


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke
Executive Director 

DATE: September 22, 1994

SUBJECT: Inshore/Offshore

ESTIMATED TIME
1 HOUR

ACTION REQUIRED

Identify elements and alternatives for analysis of inshore/offshore and CDQ rollover.

BACKGROUND

In April the Council directed staff to begin work on an analysis of the rollover of inshore/offshore, and the associated pollock CDQ program, which are now scheduled to expire at the end of 1995. In June you indicated that the alternatives we should be examining would be: (1) no rollover of inshore/offshore - the program would expire at the end of 1995, and (2) continuation of the current program, as is. We had hoped to begin this analysis already, but have not due to the press of completing the license limitation analyses. Formal work on this proposal will begin this fall, so we need to be certain that we have the final alternatives identified. The primary elements of the existing program are included as Item C-7(a).

A fully developed gameplan for completing this analysis will be provided in December.

**The Inshore/Offshore Preferred Alternative for the GOA and BSAI
as Approved by the Council in June 1991**

Note: The Secretary of Commerce (SOC) partially approved these amendments (18/23) on March 4, 1992. The SOC rejected the BSAI allocations for 1993-1995.

**A Comprehensive Fishery Rationalization Program for the Groundfish and Crab Resources of the
Gulf of Alaska and the Bering Sea and Aleutian Islands:**

1. **Moratorium.** The Council reiterates its intention to develop and implement as expeditiously as possible a moratorium, including implementation by emergency action at the soonest possible date.
2. **Definitions, Rules, and Allocation.** Relative to definitions, rules and allocations for inshore and offshore components of the Gulf of Alaska (GOA) pollock and Pacific cod fisheries and the Bering Sea and Aleutian Islands (BSAI) pollock fisheries:

A. Definitions

The following definitions shall apply:

Offshore: The term "offshore" includes all catcher/processors not included in the inshore processing category and all motherships and floating processing vessels which process groundfish [pollock in the BSAI or pollock and/or Pacific cod in the GOA] at any time during the calendar year in the Exclusive Economic Zone.

Inshore: The term "inshore" includes all shorebased processing plants, all trawl catcher/processors and fixed gear catcher/processors whose product is the equivalent of less than 18 metric tons round weight per day, and are less than 125 feet in length, and all motherships and floating processing vessels, which process pollock in the BSAI or pollock and/or Pacific cod in the GOA at any time during the calendar year in the territorial sea of Alaska.

Trawl Catcher/Processor: The term "trawl catcher/processor" includes any trawl vessel which has the capability to both harvest and process its catch, regardless of whether the vessel engages in both activities or not.

Mothership/Floating Processing Vessel: The term "mothership" or "floating processing vessel" includes any vessel which engages in the processing of groundfish, but which does not exercise the physical capability to harvest groundfish.

Harvesting Vessel: The term "harvesting vessel" includes any vessel which has the capability to harvest, but does not exercise the capability to process, its catch on a calendar year basis.

Groundfish: The term "groundfish" means pollock and/or Pacific cod in the GOA and pollock in the BSAI.

B. Rules

The following rules shall apply to both the Gulf of Alaska, and the Bering Sea and Aleutian Islands:

1. Each year, prior to the commencement of groundfish processing operations, each mothership, floating processing vessel, and catcher-processor vessel will declare whether it will operate in the inshore or offshore component of the industry. A mothership or floating processing vessel may not participate in both, and once processing operations have commenced, may not switch for the remainder of the calendar year. For the purpose of this rule, the Gulf of Alaska, the Bering Sea and the Aleutian Islands are viewed as one area, and groundfish applies to all of the species combined which have been allocated to one component or the other.

2. A mothership or floating processing vessel which participates in the inshore component of the industry shall be limited to conducting processing operations on pollock and Pacific cod, respectively, to one location inside the territorial sea, but shall be allowed to process other species at locations of their choice.

3. If during the course of the fishing year it becomes apparent that a component will not process the entire amount, the amount which will not be processed shall be released to the other components for that year. This shall have no impact upon the allocation formula.

4. Harvesting vessels can choose to deliver their catch to either or both markets (e.g. inshore and offshore processors); however, once an allocation of the total allowable catch (TAC) has been reached, the applicable processing operations will be closed for the remainder of the year unless a surplus reapportionment is made.

5. Allocations between the inshore and offshore components of the industry shall not impact the United States obligations under the General Agreement on Tariffs and Trade.

6. Processing of reasonable amounts of bycatch shall be allowed.

7. The Secretary of Commerce would be authorized to suspend the definitions of catcher/processor and shoreside to allow for full implementation of the Community Development Quota program as outlined in the main motion.

C. Allocations

The following allocations shall apply:

a. Gulf of Alaska

Pollock: One hundred percent of the pollock TAC is allocated to harvesting vessels which deliver their catch to the inshore component. Trawl catcher/processors will be able to take pollock incidentally as bycatch.

Pacific cod: Ninety percent of the TAC is allocated to harvesting vessels which deliver to the inshore component and to inshore catcher/processors; the remaining ten percent is allocated to offshore catcher/processors and harvesting vessels which deliver to the offshore component. The percentage allocations are made subarea by subarea.

b. **Bering Sea/Aleutian Islands**

Pollock: The Bering Sea/Aleutian Islands pollock TAC shall be allocated as follows:

A phase-in period for the BSAI with an allocation of the pollock TAC in the BSAI as follows:

| | <u>Inshore</u> | <u>Offshore</u> |
|--------|----------------|-----------------|
| Year 1 | 35% | 65% |
| Year 2 | 40% | 60% |
| Year 3 | 45% | 55% |

Bering Sea Harvesting Vessel Operational Area: For pollock harvesting and processing activities, a harvesting vessel operational area shall be defined as inside 168° through 163° West longitude, and 56° North latitude south to the Aleutian Islands. Any pollock taken in this area in the directed pollock fishery must be taken by harvesting vessels only, with the exception that 65% of the at-sea "A" season pollock allocation available to the offshore segment may be taken by the offshore segment in the operational area.

3. Western Alaska Community Quota. For a Western Alaska Community Quota, the Council instructs the NMFS Regional Director to hold 50% of the BSAI pollock reserve as identified in the BSAI Groundfish Fishery Management Plan (FMP) until the end of the third quarter annually. This held reserve shall be released to communities on the Bering Sea Coast who submit a plan, approved by the Governor of Alaska, for the wise and appropriate use of the released reserve. Any of the held reserve not released by the end of the third quarter shall be released according to the inshore and offshore formula established in the BSAI FMP. Criteria for Community Development Plans shall be submitted to the Secretary of Commerce for approval as recommended by the State of Alaska after review by the NPFMC.

The Western Alaska Community Quota program will be structured such that the Governor of Alaska is authorized to recommend to the Secretary that a Bering Sea Rim community be designated as an eligible fishing community to receive a portion of the reserve. To be eligible a community must meet the specified criteria and have developed a fisheries development plan approved by the Governor of the requesting State. The Governor shall develop such recommendations in consultation with the NPFMC. The Governor shall forward any such recommendations to the Secretary, following consultation with the NPFMC. Upon receipt of such recommendations, the Secretary may designate a community as an eligible fishing community and, under the plan, may release appropriate portions of the reserve.

4. Other Alternatives to be Considered. Commencing immediately, the Council instructs its staff and the GOA and BSAI plan teams, with the assistance of the Alaska Fisheries Science Center, the Alaska Regional Office of the National Marine Fisheries Service, the Scientific and Statistical Committee and Advisory Panel, to undertake the development of alternatives for the Council to consider to rationalize the GOA and BSAI groundfish and crab fisheries under the respective FMPs. The following alternatives shall be included but not limited to:

1. ITQs
2. License Limitation
3. Auction
4. Traditional Management Tools
 - a. Trip Limits
 - b. Area Registration
 - c. Quarterly; Semi Annual or Tri-annual allocations

- d. Gear Quotas (hook and line, pots etc.)
- e. Time and area closures
- f. Seasons
- g. Daylight only fishing
- 5. Continuation of inshore/offshore allocation
- 6. Implementation of Community Development Quotas
- 7. No Action

The Executive Director of the Council, on behalf of the Council, shall immediately solicit from the Council family and other interested parties ideas in addition to those identified above for rationalization of these fisheries. This request should ask for ideas to be submitted by September 30, 1991.

5. **Duration.** If by December 31, 1995, the Secretary of Commerce has not approved the FMP amendments developed under item IV above, the inshore/offshore and Western Alaska Community Development Quotas shall cease to be a part of the FMPs and the fisheries shall revert to the Olympic System.

Elements of the Revised Inshore/Offshore Allocation Plan for the BSAI
(as approved by the Council in August 1992)

Note: The SOC, on November 23, 1993, partially approved this revised amendment, disapproving that part of the recommended inshore allocation that exceeded 35% for 1994 and 1995. These changes shown in shaded text.

The Council's preferred alternative constitutes a revision and resubmission of Amendment 18 to the BSAI FMP and has the following elements:

1. The BSAI pollock TAC will be allocated as follows:

| <u>Year</u> | <u>Inshore</u> | <u>Offshore</u> |
|-------------|----------------|-----------------|
| 1993 | 35.0% | 65.0% |
| 1994 | 37.5% | 62.5% |
| 1994 | 35.0% | 65.0% |
| 1995 | 37.5% | 62.5% |
| 1995 | 35.0% | 65.0% |

These percentage allocations apply to the TAC after subtracting 7.5 percent of the TAC for the Western Alaska Community Development Quota program, previously approved by the Secretary for 1992-1995.

2. A Catcher Vessel Operational Area is defined for pollock harvesting and processing during the pollock "B" season (starting on June 1 unless changed), encompassing the area between 168 and 163 degrees W. longitude, and 56 degrees N. latitude south to the Aleutian Islands. The following operational rules apply to the CVOA:
 - a. Shore-based catcher vessels delivering pollock from a directed fishery to inshore plants or inshore motherships may operate in the CVOA if an inshore allocation remains unharvested.
 - b. Offshore motherships and their associated catcher vessels also may operate in the CVOA if an offshore-allocation remains unharvested.
 - c. Offshore catcher-processors cannot target on pollock in the CVOA during the "B" season.
 - d. Access to the CVOA is unrestricted during the pollock "A" season.
3. If during the fishing year it becomes apparent that either the inshore or offshore sector cannot fully harvest its allocation, the excess shall be released to the other component, without affecting the allocation formula in future periods.
4. The definitions and operating rules approved in the original Amendment 18 remain applicable during 1993-1995, except as revised above.