


MEMORANDUM

TO: Council, SSC and AP Members

FROM: Clarence G. Pautzke  
Executive Director 

DATE: April 9, 1998

SUBJECT: Community Development Quotas

ESTIMATED TIME  
2 HOURS

**ACTION REQUIRED**

- (a) Status of implementation.
- (b) CDQ Implementation Committee Report.
- (c) Initial review of BSAI Amendment 45 - continuation of BSAI Pollock CDQ Program.

(a) Status of Implementation

Sally Bibb, NMFS CDQ Coordinator, will present a report on the status of the multi-species CDQ program. Numerous changes have been made to the final rule in response to 87 comments received on the proposed rule. The draft final rule was sent to NMFS HQ for review on March 16. The target date for publication is the week of the April Council meeting, but NMFS review may take longer. Community Development Plans (CDPs) would be due by July 1 and NMFS would make a decision on approval of CDPs by mid-September. The earliest target date for MS-CDQ fishing would be October 1.

(b) CDQ Implementation Committee Report

At the February 1998 meeting, the Council formed a CDQ Implementation Committee, comprised of agency and CDQ representatives. The committee identified its goal of reviewing implementation issues that may need to be addressed in future amendments to the program. The committee minutes are attached as Item C-4(b). A second meeting is scheduled for May 1 in Juneau.

(c) Initial review of amendment to continue BSAI pollock CDQ program

BSAI Plan Amendment 45 would recommend that the Secretary extend the pollock CDQ program at the existing level of 7.5 percent of the pollock TAC, without a sunset date. BSAI pollock are included in the multi-species CDQ program scheduled for implementation later this year.

The MSFCMA limits the amount of TAC that may be allocated to a pollock CDQ reserve to not more than 7.5 percent of the TAC through October 1, 2001. In September 1997, the Council decided to limit the alternatives in the reauthorization of the pollock CDQ program to the "no action" alternative and continuation of the pollock CDQ program, without a sunset date, at 7.5 percent. The analysis was mailed on April 13, 1998. The alternatives include:

Alternative 1: No action.

Alternative 2: Permanently extend the BSAI pollock CDQ program at 7.5 percent of the total allowable catch.

**Community Development Quota Implementation Committee  
Meeting Minutes  
March 23, 1998**

The CDQ Implementation Committee meeting convened Monday, March 23, at 11:00 am at the NMFS Regional Office, Juneau. Members attending were CAPT Vince O'Shea (chairman), Julie Anderson, Sally Bibb, Larry Cotter, Glenn Haight, John McNair, and Paul Peyton. Staff present were Jane DiCosimo, Steve Pennoyer, Ron Berg, Sue Salvesson, Galen Tromble and Bill Karp.

The committee started the meeting by discussing that its goal was to not impede implementation of the multispecies CDQ program while reviewing implementation issues that may need to be addressed in the future. The committee discussed a time line to address these implementation issues.

Sally Bibb, NMFS CDQ Coordinator briefed the committee on the status of the multispecies (MS) CDQ final rule. Numerous changes had been made to the final rule in response to 87 comments received on the proposed rule. The draft final rule was sent to NMFS HQ for review on March 16. The target date for publication is the week of the April Council meeting, but NMFS review may take longer. Community Development Plans (CDPs) would be due by July 1 and NMFS would make a decision on approval of CDPs by mid-September. The earliest target date for MS-CDQ fishing would be October 1. Ms. Bibb also answered questions related to the use of scales and she and Dr. Karp addressed questions related to observer coverage and requirements.

The committee went on to discuss the implementation issues listed in the January 28, 1998 letter to Steve Pennoyer and signed by Paul Peyton and Larry Cotter, and additional issues added to the agenda.

Small-boat halibut fishery This issue generated much discussion and was ranked as a high priority issue for the committee, and ultimately the Council, to address. For the remainder of 1998, the halibut and sablefish CDQ programs will stay under separate regulations and be managed by the Restricted Access Management (RAM) Division. The pollock and fixed gear sablefish CDQ fisheries will be incorporated into the MS-CDQ program in 1999. However, in response to public comment on the PR, NMFS has decided that the process for integrating the halibut CDQ fisheries into the multispecies CDQ program should be addressed in a separate regulatory amendment package. The mostly small-boat fishery is currently exempt from most observer and recordkeeping and reporting requirements. Groundfish bycatch in this fishery is minimal and may not warrant the high costs to the agency and industry for full accountability.

25% interim CDQ based on interim specifications CDQ groups are concerned that 25% of the interim TACs may not be sufficient to support CDQ fisheries early in the year. Jane DiCosimo informed the committee that under proposed Amendments 48/48 to revise the annual specification process scheduled for final action in April 1998, interim specifications would be eliminated and in-season management authority would be revised (and the 25% interim release of TAC would be eliminated). The committee agreed that under Amendments 48/48, this was no longer an issue.

Overage allowance and limiting bycatch species CDQ groups agreed that overages and bycatch must be counted. The committee discussed, however, whether the 7.5% allocation to the CDQ program was inviolate or was a guideline to which the CDQ groups should strive, particularly for species where OFL, ABC, or TAC were not being approached. NMFS has drafted the MS CDQ regulations under the assumption that the 7.5% allocation to the CDQ program must not be exceeded for any groundfish or prohibited species or species group. The committee discussed whether the CDQ fishery should be treated differently than open access fisheries, such that the 7.5% allocation should be managed as a cumulative allocation rather than to species-specific allocations. The committee identified that squid, other species, arrowtooth flounder, and rockfish bycatch could close valuable directed fisheries. The committee discussed the possibility of (1) PSC status, or (2) not allocating some species or species groups to the CDQ program in order to reduce the number of species groups that the CDQ fisheries would be held strictly accountable for. However, the Magnuson-Stevens Act language requiring the allocation

of "a percentage of the total allowable catch of any Bering Sea fisheries" to the CDQ program may not allow the second option. Observer coverage requirements were also identified as problematic for some CDQ groups, in some remote locations, for minimal groundfish offloadings. Staff suggested that aspects of the weighmaster proposal might address some observer-related issues. The committee identified these as high priority issues.

Jan 1-20 trawling ban The CDQ groups would like the option of starting CDQ trawl fisheries on January 1. The committee agreed that fair start issues were not relevant to the CDQ program and that the CDQ fisheries could start earlier in the year, unless other biological or environmental concerns are identified. The committee identified this as a high priority issue, but NMFS advised that it was unlikely that a regulatory amendment could be implemented for January 1, 1999.

Fishing IFQ/CDQ together or two CDQs together The PR would prohibit fishing (1) IFQ and CDQ together in the same set on an observed vessel, and (2) splitting catch from one haul or set among two or more CDQ groups. NMFS stated that these prohibitions have not been changed in the draft FR due to the complexity of requiring observer's to account for catch at a finer level than the haul or set and the complexity of applying the different catch accounting requirements of the CDQ program and the IFQ program to fish in the same set. In addition, NMFS stated that allowing splitting hauls and sets between two CDQ groups could allow one CDQ group to claim the CDQ species in a haul or set and another CDQ group to claim the PSQ species. Although this would not be an actual transfer of PSQ from one group to another, it would allow a CDQ group to catch CDQ even if they had no PSQ remaining to support their groundfish CDQ fisheries. The committee was less concerned about two CDQs being fished together, but felt that the practice of fishing an IFQ and CDQ together was of vital importance and should be allowed. These issues would be discussed as separate issues at the next meeting.

Items 1-8 in letter The committee deferred discussion on the remaining items in the letter until the final rule was published.

CDQ Fees The committee wishes to review the CDQ Fee program, but will defer this discussion until the NMFS discussion paper scheduled for review by the Council at its April 1998 meeting is available to the public. Some committee members do not support a fee based on ex-vessel value. In some cases, the fee could exceed the CDQ royalty.

Next Meeting The committee has scheduled its next meeting for May 1 at the NMFS Regional Office, Juneau. Ms. Bibb has agreed to prepare a discussion paper to address the following high priority issues: 1) halibut small-boat fleet composition and enforcement issues related to possibly moving the program out of the RAM Division; 2) flexibility in accounting for CDQ bycatch species and the Magnuson Act bycatch requirements; 3) data issues related to splitting hauls/sets and catching IFQ/CDQ together; and 4) how halibut mortality rate assumptions will be applied in the CDQ fisheries. The committee will also schedule discussion of CDQ fees, other deferred issues, and those identified after publication of the final rule.

The committee adjourned at approximately 4:45 pm.



UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
National Marine Fisheries Service  
P.O. Box 21668  
Juneau, Alaska 99802-1668

AGENDA C-4  
APRIL 1998  
Supplemental

March 31, 1998

RECEIVED  
APR - 6 1998  
N.P.F.M.C.

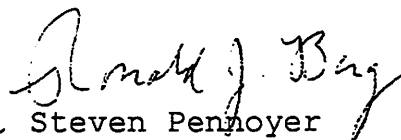
Richard Lauber, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

Dear Mr. <sup>Rick</sup> Lauber:

On February 20, 1998, NMFS received recommendations from the State of Alaska for approval of the six Community Development Plans (CDPs) submitted by the Community Development Quota (CDQ) groups for the 1998-2000 allocations of CDQ reserves for Pacific halibut, fixed gear sablefish, and crab. NMFS has reviewed the record and determined that the recommendations are consistent with the community eligibility criteria and the evaluation criteria set forth in subpart C of 50 CFR 679.

I am pleased to announce, therefore, that the State's recommendations are approved. Table 1 summarizes the percentage allocations of Pacific halibut, fixed gear sablefish, and crab CDQ for each CDQ group. A notice of this decision was published in the Federal Register on March 25, 1998, (63 FR 14379).

Sincerely,



Steven Pennoyer  
Administrator, Alaska Region

cc: Governor Knowles  
Commissioner Sedwick, ADCED  
Commissioner Rue, ADFG



Table 1. 1998-2000 Percentage Allocations of Pacific Halibut, Fixed Gear Sablefish, and Crab CDQs.

CDQ Allocation	Community Development Quota Group <sup>1/</sup>					
	APICDA	BBEDC	CBSFA	CVRF	NSEDC	YDFDA
<b>Halibut</b>						
Area 4B	100%	0%	0%	0%	0%	0%
Area 4C	10%	0%	90%	0%	0%	0%
Area 4D	0%	23%	0%	24%	26%	27%
Area 4E	0%	30%	0%	70%	0%	0%
<b>Fixed Gear Sablefish</b>						
Aleutian Islands	15%	20%	0%	30%	20%	15%
Bering Sea	15%	22%	18%	0%	20%	25%
<b>Crab</b>						
Bristol Bay Red King Crab	20%	20%	0%	20%	20%	20%
Norton Sound Red King Crab	0%	0%	0%	0%	50%	50%
Pribilof Red & Blue King Crab	0%	0%	100%	0%	0%	0%
St. Matthew Blue King Crab	50%	12%	0%	12%	14%	12%
Bering Sea C. opilio crab	10%	19%	19%	17%	18%	17%
Bering Sea c. bairdi crab	10%	19%	19%	17%	18%	17%

<sup>1/</sup> APICDA = Aleutian Pribilof Island Community Development Association

BBEDC = Bristol Bay Economic Development Corporation

CBSFA = Central Bering Sea Fishermen's Association

CVRF = Coastal Villages Region Fund

NSEDC = Norton Sound Economic Development Corporation

YDFDA = Yukon Delta Fisheries Development Association

## Status of the Multispecies CDQ Program Implementation

### A. CDQ Program Management Team (Sustainable Fisheries Division)

Sally Bibb, CDQ Program Coordinator  
Alan Kinsolving, At-Sea Scales Program Coordinator  
CDQ Program Management Specialist (in-season management)  
Pam Mason, Computer Specialist

The Observer Program Office (OPO) also will assign specific staff to MS CDQ program implementation and management tasks.

### B. Schedule for MS CDQ Implementation

#### 1998 To Date:

- February 4 Published final rule with performance and technical requirements for at-sea scales (no vessels required by this rule to have a scale).
- February 19 Published final rule allocating CDQ reserves for crab and multispecies groundfish (rest of groundfish species and prohibited species). These amounts are held out of 1998 fisheries for MS CDQ later in the year.
- March 23 Approved CDPs for 1998-2000 crab and fixed gear halibut and sablefish CDQs.
- April 2 Published information bulletin clarifying that scale inspections can start on June 1, but scales currently are not required on any vessel. The MS CDQ final rule likely will include requirements for scales and observer sampling stations (which includes a platform scale). Both scales need to be inspected and vessel owners obtaining scale inspections before the final rule is published will be responsible to meet the requirements in the final rule. Note location of observer sampling station relative to scale weighing total catch.

1998 - Projected Schedule (assumes FR approved by DOC)

- April 20 Council meeting  
-State will present opilio bycatch allocation recommendation  
- Initial review of FMP amendment authorizing pollock CDQ reserve allocation after 1998.
- May ? Publish MS CDQ final rule (with 30 day delayed effectiveness).
- May 1 Meeting of Council's CDQ Implementation Committee.
- May NMFS receives applications from scale manufacturers to have their scale placed on the list of eligible at-sea scales. Requires submission of general information about the scale and documentation that the scale has successfully completed required laboratory tests. Scales must be on the list of eligible scales before NMFS or the State of Alaska will inspect that model of scale installed on a vessel. No scales currently are on the list of eligible at-sea scales.
- Finalize contract with State for scale inspections.
- June 1 At-sea scales inspections can begin  
Expect to conduct about 10 scale inspections on trawl catcher/processors in Seattle before 7/1/98 and others in Seattle or Dutch Harbor later in the year.
- MS CDQ FR will require trawl catcher/processors and motherships to have an approved scale to fish in the MS CDQ fisheries in 1998 and in the pollock CDQ fisheries in 1999.
- MS CDQ FR will require ALL processor vessels to have an observer sampling station for MS CDQ fishing in 1998 and pollock CDQ fishing in 1999.
- Inspection of observer sampling stations will be conducted by OPO staff and cannot begin until after the MS CDQ FR is published - no date specified as yet.
- June 8 June Council meeting  
- Final action on FMP amendment authorizing pollock CDQ reserve allocation after 1998.
- July 1 MS CDQ Community Development Plans due to NMFS.  
(may adjust date depending on when FR published).
- NMFS will review CDPs and fishing plans for specific vessels and processors. MS CDQ final rule will specify NMFS's preferred or standard sources of CDQ catch estimates for each vessel/processor type (based primarily on observer data

for all observed vessels). CDQ groups may submit proposed alternative catch accounting plans to NMFS in the fishing plan section of the proposed CDP. NMFS will review and approve if meet conditions specified in regulations.

- July-August Conduct workshop with CDQ groups and industry participants to explain reporting and other requirements for MS CDQ fishing.
- Sept. 15 NMFS approves multispecies groundfish CDQ allocations for 1998-2000.
- October 1 Multispecies groundfish CDQ fishing can begin (this date will be specified in the final rule):
- For all vessels and processors in multispecies groundfish CDQ fisheries (doesn't include pollock, fixed gear halibut and sablefish in 1998)
  - CDQ observers required
  - scales required on c/ps and motherships
  - observer sampling stations on all processor vessels
  - retention of all CDQ species by trawl catcher vessels
  - full retention of CDQ species or use of observer data for longline catcher vessels.
  - CDQ delivery reports and CDQ catch reports must be submitted
- October 5 Council meeting
- State recommendations on pollock CDQ allocations for 1999-2000
  - Review any regulatory changes proposed for 1999 (halibut CDQ fishery, etc.)
- Oct-Nov NMFS reviews pollock CDQ allocations recommendations and amendments to MS CDP to include pollock.
- November 30 FR authorizing continuation of pollock CDQ reserves and announcing approval of pollock CDQ allocations must be published (to be effective by January, 1999).
- Nov-Jan 1999 Scale inspections for c/ps and motherships in the 1999 pollock CDQ fisheries will be conducted upon request.



### C. Current and Projected Number of Participants in MS CDQ Fisheries

- ▶ 6 CDQ groups
- ▶ 39 trawl catcher/processors or motherships
  - 22 c/ps and 2 motherships currently in pollock CDQ
  - 15 additional c/ps could participate in MS CDQ
- ▶ 10 longline catcher/processors in MS CDQ, including sablefish
- ▶ 28 trawl catcher vessels
  - 19 currently delivering pollock CDQ to shoreplants
  - 5 currently delivering pollock CDQ to motherships in unsorted codends
  - up to 4 more expected for MS CDQ
- ▶ 5 longline catcher vessels  $\geq$  60' LOA in halibut or sablefish CDQ
- ▶ 240 longline catcher vessels  $<$  60' LOA in halibut CDQ only
- ▶ 3 shoreside processors currently in pollock CDQ and make take deliveries of MS CDQ groundfish
- ▶ 20 registered buyers taking delivery of halibut CDQ (some also may be groundfish processors)

### D. Projected CDQ Fishing Seasons

See attached figure.

### E. Proposed Catch Monitoring Requirements by Vessel and Processor Category

See attached Table 1

Table Summary of Proposed Monitoring Requirements for the Multispecies Groundfish CL Program

Vessel/ Processor Type	Vessel Length/ Other Characteristics	Gear	CDQ Observer Required?		Sampling Station Including Platform Scale	At-Sea Scale to Weigh Total Catch	Catch that must be retained until weighed	Source of CDQ Catch Estimates			
			Lead	Other				CDQ	Salmon PSQ	Crab PSQ	Halibut PSQ
Catcher Vessels	< 60 ft.	Trawl	N	N	N	N	CDQ salmon PSQ	DR	DR	DR	DR
	Unsorted codends	Trawl	N	N	N	N	CDQ, PSQ	Obs	Obs	Obs	Obs
	< 60 ft.	Non-Trawl	N	N	N	N	CDQ	DR	NA	NA	DR

Catcher Vessels  OR	>= 60 ft.	Trawl	Y	N	N	N	CDQ salmon PSQ	DR (s) Obs (m)	DR (s) Obs (m)	Obs	Obs
	>= 60 ft. OPTION 1: retain all CDQ	Non-Trawl	Y	N	N	N	CDQ	DR	NA	NA	Obs
	>= 60 ft. OPTION 2: able to discard	Non-trawl	Y	N	Y	N	Obs. samples	Obs	NA	NA	Obs

Catcher/ Processors and Motherships	all lengths	Trawl c/p all mships	Y	Y	Y	Y	all CDQ PSQ	Obs	Obs	Obs	Obs
---	-------------	----------------------------	---	---	---	---	----------------	-----	-----	-----	-----

Catcher/ processors	all lengths	HAL	Y	Y *	Y	N	Obs. samples	Obs	NA	NA	Obs
------------------------	-------------	-----	---	-----	---	---	--------------	-----	----	----	-----

Catcher/ processors	all lengths	Pot	Y	N	Y	N	Obs. samples	Obs	NA	NA	NA
------------------------	-------------	-----	---	---	---	---	--------------	-----	----	----	----

Shoreside Processors	NA	All gears	Y	N	N	Y	All CDQ, PSQ delivered	DR	DR	DR	DR
-------------------------	----	-----------	---	---	---	---	---------------------------	----	----	----	----

Notes:

DR = CDQ delivery report prepared by shoreside processor.

Obs = Data collected by CDQ observer.

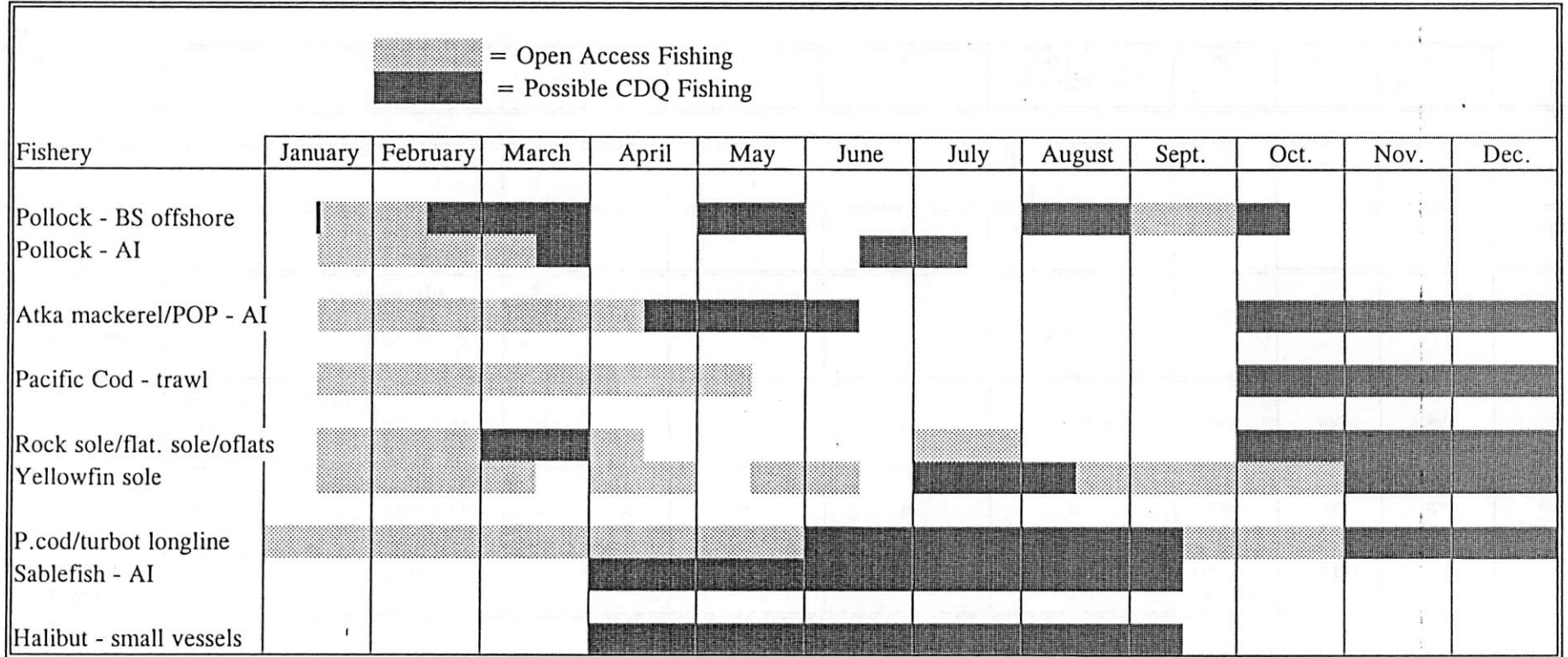
NA = Does not accrue to PSQ allocation.

(s) = shoreside processor.

(m) = motherships.

Y \* = two CDQ observers required on HAL c/ps unless NMFS approves alternative proposal in CDP showing that one observer can sample all sets.

Projected Seasons for Open Access Fisheries and Timing of MS CDQ Fisheries in 1999 and Thereafter



STATE OF ALASKA

TONY KNOWLES, GOVERNOR

C-4

**DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

P.O. BOX 112100  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700  
FAX: (907) 465-2948

333 W. 4TH AVENUE, SUITE 220  
ANCHORAGE, ALASKA 99501-2341  
PHONE: (907) 269-4500  
FAX: (907) 269-4520

April 17, 1998

Mr. Richard Lauber, Chairman  
North Pacific Fishery Management Council  
605 West 4<sup>th</sup> Avenue, Suite 306  
Anchorage, Alaska 99501-2252

RE: 1998-2000 CDQ Multi-Species Program Opilio PSQ Allocation Recommendation

Dear Chairman Lauber:

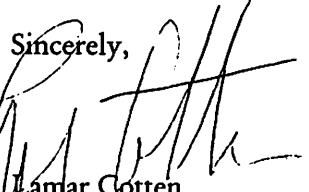
As part of the Community Development Quota (CDQ) allocation process and Federal regulations, the State of Alaska must consult with the Council when there are recommendations for CDQ allocations to the different CDQ groups. On January 21, 1998, Amendment 40 of the BSAI groundfish FMP became effective. This amendment implements opilio crab as a prohibited species for trawl gear. During last year's September Council meeting presentation, the state CDQ team had consulted with the Council and provided a list of recommended CDQ allocations for the multi-species CDQ program. Opilio crab was not included in the CDQ list, because, at that time, opilio was not a prohibited species.

We are now adding opilio to the rest of the groundfish species and PSQ previously set aside for the multi-species CDQ program. These recommendations do not affect any previous recommendations. The following are the recommended CDQ allocations for 1998-2000 for opilio crab PSQ:

	APICDA	BBEDC	CBSFA	CVRF	NSEDC	YDFDA
Opilio PSQ	26%	23%	9%	8%	8%	26%

These percentages are weighted averages derived from opilio bycatch in various trawl fisheries over the past four years. The numbers also take into account previous CDQ allocations to the different trawl fisheries, such as yellowfin sole and flatfish, and the CDQ groups' need for some opilio PSQ to prosecute the new CDQ groundfish fisheries.

Thank you for your consideration of this matter.

Sincerely,  
  
Lamar Cotten  
Deputy Commissioner

cc: Clarence Pautzke, Executive Director/NPFMC  
Steve Pennoyer, Director Alaska Region/NMFS  
Jeff Bush, DCED  
David Benton, AF&G  
CDQ Team