the current

amendment package. Further analysis and additional time and other resources would have been required to develop those proposals and would have only served to further delay the Comprehensive Rationalization process. It was and remains our belief that the Comprehensive Rationalization Plan will lead to increased utilization and reduced waste as well, and that the system is better served if Council staff time and resources are used to pursue a comprehensive solution to all of these issues rather than dealing with them on a piecemeal basis. This was all explained to the fixed gear group in our response to their fourth offer (see attached).

In a June 9, 1993, letter to the Chair of the Pacific Fishery Management Council, Commerce Secretary Ron Brown says, "National Standard 4 of the Magnuson Act requires that fishery allocation decisions be fair and equitable to all U.S. fishermen. Our implementing regulations interpreting this standard provide that when allocations depart from the status quo, any restructuring of the fishery privileges must maximize overall benefits to the Nation."

We are reluctant to disinherit ourselves from our lengthy catch histories. Nevertheless, we remain willing to discuss a temporary division of the TAC consistent with Secretary Brown's directive, one that preserves the status quo and maximizes the benefits to the nation. We believe our previous offers to the fixed gear group were designed to accomplish those objectives and were disappointed that the fixed gear group would not consider them. Conversely, nothing in the fixed gear proposals is consistent with the Secretary's ruling. Each of their proposals involved significant transfers of resource away from current users, and each of their proposals would have resulted in a net loss to the nation.

We ask that you take these comments into account as you consider this issue next week.

Trawl Group Response to June 4, 1993
Proposal by Fixed Gear Group

The trawl group supports many of the concepts outlined in the fixed gear group's proposal of June 4, 1993. Increased utilization and a reduction of waste in all fisheries should be an objective of the fishery management system. It is for this reason that the various components of the trawl fleet represented at these negotiations have enthusiastically endorsed the development and implementation of a comprehensive management system as quickly as possible. An ITQ system would, for example, deal with all seven of the items set forth in the fixed gear group's proposal in the most effective and rationale way.

Unfortunately, none of the items set forth in the fixed gear group's proposal of June 4, 1993, is contained in the array of alternatives currently before the Council in Amendment 24, and none of the items have been analyzed in the EA/RIR. The items are not, therefore, "on the table" insofar as the Council's authority to take action on this amendment package is concerned.

Nor are the items within the negotiating authority of the trawl representatives and the negotiators. The Council's direction to this group was to see if some consensus could be reached on a split of the cod TAC, and that is what we have been authorized to negotiate. An altogether different approach (such as the fixed gear group has proposed) would require additional interests to be represented at the negotiations, certainly including shoreside processors.

While it might be possible to consider the issues raised in the fixed gear group's proposal as part of a new amendment package and analysis[1], we continue to believe that such efforts to deal with these issues on a case-by-case basis is in and of itself a waste of valuable time and other resources available to the Council, its staff, NMFS and the industry. These resources could be more productively used in the development of a comprehensive management system. As long as the Council is diverted from that most important task, rationalization of the fisheries is only further delayed.

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[1]Other elements that could be incorporated in such an amendment would include: King crab and bairdi PSC limits on the cod pot fishery; 100% observer coverage on pot vessels; caps on the number of birds taken in longline operations; halibut retention requirements on freezer longliners; deduction of cod used as bait in the crab fishery from the fixed gear quota; trawl mesh size regulations; etc.

You have not responded to our most recent offer to split the cod TAC between the two gear groups. We remain interested in and willing to discuss some sort of split based on the "status quo" of the industry at this time -- a split that freezes the various components of the trawl and fixed gear fleets at their current utilization levels until such time that the Council can develop and implement the comprehensive rationalization plan.

ATrawl.008/pmt