

# Public Testimony Sign-Up Sheet

Agenda Item C-3 TRAWL LLP

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4	<del>Robert G. Larson</del>	<del>F/V Joy Mist</del>
5	<del>Lori Swanson / Todd Loomis</del>	<del>GROUNDFISH FORUM</del>
6	<del>Julia Bunney</del>	<del>AKPB</del>
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NOTE to persons providing oral or written testimony to the Council: Section 307(1)(I) of the Magnuson-Stevens Fishery Conservation and Management Act prohibits any person "to knowingly and willfully submit to a Council, the Secretary, or the Governor of a State false information (including, but not limited to, false information regarding the capacity and extent to which a United State fish processor, on an annual basis, will process a portion of the optimum yield of a fishery that will be harvested by fishing vessels of the United States) regarding any matter that the Council, Secretary, or Governor is considering in the course of carrying out this Act.

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*  
Executive Director

DATE: May 29, 2007

SUBJECT: BSAI & GOA Trawl LLP Recency Analysis

ESTIMATED TIME 2 HOURS
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**ACTION REQUIRED**

Review discussion paper on implementation issues, and take action as necessary.

**BACKGROUND**

Staff has been proceeding with analyses of a possible amendment to address latent capacity by trawl catcher vessels and trawl catcher processor vessels in the BSAI and GOA.

In February, the Council requested a discussion paper to provide new information regarding the alternatives and components associated with the proposed amendment. Specifically, the discussion paper was to evaluate how elimination of endorsements will impact access to allocations and sideboards established under the American Fisheries Act (AFA) and under two new programs that are currently being implemented, Amendment 80 (head & gut trawl catcher processors) and the Rockfish Demonstration Project.

A discussion paper which was mailed to the Council and posted on the Council website is attached as **Item C-3(1)**. Staff will present the results of this analysis and will provide a number of recommendations for choices dealing with aspects of the proposed amendment that relate to the three dedicated access privilege programs noted above.

The paper includes an updated version of the alternatives, components and options of the proposed amendment, as revised by Council action at the March/April meeting. It sequentially addresses the potential impacts from exempting or not exempting licenses in each of the three programs (AFA, Amendment 80 and Rockfish Demonstration Program). Finally, the paper addresses potential impacts to sideboard groundfish allocations that could occur under the proposed amendment for licenses qualified under each of the dedicated access privilege programs.

Staff recommendations are made for Council consideration on a number of issues, including recommended language for potential exemptions for the AFA/Amendment 80/Rockfish Demonstration Program licenses. Utilizing decisions and new information provided by the Council at this meeting, the staff will continue with the RIR/EA/IRFA analysis of this proposed amendment which is scheduled for initial review in October.

License Limitation Program (LLP) Trawl Groundfish Recency  
Discussion Paper  
by Council staff, June 2007

## 1.0 SUMMARY AND RECOMMENDATIONS

The purpose of this amendment is to address the perceived needs to change the number of licenses in certain fisheries. The first part of the action is intended to address 'latent' fishing effort in the BSAI and GOA trawl groundfish fisheries by removing license limitation program (LLP) permits that have not been utilized recently. The method to determine whether or not a permit is latent is through application of a threshold criterion over a qualification period. Two qualification periods are being considered by the Council: 1995 through 2005 and 2000 through 2005. The first part of the analyses presented below in Section 6 shows the numbers of LLP permits that would meet and not meet the threshold criteria established by the Council for this proposed amendment of either one landing or two landings of groundfish during two qualification periods. The second part of the action would authorize new licenses for the Aleutians Islands trawl groundfish fisheries, to address a perceived shortage of licenses in that area. The second part of the analysis in Section 6 examines groundfish harvests for 2006 within the Aleutian Island (AI) parallel and State waters fisheries, which would qualify new licenses for that area under Component 5 (described in the section).

Other parts of Section 6 address potential wording for an exemption for LLPs assigned to AFA trawl catcher vessels as well as sideboard analyses and other economic-related impacts.

### Potential Actions by the Council

If the Council would so choose, it could take action on any of the following issues, based on information presented in this discussion paper. The first action related to exemptions of licenses assigned to vessels less than 60 feet in length. Additional potential actions relate to exemptions for three groundfish license limitation programs: American Fisheries Act (AFA), Amendment 80 head & gut catcher processors, and the rockfish pilot program. The proposed exemptions reflect the inconsistency posed by developing and implementing these three programs and then extinguishing licenses through this proposed amendment.

1. The Council may wish to change the wording of an exemption for permits assigned to vessels less than 60 feet (see Section 6.3.2). The current wording would create an incentive for the movement of licenses to vessels less than 60 feet in length to meet the requirements for the exemption. The existing wording in the motion is as follows:

*“Component 1 – Option 3 provides a choice to exempt trawl LLPs in the BSAI or GOA assigned to vessels less than 60 feet in overall length from application of the threshold criteria. Selection of this option can be independent of other Component 1 Options.”*

As recommended in Section 6.3.2, it will prevent a potential problem if this wording is changed to replace the phrase “*assigned to vessels less than 60 feet in length*”, with the phrase [having a maximum mean length overall (MLOA) designation of less than 60 feet].

2. The Council may wish to choose to exempt AFA licenses from application of the threshold criteria (Component 3 of the Council motion) in the Bering Sea and Aleutian Islands to prevent creating impediments to AFA vessel's use of pollock quotas. This issue is addressed in Section 6.4 of the report. There are several considerations described and analyzed in this section. If the

interest of the Council is to prevent possible problems with use of AFA pollock quota in the BSAI, the following language would accomplish that: **“exclude LLPs originally issued to vessels qualified under the AFA”**. This wording would exempt AFA LLPs whether or not they were still assigned to the originating vessel or had been transferred to another AFA vessel. As noted in the discussion, there are two instances where AFA vessels have a non-AFA LLP that would not be covered with this exemption, but in both cases they would meet the threshold criteria under all of the options being considered. If the Council wished to specifically include the last two cases in wording for an exemption, language that would accomplish that would read: **“exclude LLPs originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license”**.

Without an exemption, some AFA LLPs would have their groundfish endorsements extinguished under this amendment, as shown in Table 6.

Aside from the issue of avoiding problems with the BSAI pollock quotas, the Council will need to make a decision on whether or not an AFA exemption should extend to the Gulf of Alaska or not.

3. The Council may wish to exempt Amendment 80 licenses from application of the threshold criteria in the Gulf of Alaska (as CPs they are not included in the BSAI). Since Amendment 80 allocations are in the BSAI only, this issue in the Gulf is limited to sideboard effects only and are limited to restricting future participation for those licenses that have not been fished recently. Table 8 shows that 3 to 9 LLPs would lose their groundfish endorsement under the respective alternatives and options in the proposed amendment, preventing their participation in GOA groundfish fisheries. The following language in Component 4 would prevent Amendment 80 licenses from being extinguished by the proposed amendment should the Council decides they wish to initiate this action.

***Component 4 – Option 1 will exclude LLPs assigned to the vessels qualified under Amendment 80 and other LLPs assigned to the qualifying vessels at the time of implementation.***

The broader language proposed for the Amendment 80 license exemption (i.e. including all licenses assigned) is appropriate, since licenses assigned to Amendment 80 vessels are subsequently restricted to use on vessels in that program.

4. Component 5 was revised by the Council at the March/April 2007 meeting. Component 5 is directed to non-AFA trawl catcher vessels not having a license endorsement for the Aleutians Islands but having a history of participation in trawl groundfish fishing in the parallel waters fishery during 2000 to 2006 or in the 2006 State waters Pacific cod fishery in the Aleutian Islands. Vessels meeting the required threshold in Component 5 would receive a trawl groundfish endorsement for the Aleutian Islands (if they have a current LLP), or would receive a trawl groundfish LLP with an endorsement for the Aleutian Islands (if they do not have a current LLP).

Under the new wording in the motion, Component 5 to add new non-AFA trawl catcher vessel LLPs to the Aleutian Islands submanagement area if they met a new set of threshold criteria. The new criteria are:

*For non-AFA vessels < 60 feet in length to receive an AI trawl endorsement, consider landing thresholds in the AI parallel cod fishery between 2000-2005 of at least:*

- a. 50 metric tons*
- b. 250 metric tons*
- c. 500 metric tons*

*For non-AFA vessels > 60 feet in length to receive an AI trawl endorsement, consider landing thresholds of at least one landing in the AI parallel (groundfish fishery) or State water cod fishery between 2000 and 2006 plus landings in the BSAI cod fishery between 2000 and 2006 of at least: (a) 500 metric tons, or (b) 1,000 metric tons*

The figures below show the number of vessels < 60 feet in length that would meet the respective landings threshold for the first part of Component 5. The numbers of vessels < 60 feet in length not having an AI LLP and meeting these criteria are:

- 14 non-AFA CVs < 60 feet with landings > 50 mt.
- 12 non-AFA CVs < 60 feet with landings > 250 mt.
- 9 non-AFA CVs < 60 feet with landings > 500 mt.

The second portion of Component 5 shows the number of vessels  $\geq$  60 feet in length that meet the landings thresholds described above. Meeting the Component 5 harvest threshold for vessels  $\geq$  60 feet in length require achieving either the levels in (1) or (2) below, plus meeting the threshold in (3):

- 1) at least one landing of trawl groundfish in the AI parallel waters fishery between 2000 and 2006, or
- 2) at least one landing of trawl Pacific cod in the AI State waters cod fishery in 2006, plus
- 3) landings in the BSAI cod fishery between 2000 and 2006 of at least (a) 500 mt. or (b) 1,000 mt.

The numbers of non-AFA trawl CV vessels  $\geq$ 60 feet meeting the Component 5 thresholds are:

- 4 non-AFA trawl CVs  $\geq$  meet (1) & (2) plus (3) at the 500 mt. level
- 3 non-AFA trawl CVs  $\geq$  meet (1) & (2) plus (3) at the 1,000 mt level

Knowing the numbers of new AI licenses that could be created, the Council may wish to decide a preferred approach for Component 5.

5. The Council may wish to exempt rockfish demonstration project qualified licenses from application of the threshold criteria in the Central Gulf of Alaska. Table 7 shows that up to 7 catcher processor licenses and up to 10 catcher vessel licenses (depending on the alternative and options selected) would not meet the threshold criteria under the proposed amendment. The Council does not currently have an exemption for the rockfish pilot program in the motion, but the following language may serve the purpose if the Council selected to provide an exemption:

***(new) Component 6 – Option 1 will exclude Central Gulf area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment.***

6. At the March/April 2007 meeting, the Council requested that staff identify the numbers of licenses that would meet the threshold if the qualifying period were extended to include 2006.

Sections 6.3.1 and 6.4.2.2 address this issue for all trawl catcher vessels and AFA catcher vessels, respectively. What the analysis shows is that between one and four licenses would qualify if 2006 were added to the qualification period, depending upon the alternative and options selected.

For catcher processor licenses, there is not change in the numbers of licenses qualifying and not qualifying from adding 2006 to the qualification period.

## **2.0 DEFINITIONS AND ASSUMPTIONS FOR THE BSAI/GOA LLP TRAWL RECENCY ANALYSIS**

There are a number of terms used in this report that may be subject to different interpretation. The following list provides definitions for a list of selected words or phrases used in the report.

An **LLP license** is held by a person, and not by a vessel. A license may be held that is not assigned to a vessel, but before the license can be used in a fishery, a vessel must be named. Once a license is assigned to a vessel, the license holder is authorized to deploy a vessel of appropriate size to engage in directed fishing in accordance with the endorsements of the LLP, and the license must be physically on board the vessel when it is engaged in activities authorized by the license.

An **AFA LLP** is a permit initially issued by NMFS to qualified AFA catcher vessels and processor vessels. An AFA vessel must be named on a valid LLP permit authorizing the vessel to engage in trawling for pollock in the Bering Sea subarea. AFA LLPs can be transferred to another AFA vessel, however, cannot be used on a non-AFA CV or a non-AFA CP (§679.4(k)(9)(iii)(3)).

**AFA catcher vessel (CV)** means a catcher vessel permitted to harvest Bering Sea pollock under (§679.4(1)(3)).

**AFA catcher/processor(CP)** means a catcher processor permitted to harvest Bering Sea pollock under (§679.4(1)(2)).

**AFA replacement vessel** – Under provisions of the American Fisheries Act, the owner of an AFA CV or CP may replace such a vessel with a replacement vessel. Examples of this include the replacement for AFA rights of the PACIFIC ALLIANCE to the MORNING STAR (618797) including its AFA license and the replacement of the AFA rights of the OCEAN HOPE 1 to the MORNING STAR (1037811) along with its AFA license (see [http://www.fakr.noaa.gov/ram/06afa\\_cv.htm](http://www.fakr.noaa.gov/ram/06afa_cv.htm)).

**Landing** – For purposes of this report, a trawl catcher vessel landing includes any groundfish landed during one calendar day. Catcher vessel harvests are based upon ADF&G Fish ticket files. For purposes of this report, a trawl catcher processor landing includes any groundfish landed during the same week interval, since catcher processor landings are based upon weekly processor's report (WPR) data and are only specific to a week ending date.

**Non-Trawl** – A license was assigned a non-trawl gear designation if only non-trawl gear was used to harvest LLP species from the qualifying during the period beginning January 1, 1998 through June 17, 1995 (§679(k)(3)(iv)(D)).

**Qualified permit** – for purposes of this analysis, a qualified permit is one that meets the threshold criterion of either one landing or two landings for the respective qualification periods, 1995-2005 or 2000-2005.

**Trawl/non-trawl** – A license was assigned both a trawl and non-trawl gear designation if only both gear types were used to harvest LLP species from the qualifying vessel during the period beginning January 1, 1998 through June 17, 1995 (§679(k)(3)(iv)(B)).

**Trawl** – A license was assigned a trawl gear designation if only trawl gear was used to harvest LLP species from the qualifying during the period beginning January 1, 1998 through June 17, 1995 (§679(k)(3)(iv)(C)).

### 3.0 BACKGROUND FOR THE ACTION <sup>1</sup>

The proposed amendment applies threshold landings criteria to trawl groundfish fisheries in the Bering Sea, Aleutian Islands, the Western Gulf of Alaska and Central Gulf of Alaska. The intent of the amendment is to prevent latent trawl groundfish fishing capacity, comprised of LLPs from the respective areas that have not been utilized in recent years, from future re-entry into the fishery. This report provides information and analyses to assist in the formulation of the amendment and decisions by the Council on the respective alternatives, components and options to be implemented.

In December 2005, in preparation for consideration of provisions under this proposed amendment, the Council set a control date of December 11, 2005 for participation in the BSAI Pacific cod trawl CV fishery. The control date was notice to the public that participation in the BSAI Pacific cod trawl fishery by recently unutilized LLPs after this date may not be considered for future allocation or eligibility. Since this initial action, the focus of the amendment has expanded to include all groundfish species, options were added to consider application to CP LLPs and the area of implementation was expanded to include groundfish trawl CV and CP fisheries in the GOA. The moratorium as initially established by the Council does not correspond to the current formulation of the amendment.

The groups likely to be affected by the proposed amendment include trawl CV and trawl CP groundfish LLP permit holders in the abovementioned areas, as well as those holders of LLP permits that would have groundfish area endorsements extinguished under provisions of the amendment. Under options being considered in the amendment, the Council may choose to expand application of the threshold criteria to both CV and CP trawl groundfish LLPs in the BSAI and GOA. The alternatives in the action apply the harvest thresholds to trawl groundfish LLPs at the management district level (BSAI & GOA) or at the submanagement district level (AI, BS, WG and CG). Note that under LLP area designations, the CG submanagement area includes West Yakutat.

The rationale for this action is concern over the impacts possible future entry of latent effort would have on the LLP holders that have exhibited participation and dependence on the groundfish fisheries. Latent effort, as addressed by this amendment is comprised of valid LLPs that have not been utilized in the trawl CV groundfish fishery and the trawl CP groundfish in the BSAI & GOA in recent years. Recency, as defined in the alternatives, has been determined by the Council to be either: (a) participation during the 11 year period from 1995-2005 or (b) participation during the 6 year period from 2000-2005.

The Council also specified that the analysis include 2006 non-AFA trawl groundfish harvests for the Aleutians Islands submanagement area (see Component 5 in the descriptions of alternatives below). As noted in Section 4, at the March/April 2007 meeting, the Council also extended the analyses for this proposed amendment to evaluate what change in effects, in terms of numbers of LLPs meeting and not meeting the threshold criteria, that would arise if the qualification period was extended to incorporate landings made during calendar year 2006.

Finally, as noted in Section 4, at the March/April 2007 meeting, the Council added a request for the analysis of the effects of this amendment that would occur if the qualifying year period was extended to include 2006. In their discussions on this issue, the Council noted its motivation for this action, which is that LLP holders currently fishing the BSAI and GOA groundfish trawl fisheries have made significant investments, had long catch histories and are dependent on the groundfish resources from these areas.

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<sup>1</sup> Except as noted, primarily the threshold tables, this paper has been prepared using data publicly available from the NOAA Fisheries website (see [http://www.fakr.noaa.gov/ram/06afa\\_list\\_cv.csv](http://www.fakr.noaa.gov/ram/06afa_list_cv.csv)).

The Council believes these current participants need protection from LLPs that could re-enter the fisheries in the future.

As noted above, the management areas included under this program are the Bering Sea/Aleutian Islands (BSAI) and Gulf of Alaska (GOA). The management subareas included are the Bering Sea (BS), the Aleutian Islands (AI), the Western Gulf of Alaska (WG), and the Central Gulf of Alaska (CG). The species included in the amendment include all species of trawl groundfish harvested in the above areas. Invertebrates (squid and octopus) crab, prohibited species (salmon, herring, halibut and steelhead), other species (sculpins, skates and sharks) and forage fish are not included and should not be affected by this amendment.

Under the proposed provisions of the LLP trawl recency amendment, LLPs associated with trawl catcher vessels not meeting the threshold criteria (one landing or two landings) over the selected qualification period (1995-2005 or 2000-2005) would lose their area endorsement, eliminating the potential for future trawl groundfish participation in that area. In cases where an LLP fails to achieve the threshold criterion in one area but did meet the threshold in one or more other areas, the LLP would be modified with just the non-qualifying area endorsement extinguished. In cases where an LLP has no area endorsement that meets the threshold criterion selected by the Council, that LLP would be extinguished. This result fulfills the intent of the proposed amendment, allowing achievement of the goal of eliminating latent licenses from future re-entry into the trawl groundfish fisheries.

The proposed amendment includes options and alternatives to vary the application of this general situation by the following:

- There are options to focus the qualification at the management level (BSAI & GOA) or at the submanagement level (BS, AI, WG, CG).
- A decision will be made whether the threshold criterion to be applied is one landing of groundfish or two landings of groundfish.
- A decision will be made whether the applicable qualification period includes groundfish landings made for the period 1995-2005 or 2000-2005.

An issue that arose during Council consideration of this action is the potential to affect the ability of participants in three BSAI and GOA groundfish dedicated access privilege programs: (1) American Fisheries Act vessels that are members of Bering Sea cooperatives, (2) catcher processor trawl vessels qualified to participate in the Amendment 80 program, and (3) licenses qualified to participate in the Central Gulf of Alaska rockfish pilot program. This paper examines both the potential for this action to limit fishing of those allocations and sideboards and potential exemptions that could be developed, in the event that the Council deemed it necessary to address any such limitations.

#### **Disclaimer on Harvest data used in this report**

*The tables presented in this paper estimate the history associated with LLPs by assigning catch history of the originating vessel (i.e., the vessel that earned the licenses) together with the catch history of the vessels assigned the license at particular times. Depending on the circumstances, this method of approximation can overcount or undercount history associated with a license. As a consequence, all tables and catch history estimates in this paper should be viewed as approximations that could have some degree of error.*

## 4.0 PURPOSE AND NEED/DEFINATION OF ALTERNATIVES, COMPONENTS AND OPTIONS

This section provides the most recent version of the problem statement developed by the Council as well as the alternatives, components and options developed thus far by the Council to address the issues in the problem statement. The most recent change to the proposed amendment was made by the Council at the March/April 2007 meeting. In their review, the Council deleted previous alternatives 3 and 5 that aggregated trawl and non-trawl groundfish harvests to meet the threshold criteria. In making this change, the Council stipulated that only trawl LLP area endorsements will be affected by the proposed amendment. Non-trawl area endorsements will not be affected by the proposed action.

At the March/April 2007 meeting, the Council also extended the analyses for this proposed amendment to evaluate what would be the effects, in terms of numbers of LLPs meeting and not meeting the threshold criteria, would be arise from changing the qualification period to include landings made during calendar year 2006. This information is presented in the following sections, for the respective sectors and areas, but has not yet been formally adopted by the Council as a new Component.

### 4.1 Draft Problem Statement

The Council's adopted the following draft problem statement on June 11, 2006.

*Trawl catcher vessel eligibility is a conflicting problem among the Bering Sea, Gulf of Alaska and Aleutian Islands. In the Bering Sea and Gulf of Alaska, there are too many latent licenses and in the Aleutian Islands there are not enough licenses available for trawl catcher vessels.*

*In the Bering Sea and GOA, the trawl catcher vessel groundfish fisheries in the BSAI and trawl vessel groundfish fisheries in the GOA are fully utilized. In addition, the existence of latent licenses may exacerbate the disadvantages to GOA dependant CVs resulting from a lack of comprehensive rationalization in the GOA. Competition for these resources is likely to increase as a result of a number of factors, including Council actions to rationalize other fisheries, favorable current market prices and a potential for TAC changes in future years. Trawl vessel owners who have made significant investments, have long catch histories, and are dependent upon BSAI and GOA groundfish resources need protection from others who have little or no recent history and with the ability to increase their participation in the fisheries. This requires prompt action to promote stability in the trawl catcher vessel sector in the BSAI and trawl vessel sector in the GOA until comprehensive rationalization is completed.*

*In the Aleutian Islands, previous Congressional and Council actions reflect a policy encouraging economic development of Adak. The opportunity for non-AFA CVs to build catch history in the AI was limited until markets developed in Adak. The analysis indicates that there are only six non-AFA CV trawl AI endorsed LLPs. The Congressional action to allocate AI pollock to the Aleut Corporation for the purpose of economic development of Adak requires that 50% of the AI pollock eventually be harvested by <60' vessels. The Council action under Am. 80 to allocate a portion of AI POP and Atka mackerel to the limited access fleet does not modify AFA CV sideboard restrictions, thus participation is effectively limited to non-AFA vessels with AI CV trawl LLP endorsements. A mechanism is needed to help facilitate the development of a resident fishing fleet that can fish in both state and federal waters. The Council will consider different criteria for the CV Eligibility in the AI.*

It is important to note that the main focus of the amendment is to reduce the future potential for increases in trawl groundfish fishing effort from LLPs currently unused or underutilized in all areas. However the last paragraph on the problem statement addresses the need to increase the number of valid non-AFA

trawl LLPs in the Aleutian Islands area, and is therefore different in its objective from other management areas included in the amendment.

In addition to the main portion of the amendment that addresses numbers of LLPs meeting the harvest threshold over different qualification periods (Component 1, Options 1 & 2 with suboptions), it address a number of other aspects of LLPs in the BSAI and GOA groundfish fisheries, including: an alternative to exempt LLPs assigned to vessels less than 60 feet in length (Component 1-Option 3); an alternative to apply the threshold criteria to the group of LLPs assigned to trawl CPs in the BSAI that are neither part of the AFA sector nor qualified under Amendment 80 (Component 1 – Option 4); a provision to deal with multiple (stacked) LLPs assigned to a single vessel (Component 2); an option to exclude AFA LLPs (Component 3); an option to exclude LLPs assigned to vessels qualified under Amendment 80 (Component 4); and an option for vessels with a catch history in the parallel waters or 2006 State waters Aleutian Island Pacific cod fishery that would be eligible, under the threshold criteria, to obtain an AI LLP on the basis of their past landings history for groundfish (Component 5).

## **4.2 Trawl Recency Amendment - Description of Alternatives, Components and Options**

**Alternative 1 – No Action:** Under this alternative the existing situation will continue. All LLPs currently issued will continue to be valid for the BSAI and GOA trawl groundfish fisheries. There would also be no change in the number of non-AFA trawl CV LLPs for the Aleutian Islands area, which could occur under Component 5.

**Alternatives 2 and 3** are differentiated by whether or not the program is implemented at the management area or subarea designation.

*Alternative 2 would implement LLP threshold criteria based upon BSAI and GOA management areas. It would specify application of all trawl groundfish harvests within these areas for the respective qualification period. This threshold assessment only applies to trawl harvests and will not change non-trawl area endorsements on LLPs.*

*Alternative 3 would implement LLP threshold criteria based upon BS, AI, WG and CG subdistrict management areas. It would specify application of trawl groundfish harvests within these areas for the respective qualification period. This threshold assessment only applies to trawl harvests and will not change non-trawl area endorsements on LLPs.*

### **Component/Option Choices Common to Alternatives 2 and 3**

Alternatives 2 and 3 have a common set of five components that form the remainder of choices for this amendment. The Council can choose to include and apply any combination from these components to either Alternative 2 or Alternative 3. The respective components address the issues of qualification period; landing criterion applied to determine qualified LLPs; multiple LLPs registered to a single vessel; potential exclusion of AFA qualified vessels; potential exclusion of Amendment 80 vessels; and options for separately addressing LLPs in the Aleutian Islands groundfish fishery.

**Component 1** includes a number of possible choices for landings criteria to be applied to the current LLP holders for existing trawl LLPs in the respective areas. The varying factors under Component 1 are the choice of qualification period (2000-2005 or 1995-2005); choice of threshold criteria to be applied (at least one landing for the qualification period or at least two landings for the qualification period); and a final choice to exempt vessels with an overall length less than 60 feet from application of the threshold criteria. The choices for Component 1 are as follows:

*Component 1 – Option 1 requires at least one landing of groundfish during the qualification period of 2000-2005.*

*Component 1 – Option 1 - Suboption 1 requires at least one landing of groundfish during the qualification period of 1995-2005.*

*Component 1 – Option 2 requires at least two landings of groundfish during the qualification period of 2000-2005.*

*Component 1 – Option 2 – Suboption 1 requires at least two landings of groundfish during the qualification period of 1995-2005.*

*Component 1 – Option 3 provides a choice to exempt trawl LLPs in the BSAI or GOA assigned to vessels less than 60 feet in overall length from application of the threshold criteria. Selection of this option can be independent of other Component 1 options.*

*Component 1 – Option 4 provides a choice of whether to include non-AFA & non-Amendment 80 BSAI CPs in application of the groundfish threshold landings criteria.*

**Component 2** - where there are multiple LLPs registered to a single vessel, also known as 'stacking' of LLPs, the Council has specified a provision to deal with this situation as follows:

*Component 2 – will fully credit groundfish harvest history to all stacked licenses, each carrying its own qualifying endorsements and designations.*

**Component 3** provides a choice of whether to exclude AFA vessels from LLP qualification under the amendment. The Council identified a single option as follows:

*Component 3 – Option 1 will exclude LLPs originally issued to vessels qualified under the AFA and LLPs used for eligibility in the AFA.*

**Component 4** addresses consideration of excluding Amendment 80-qualified vessels from LLP qualification under the amendment. The Council identified a single option as follows:

*Component 4 – Option 1 will exclude LLPs originally issued to vessels qualified under Amendment 80 and LLPs used for eligibility in Amendment 80.*

**Component 5** is different from other parts of the proposed amendment. It evaluates the effect of adding new LLPs to the Aleutian Islands non-AFA trawl groundfish CV fishery based on harvests during the respective qualification periods. Harvests for the parallel waters fishery in the Aleutian Islands and also the 2006 State waters fishery are included in the basis for qualification. In February 2007, the Council directed the following specifications for Component 5:

*A – Component 5 to be retained within the trawl recency analysis*

*B – The options within Component 5 are as follows:*

- 2) For non-AFA vessels < 60 feet in length to receive an AI trawl endorsement, consider landing thresholds in the AI parallel cod fishery between 2000-2005 of at least:
  - a. 50 metric tons*
  - b. 250 metric tons*
  - c. 500 metric tons**
- 3) For non-AFA vessels > 60 feet in length to receive an AI trawl endorsement, consider landing thresholds of at least one landing in the AI parallel (groundfish fishery) or State water cod fishery between 2000 and 2006 plus landings in the BSAI cod fishery between 2000 and 2006 of at least: (a) 500 metric tons, or (b) 1,000 metric tons*

Table 1 provides a schematic overview of the alternatives, components and options being considered by the Council with this amendment.

**Table 1: Alternatives Components and Options for the BSAI Trawl CV LLP and GOA Trawl CV & CP LLP Analysis**

Alternative/Element	Alternative 1 - No Action	Alternative 2	Alternative 3
Change to LLP licenses being considered.	Existing situation to continue. LLPs will remain as currently configured.	Implement LLP threshold criteria based upon BSAI and GOA management areas	Implement LLP threshold criteria based upon submanagement areas for the BS, AI, WG and CG.
Component 1: trawl landing requirement for trawl groundfish/all groundfish harvested	no landing requirement implemented	Trawl LLPs (BSAI CV and GOA CV and CP) – trawl landing requirement (except IFQ sablefish)	Trawl LLPs (BSAI CV and GOA CV and CP) – trawl landing requirement (except IFQ sablefish)
Component 1: Option 1	no landing requirement implemented	Component 1: Option 1 - at least one landing of groundfish from 2000-2005	
Component 1: Option 1 suboption 1	no landing requirement implemented	Component 1: Suboption 1 - at least one landing of groundfish from 1995-2005	
Component 1: Option 2	no landing requirement implemented	Component 1: Option 2 - at least two landings of groundfish from 2000-2005	
Component 1: Option 2 suboption 1	no landing requirement implemented	Component 1: Option 2 - Suboption 1: at least two landings of groundfish from 1995-2005	
Component 1: Option 3 exemption for LLPs assigned to vessels < 60 feet length overall	no change from status quo	Component 1: Option 3 - provide an exemption for vessels less than 60 feet from application of threshold criteria.	
Component 1: Option 4 inclusion of non-AFA & non-Amendment 80 BSAI CPs	no change from status quo	Component 1: Option 4 - include BSAI CP LLPs that are not AFA LLPs nor Amendment 80 LLPs.	
Component 2: multiple LLPs on a single vessel - 'stacking' of permits	no change to LLP regulations	Catch history of a vessel accumulated while licenses are stacked on the vessel will be:	
Component 2: Option 1	no change to LLP regulations	Component 2: Option 1 - Fully credited to all stacked licenses (with qualifying endorsements and designations)	
Component 3: Option for AFA vessels	no change from status quo	AFA vessels:	AFA vessels:
Component 3: Option 1	no change from status quo	Component 3: Option 1 - Exclude LLPs originally issued to vessels qualified under the AFA and LLPs used for eligibility in the AFA	
Component 4: Option for Amendment 80 vessels	no change from status quo	Amendment 80 vessels:	Amendment 80 vessels:
Component 4: Option 1	no change from status quo	Component 4: Option 1 - Exclude LLPs originally issued to vessels qualified under Amendment 80 and LLPs used for eligibility in	
Component 5: Option for Aleutian Islands Fisheries. Implement a landing requirement for trawl groundfish, including harvests in the 2006 State Waters Pacific cod fishery.	no change from status quo	Non-AFA vessels with a CV trawl LLP, but which lack an AI endorsement may qualify for an endorsement based on deliveries in a parallel or state water fishery in the AI. Identify qualified vessels for vessels with a trawl LLP for any area based on the landing criteria within the AI.	
Component 5: Option A	no landing requirement implemented	For non-AFA vessels ≤ 60 feet LOA to receive an AI trawl endorsement, consider landings thresholds in the AI parallel Pacific cod fishery between 2000-2005 of: (a) 50 metric tons, (b) 250 metric tons, or (c) 500 metric tons	
Component 5: Option B	no landing requirement implemented	For non-AFA vessels > 60 feet LOA to receive an AI trawl endorsement, consider landings thresholds of at least one landing in the AI parallel (groundfish) fishery or State water cod fishery between 2000-2006 plus landings in the BSAI cod fishery between 2000 and 2006 of at least: (a) 500 metric tons, or (b) 1,000 metric tons	

### **4.3 Discussion of data limitations associated with selection of qualifying period 1995-2005**

NOAA Fisheries presented a paper to the Council in April 2007 (*NMFS Comments on License Limitation Program (LLP) License Trawl Recency Modifications – Agenda C-3(b)*). The paper describes in detail aspects of data within RAM Division available to track the use of LLPs aboard vessels over the qualifying time period for this amendment (1995-2005). In their paper, NMFS notes that their catch accounting system tracks groundfish landings by vessel and that assigning a landing to a specific license can be complex and subject to error.

In short, it will be problematic if the Council selects a qualification period that encompasses years prior to 2002. In their paper, NMFS staff described hierarchical periods with different characteristics for linking landings data to licenses. From 2002 forward, NMFS required LLPs to have a designated vessel upon which it was being fished. This requirement will allow NMFS to assign harvests to a specific license without making any assumptions.

The LLP program was implemented in 2000. For the years 2002 and 2001, NMFS did not track the use of LLP licenses aboard specific vessels. While LLP licenses were required aboard vessels making harvests in the groundfish fisheries, there is not an available source of data to link vessels with a specific license. If the Council chooses a historical qualification period that encompasses harvests for 2000 and 2001, it will be necessary for NMFS, in implementing the program, to make a rebuttable presumption to make the assignment for groundfish harvest of a vessel to: a) the original qualifying license or b) to the current license assigned to the vessel. In either case, there is a chance that the assumption will not be correct, and in these cases it will be necessary for the license holder to go through a claims review and adjudication process within NMFS to bring additional information to clarify the date of license transfer.

For years prior to 2000, tying harvests to a specific license becomes most difficult. If the Council selects the earlier qualification period for this amendment, it will be necessary for NMFS to create a new data base to assign groundfish harvests to specific licenses. They would likely employ an assumption that the harvests of the vessel during this period should be assigned to the original license issued to the vessel when the LLP license program was implemented in 2000. There would undoubtedly be some errors in this method, or any other method for assigning catch to licenses for this period. Where transfers occurred that were not correctly represented by the assumption utilized, a claims review and adjudication process would again be necessary. If the Council determines that, despite the problems, they wish to select the earlier 1995-2005 qualification period, that can be accomplished, but NMFS cautions that the process will be time-consuming and will likely result in a delay in implementing the proposed amendment.

It is clear from comparing the results presented in Table 2 and Table 6 that a greater number of LLPs will be excluded using the later period of 2000-2005 compared with the 11-year period from 1995-2005. In many areas, the difference in the additional number of LLPs excluded by using the more recent period compared with 1995-2005 is relatively modest. However, there is a very large effect in the selection between these two choices when looking at the AFA groundfish trawl CVs most fleets and areas. The largest differential between the choices of the two qualification periods is in the AFA trawl CV sector, as shown in Table 5. Because of the implementation of the AFA, the participation for this group is markedly different in the latter period (2000-2005) compared with the longer qualification period (1995-2005). For example, looking at the fifth line in the lower part of Table 2, we can see that among all 160 catcher vessel licenses with endorsements for the Western Gulf of Alaska, 65 (or 40.3 percent) would not meet the threshold criterion of one landing during the period 2000-2005. Looking at the same data for AFA licenses presented in Table 5, we can see that 44 of the 79 (55.7 percent) AFA LLPs with endorsements for the Western Gulf of Alaska would not meet the threshold criterion of one landing for the period 2000-2005.

One solution to the above situation is to provide an exemption to application of the threshold criteria to AFA licenses in the BSAI and perhaps other areas if the Council would so choose. This consideration is discussed and analyzed further in Section 6.4 below.

## **5.0 STATUS QUO (NO ACTION ALTERNATIVE)**

Under the no-action alternative, there would be no reduction in the number of valid LLPs in any of the trawl CV or trawl CP fisheries in the BSAI and GOA. Should future re-entry of latent LLPs into the trawl groundfish fisheries over the qualification periods result in either reduced gross trawl groundfish revenues or increased operating costs for LLPs who have participated in recent years, there could be future negative economic impacts to the current trawl CP and CV LLP participants in the BSAI and GOA under the no-action alternative.

Additionally, the level of possible future entry is unknown and would depend on a number of factors including future changes in fisheries management regulations, fluctuations in resource abundance, changes in market conditions and prices and changes in operating costs for vessels assigned to LLPs.

## **6.0 ANALYSIS OF THE EFFECTS OF APPLICATION OF THRESHOLD CRITERIA TO AFA AND NON-AFA TRAWL CATCHER VESSEL AND CATCHER PROCESSOR LLPs**

### **6.1 Introduction**

The primary focus for this discussion paper is to assist the Council determine several important aspects of the proposed alternative that could have impacts on three existing limited entry programs. These are pollock cooperatives formed under the American Fisheries Act (AFA), the groundfish quotas associated with Amendment 80, and the rockfish quotas that are associated with the rockfish demonstration project.

The sections below will also address the respective impacts associated with the exemptions included as Component 3 (AFA); Component 4 (Amendment 80) and an as-yet unnamed component to exempt LLPs qualified to participate in the Central Gulf of Alaska rockfish demonstration program. There is not yet a proposed exemption in the definition of alternatives for the rockfish exemption, but the Council may add a component to address this exemption if it so chooses.

### **6.2 All Bering Sea/Aleutian Island and Gulf of Alaska groundfish LLPs**

The main focus of the proposed amendment is to evaluate the impacts of the alternatives, components and options on the respective groundfish trawl fishing sectors in the BSAI and GOA. By way of introduction, however, the total numbers of LLP in the different management areas and subareas are reviewed in this section for all sectors. The following sections of the report address numbers of LLPs by management and submanagement area that meet and do not meet the respective threshold criteria of one landing and two landings.

The format of the threshold tables are different from what has been presented in the past several presentations to the Council. Looking at Table 2, the first line shows 48 trawl catcher vessel LLPs in the AI subdistrict. If we only count landings in the AI (Alternative 2), then 25 licenses would meet the one landing threshold for the period 2000-2005 and 23 licenses would not meet the one landing threshold over this qualification period. Under Alternative 1, at the management level, landings in either the BS or AI would qualify the AI licenses. In this case, the number of licenses that meet the threshold, with at least

one landing, increases to 42 of the 48, with 6 of the 48 not meeting the harvest threshold. The numbers are slightly different for Option 2 (requiring at least two landings of groundfish). For the situation described above, 22 AI licenses would meet the 2000-2005 threshold under Alternative 2 (counting only AI landings). Under Alternative 1, where landings in either the AI or BS would qualify the respective AI licenses, the number meeting the two landing threshold increases to 42 licenses meeting the threshold and 6 licenses not meeting the threshold. The same pattern of reporting results is carried throughout this discussion paper. There are no licenses with trawl and Aleutian Island endorsements that have a MLOA less than 60 feet, so there are no lines in Table 2 for licenses with that length characteristic.

**Table 2: Trawl catcher vessel licenses for the BSAI and GOA - 2000-2005**

Trawl Catcher Vessel Licenses												
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	Option 1 at least one day w/landing				Option 2 at least two days w/landing			
					2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
AI	Alt 1	AI or BS	ALL	48	42	6	43	5	42	6	43	5
AI	Alt 2	AI only	ALL	48	25	23	40	8	22	26	36	12
BS	Alt 1	AI or BS	ALL	149	111	38	122	27	110	39	121	28
BS	Alt 2	BS only	ALL	149	111	38	122	27	110	39	121	28
BS	Alt 1 Option3	AI or BS	MLOA lt 60	17	3	14	7	10	3	14	6	11
BS	Alt 2 Option3	BS only	MLOA lt 60	17	3	14	7	10	3	14	6	11
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	Option 1 at least one day w/landing				Option 2 at least two days w/landing			
					2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
CG	Alt 1	CG or WG	ALL	177	119	58	159	18	113	64	157	20
CG	Alt 2	CG only	ALL	177	91	86	149	28	81	96	148	29
CG	Alt 1 Option3	CG or WG	MLOA lt 60	67	45	22	58	9	45	22	58	9
CG	Alt 2 Option3	CG only	MLOA lt 60	67	26	41	56	11	19	48	56	11
WG	Alt 1	CG or WG	ALL	160	95	65	146	14	85	75	143	17
WG	Alt 2	WG only	ALL	160	78	82	134	26	64	96	130	30
WG	Alt 1 Option3	CG or WG	MLOA lt 60	51	43	8	48	3	43	8	48	3
WG	Alt 2 Option3	WG only	MLOA lt 60	51	40	11	45	6	40	11	45	6

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

Table 3 shows the numbers of BSAI and GOA catcher processor licenses meeting and not meeting the respective threshold, under the alternatives and options indicated. Table 3 is has two components. The top portion shows the number of CP licenses meeting and not meeting the threshold, including only their landings made while operating as a catcher processor. The lower portion of the Table 3 shows the same information, but including CP license landings made while operating both as a catcher processor and in catcher vessel mode. For some of the areas, the inclusion of landings made in catcher vessel mode result in much higher achievement of the landings threshold then limiting consideration of landings made only

in catcher processor mode. For example, Bering Sea licenses under Alternative 1 (including all landings in the BSAI) for the qualifying period 2000-2005 show the number of licenses achieving the threshold of one landing are 44 licenses out of 63. Comparing this with the number of CP Bering Sea licenses under Alternative 1 that achieve the threshold of one landing increases to 53 out of 63 if both catcher processor and catcher vessel landings are counted. Table 3 can be used to show this same comparison for CPs in all areas.

**Table 3: Trawl catcher processor licenses for the BSAI and GOA**

Catcher Processor Trawl Licenses						Option 1 at least one week w/landing as a Catcher/Processor				Option 2 at least two weeks w/landings as a Catcher/Processor			
LLP Area	Alternative	Harvest Area	License Sector	Harvest as a CV	Total Licenses	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
CG	Alt 1	CG or WG	ALL	no	28	19	9	24	4	17	11	24	4
CG	Alt 2	CG only	ALL	no	28	17	11	22	6	14	14	22	6
WG	Alt 1	CG or WG	ALL	no	29	24	5	26	3	22	7	26	3
WG	Alt 2	WG only	ALL	no	29	21	8	22	7	20	9	22	7

  

Catcher Processor Trawl Licenses						Option 1 at least one week w/landing as a Catcher/Processor or as a Catcher Vessel				Option 2 at least two weeks w/landings as a Catcher/Processor or as a Catcher Vessel			
LLP Area	Alternative	Harvest Area	License Sector	Harvest as a CV	Total Licenses	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
CG	Alt 1	CG or WG	ALL	yes	28	19	9	24	4	17	11	24	4
CG	Alt 2	CG only	ALL	yes	28	17	11	22	6	14	14	22	6
WG	Alt 1	CG or WG	ALL	yes	29	24	5	26	3	22	7	26	3
WG	Alt 2	WG only	ALL	yes	29	21	8	22	7	20	9	22	7

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

### 6.3 non-AFA Trawl CV LLPs

The number of non-AFA trawl CV LLPs that meet or do not meet the threshold criteria will not be fully defined until the Council makes a selection on whether or not non-AFA licenses assigned to AFA vessels will be exempted. The situation for these non-AFA licenses is described in Section 6.4 of this report. If these non-AFA licenses are not exempted, they will be required to meet landings thresholds to remain valid. If, instead, the Council decides to extend the AFA exemption to include non-AFA licenses assigned to AFA vessels, then those licenses will not be disqualified, regardless of whether or not they have been used.

Since the main focus of this discussion paper is to address impacts associated with the three license limitation programs, non-AFA licenses are not more fully analyzed, pending the specification of the exemptions. The exception is for non-AFA licenses with a mean length overall (MLOA) limit of less than 60 feet, as noted in the following section.

#### 6.3.1 Effects of adding 2006 to the qualifying years

At the March/April 2007 meeting, the Council requested that staff identify the numbers of licenses that would meet the threshold only if the qualifying period were extended to include 2006. As noted above, the number of non-AFA licenses will be determined by the exemption selected by the Council for

Component 3. Table 4 provides the numbers of all trawl catcher vessel licenses that would meet and not meet the threshold criteria for the years 2000-2005. These numbers can be compared with those in Table 2 to determine the difference in numbers of qualifying licenses that results from adding 2006 to the qualification period. Table 4 only evaluated the changes during the most recent qualifying period, 2000-2006, since the incremental increase would be the same as for the 1995-2005 qualifying period.

There is an increase of one additional qualifying license in the following areas, compared with Table 2:

- An increase of one license in the AI for Alt 2, Option 2 from 22 to 23
- An increase of one license in the BS for Alternative 1 and Alternative 2, Option 1 from 111 to 112
- An increase of one license in the BS for Alternative 1 and Alternative 2, Option 2 from 110 to 111
- An increase of three licenses in the CG for Alternative 1, Option 1 from 119 to 122
- An increase of one license in the CG for Alternative 1, Option 2 from 113 to 114
- An increase of one license in the CG for Alternative 1, Option 3 -one landing, from 45 to 46
- An increase of one license in the CG for Alternative 1, Option 3 – two landings from 45 to 46
- An increase of three licenses in the WG for Alternative 1, Option 1 from 95 to 98
- An increase of one license in the WG for Alternative 1, Option 2 from 85 to 86
- An increase of one license in the WG for Alternative 1, Option 3, one landing and two landings, from 43 to 44
- An increase of one license in the WG for Alternative 2, Option 3, one landing and two landings, from 40 to 41

**Table 4: Trawl catcher vessel licenses for the BSAI and GOA: all licenses including 2006**

LLP area	Harvest Area	License Sector	Alternative	Total Licenses	Option 1 2000-2006		Option 2 2000-2006	
					Yes	No	Yes	No
AI	AI or BS	ALL	Alt 1	48	42	6	42	6
AI	AI only	ALL	Alt 2	48	25	23	23	25
BS	AI or BS	ALL	Alt 1	149	112	37	111	38
BS	BS only	ALL	Alt 2	149	112	37	111	38
CG	CG or WG	ALL	Alt 1	177	122	55	114	63
CG	CG only	ALL	Alt 2	177	91	86	81	96
WG	CG or WG	ALL	Alt 1	160	98	62	86	74
WG	WG only	ALL	Alt 2	160	82	78	65	95
BS	AI or BS	MLOA lt 60	Alt 1 Option3	17	3	14	3	14
BS	BS only	MLOA lt 60	Alt 2 Option3	17	3	14	3	14
CG	CG or WG	MLOA lt 60	Alt 1 Option3	67	46	21	46	21
CG	CG only	MLOA lt 60	Alt 2 Option3	67	26	41	19	48
WG	CG or WG	MLOA lt 60	Alt 1 Option3	51	44	7	44	7
WG	WG only	MLOA lt 60	Alt 2 Option3	51	41	10	41	10

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

In summary, adding 2006 to the qualifying period would add one license in many of the alternative and option choices for this proposed amendment, with the exception of the Western Gulf of Alaska where up to three additional licenses could meet the threshold criteria.

### 6.3.2 Effect on licenses assigned to vessels less than 60 feet LOA

Component 1 Option 3 reads as follows:

*“Component 1 – Option 3 provides a choice to exempt trawl LLPs in the BSAI or GOA assigned to vessels less than 60 feet in overall length from application of the threshold criteria. Selection of this option can be independent of other Component 1 Options.”*

As currently written, this language may not capture the intent of the Council. In addition to protecting LLPs assigned to small vessels from being subject to application of the threshold criteria, it could allow LLPs with a MLOA much larger (that would not meet the harvest threshold criteria) to be ‘parked’ on vessels under 60 feet, thus circumventing the intent of the motion. If the Council desires to remove this potential problem, the above language could be modified to replace the phrase *“assigned to vessels less than 60 feet in length”*, with the phrase [having a maximum mean length overall designation of 60 feet].

The exemption wording issue aside, data presented in Table 2 provides specific information on the numbers of LLPs with MLOA under 60 feet. For example, Table 2 shows the number of LLPs not meeting the threshold criterion for Alternative 1 in the GOA (WG or CG) to be 58 out of a total of 177 LLPs. For LLPs with a MLOA under 60 feet, the total number of LLPs not meeting the threshold for Alternative 1 in the GOA are 45 out of a total of 67 LLPs. Data presented in Table 2 allow similar comparisons with all LLPs and those with LLPs having a MLOA less than 60 feet for all areas.

Discussions related to this component have centered around the need to preserve participation in the groundfish fisheries and make sure that this group would not be disproportionately affected by the proposed amendment. Table 5 below shows the proportional comparison between two groups of LLPs: 1) all LLPs, and 2) LLPs with a MLOA less than 60 feet. We can see from the table how the respective proportion of the numbers of LLPs not achieving the threshold criteria varies between these two groups and from area to area.

What we are looking for in this analysis are areas where the numbers of licenses with the MLOA less than 60 feet included or excluded by the provisions of the proposed amendment are significantly different from the sector as a whole.

As shown in the first two rows of Table 5, taking a look at the Gulf of Alaska as a whole (Alternative 1) there is not a great disparity between the numbers of LLPs not meeting the threshold criteria between all licenses in the sector and those with a MLOA less than 60 feet. However, the rest of the table shows instances where the numbers of LLPs not meeting the threshold criteria for LLPs with a MLOA less than 60 feet are much different from the sector as a whole. For example, under Alternative 2 (Option 1) for the Central Gulf, 48.6 percent of all trawl catcher licenses would not meet the threshold criteria, whereas 61.2 percent of LLPs with a MLOA less than 60 feet would not meet the threshold criteria. This result is based upon the qualification period 2000-2005. The results for the longer qualification period (1995-2005) are shown in the next column to the right. The same comparison for the Central Gulf shows that 18.8 percent of all trawl catcher vessels would not achieve the threshold, using the qualification period 1995-2005) whereas 19.6 percent of LLPs with an MLOA less than 60 feet would not meet the threshold criteria.

Interestingly, in the Western Gulf, the pattern is reversed, with the higher percentage of LLPs having an MLOA less than 60 feet meeting the harvest threshold than for all trawl CVs. Comparing the last two lines in Table 5, in the Western Gulf, 51.3 percent of all trawl CVs would not meet the threshold harvest under Alternative 1, Option 1. For those LLPs having a maximum MLOA less than 60 feet, there are only 21.6 percent that would not meet the threshold.

The results presented in Table 5 are for all sectors, and will vary within sectors, (i.e. AFA and non-AFA trawl catcher vessels).

**Table 5: Trawl catcher vessel licenses in the GOA: all licenses compared with those limited to a vessel having a maximum length of 60 feet MLOA**

Comparison of numbers of LLPs not achieving the threshold level: All LLPs and those LLPs with a maximum MLOA of 60 feet												
LLP Area	Alternative	Harvest Area	License Sector	FMP AREA	Total Licenses	Option 1 at least one day w/landing				Option 2 at least two days w/landing		
						2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	Subopt 1 1995-2005 No	2000-2005 No	2000-2005 No	Subopt 1 1995-2005 No
CG	Alt 1	GOA	ALL	GULF	177	32.8%	159	18	11.3%	64	36.2%	11.3%
CG	Alt 1 Option3	GOA	MLOA lt 60	GULF	67	32.8%	58	9	15.5%	22	32.8%	13.4%
CG	Alt 2	CG only	ALL	GULF	177	48.6%	149	28	18.8%	96	54.2%	16.4%
CG	Alt 2 Option3	CG only	MLOA lt 60	GULF	67	61.2%	56	11	19.6%	48	71.6%	16.4%
WG	Alt 1	GOA	ALL	GULF	160	40.6%	146	14	9.6%	75	46.9%	10.6%
WG	Alt 1 Option3	GOA	MLOA lt 60	GULF	51	15.7%	48	3	6.3%	8	15.7%	5.9%
WG	Alt 2	WG only	ALL	GULF	160	51.3%	134	26	19.4%	96	60.0%	18.8%
WG	Alt 2 Option3	WG only	MLOA lt 60	GULF	51	21.6%	45	6	13.3%	11	21.6%	11.8%

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

### 6.3.3 Analysis of Component 5 – Options for New Non-AFA LLPs in the Aleutian Islands Groundfish Fishery

The analyses for this section of the proposed amendment reflect the changes in the threshold landings requirements for Component 5 motion made by the Council at the March/April 2007 meeting. Component 5 is directed to non-AFA trawl catcher vessels not having a license endorsement for the Aleutian Islands but having a history of participation in trawl groundfish fishing in the parallel waters fishery during 2000 to 2006 or in the 2006 State waters Pacific cod fishery in the Aleutian Islands. Vessels meeting the required threshold in Component 5 would receive a trawl groundfish endorsement for the Aleutian Islands (if they have a current LLP), or would receive a trawl groundfish LLP with an endorsement for the Aleutian Islands (if they do not have a current LLP).

Under the new wording in the motion, Component 5 to add new non-AFA trawl catcher vessel LLPs to the Aleutian Islands submanagement area if they met a new set of threshold criteria. The new criteria are:

*For non-AFA vessels < 60 feet in length to receive an AI trawl endorsement, consider landing thresholds in the AI parallel cod fishery between 2000-2005 of at least:*

- a. 50 metric tons
- b. 250 metric tons
- c. 500 metric tons

*For non-AFA vessels > 60 feet in length to receive an AI trawl endorsement, consider landing thresholds of at least one landing in the AI parallel (groundfish fishery) or State water cod fishery between 2000 and 2006 plus landings in the BSAI cod fishery between 2000 and 2006 of at least: (a) 500 metric tons, or (b) 1,000 metric tons*

The figures below show the number of vessels < 60 feet in length that would meet the respective landings threshold for the first part of Component 5. The numbers of vessels < 60 feet in length not having an AI LLP and meeting these criteria are:

- 14 non-AFA CVs < 60 feet with landings > 50 mt.
- 12 non-AFA CVs < 60 feet with landings > 250 mt.
- 9 non-AFA CVs < 60 feet with landings > 500 mt.

The second portion of Component 5 shows the number of vessels  $\geq$  60 feet in length that meet the landings thresholds described above. Meeting the Component 5 harvest threshold for vessels  $\geq$  60 feet in length require achieving either the levels in (1) or (2) below, plus meeting the threshold in (3):

- 4) at least one landing of trawl groundfish in the AI parallel waters fishery between 2000 and 2006, or
- 5) at least one landing of trawl Pacific cod in the AI State waters cod fishery in 2006, plus
- 6) landings in the BSAI cod fishery between 2000 and 2006 of at least (a) 500 mt. or (b) 1,000 mt.

The numbers of non-AFA trawl CV vessels  $\geq$  60 feet meeting the Component 5 thresholds are:

- 4 non-AFA trawl CVs  $\geq$  meet (1) & (2) plus (3) at the 500 mt. level
- 3 non-AFA trawl CVs  $\geq$  meet (1) & (2) plus (3) at the 1,000 mt level

Depending upon the threshold criteria selected by the Council, the above numbers of non-AFA trawl CVs less than 60 feet and greater than 60 feet would receive new AI LLP endorsements.

## **6.4 AFA LLPs**

### **6.4.1 Introduction**

As of March, 2007, there are 111 American Fisheries Act (AFA) catcher vessels designated by the Act that became law in October 1998. This section provides an analysis of the permits assigned to those 111 AFA vessels.

- When the listing of AFA vessels was merged with a current (March 2007) listing of LLPs, the result was 119 LLPs assigned to 110 AFA catcher vessels. There was one AFA vessel that did not appear to have an LLP currently assigned.
- There are 99 AFA catcher vessels that are still assigned their original AFA LLP. Of this total, 7 LLPs assigned to AFA catcher vessels are CP LLPs. Because the proposed amendment does not address CP LLPs in the BSAI (except for those included in Component 1- Option 4), these LLPs are addressed only in the GOA analysis where CPs are included.
- For the 99 AFA catcher vessel noted above, there are 9 instances where two LLPs are assigned to the same vessel (6 CP LLPs and 3 CV LLPs). These are referred to as 'stacked' permits. Note that 6 of the 9 stacked licenses have a CP designation, and would not be affected by the proposed amendment in the BSAI.
- There are 9 instances where AFA LLPs were transferred from one AFA vessel to another.

- There are two instances where the non-AFA LLP transferred to an AFA vessel is the only permit assigned to that vessel

To summarize, there are 119 LLPs assigned to 110 AFA vessels. There are 99 instances where the original LLPs are still assigned to their original vessel, 9 instances where AFA CV LLPs were transferred from one AFA vessel to another, two instances where non-AFA permits transferred to AFA vessels with no other LLPs assigned, and the last instance where no LLP is currently assigned ( $99 + 9 + 2 + 1 = 111$ ).

The issues for AFA LLPs are slightly more complex than for non-AFA LLPs impacts described above. There are two main issues of concern that relate to the effect of the proposed amendment on LLPs assigned to AFA vessels.

**Concern 1 – Would the AFA vessels potentially be restricted from harvesting their AFA allocation of pollock under the proposed amendment?**

This concern is based on the potential situation where an AFA vessel's license, that has not been fished recently and would not meet the threshold criteria, could be extinguished under the proposed amendment. Since there is a requirement for a valid LLP to be assigned to AFA vessels<sup>2</sup> and we know from the analysis that some AFA catcher vessels would not meet the threshold level under certain options, they could lose their ability to participate in the AFA pollock fishery. This issue would be resolved if Component 3 provided an exemption to AFA catcher vessel licenses as discussed below.

**Concern 2 – What are the effects of a proposed exemption on stacked permits assigned to AFA vessels, where the stacked permits include both: a) AFA LLPs and b) non-AFA LLPs**

There is a different effect if the exemption were to be applied to include both these situations. Allowing an exemption for non-AFA licenses assigned to AFA vessels could allow latent permits to remain in the system that would otherwise have endorsements extinguished. AFA licenses are tied to use by AFA vessels and thus are prevented from being transferred to non-AFA vessels at some point in the future. Non-AFA LLPs, that could receive an exemption under Component 3, could both be protected from application of the threshold criteria and be transferred to and used by non-AFA vessels at some future point.

**Concern 3 - Addresses the groundfish sideboard limits for AFA vessels. Will application of the threshold criteria to LLPs assigned to AFA vessels inhibit their ability to benefit from the groundfish fisheries that are subject to sideboards under the AFA?**

These concerns are addressed in the following sections.

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<sup>2</sup> See Regulations at 679.4(l)(6)(ii)(D)(1)(ii) for inshore AFA cooperatives, page 34: "The vessel must be named on a valid LLP permit authorizing the vessel to engage in trawling in the Bering Sea Subarea. If the vessel is more than 60 feet (18.3 m) LOA, the vessel must be named on a valid LLP permit endorsed for the AI to engage in trawling for pollock in the AI."

**6.4.2 AFA LLP Issue #1 – Effects on the eligibility of AFA pollock cooperative participants to fish pollock in the Bering Sea or Aleutian Islands.**

**6.4.2.1 AFA LLPs for the Bering Sea and Aleutian Islands**

Table 6 shows the number of AFA catcher vessel licenses that meet (and fail to meet) the various landing criteria in the Bering Sea and Aleutian Islands. The table shows that 4 AFA licenses in the BSAI would not meet either landing criterion. Absent an exemption for AFA licenses, the vessels to which these licenses are assigned would lose their ability to harvest their pollock allocations in the Bering Sea, based on current license assignments. If the Council wishes to ensure that these vessels would not need to acquire another license to maintain their AFA qualification, it could exempt the Bering Sea and Aleutian Islands endorsements of AFA licenses from this action.

**Table 6: Trawl catcher vessel licenses in the BSAI & GOA: all AFA licenses**

AFA Trawl Catcher Vessel Licenses				Option 1 at least one day w/landing				Option 2 at least two days w/landing				
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	2000-2005	2000-2005	Subopt 1 1995-2005	Subopt 1 1995-2005	2000-2005	2000-2005	Subopt 1 1995-2005	Subopt 1 1995-2005
					Yes	No	Yes	No	Yes	No	Yes	No
AI	Alt 1	AI or BS	AFA cv	42	41	1	42	0	41	1	42	0
AI	Alt 2	AI only	AFA cv	42	24	18	39	3	21	21	35	7
BS	Alt 1	AI or BS	AFA cv	99	95	4	99	0	95	4	99	0
BS	Alt 2	BS only	AFA cv	99	95	4	99	0	95	4	99	0
CG	Alt 1	CG or WG	AFA cv	61	37	24	60	1	31	30	58	3
CG	Alt 2	CG only	AFA cv	61	30	31	52	9	28	33	51	10
WG	Alt 1	CG or WG	AFA cv	79	35	44	77	2	26	53	75	4
WG	Alt 2	WG only	AFA cv	79	24	55	71	8	13	66	69	10

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

**6.4.2.2 Effect of adding 2006 to the qualifying years**

At the March/April 2007 meeting, the Council requested that staff identify the numbers of licenses that would meet the threshold only if the qualifying period were extended to include 2006. Table 7 provides the numbers of all trawl catcher vessel licenses that would meet and not meet the threshold criteria for the years 2000-2005. These numbers can be compared with Table 6 to determine the difference in numbers of qualifying licenses that results from adding 2006 to the qualification period. Table 7 only evaluates the changes during the most recent qualifying period, 2000-2006, since the incremental increase would be the same as for the 1995-2005 qualifying period.

There is an increase of one additional qualifying license in the following areas, compared with Table 6:

- An increase of one license in the AI for Alt 2, Option 2 from 21 to 22
- An increase of two licenses CG for Alternative 1, Option 1 from 37 to 39
- An increase of two licenses in the WG for Alternative 1, Option 1 from 35 to 37
- An increase of one license in the WG for Alternative 1, Option 2 from 85 to 86
- An increase of three licenses in the WG for Alternative 2, Option 1 from 24 to 27

**Table 7: Trawl catcher vessel licenses in the BSAI & GOA: all AFA licenses including 2006**

LLP Area	Alternative	Alt	Total Licenses	Option 1 2000-2006		Option 2 2000-2006	
				Yes	No	Yes	No
AI	AI or BS	Alt 1	42	41	1	41	1
AI	AI only	Alt 2	42	24	18	22	20
BS	AI or BS	Alt 1	99	95	4	95	4
BS	BS only	Alt 2	99	95	4	95	4
CG	CG or WG	Alt 1	61	39	22	31	30
CG	CG only	Alt 2	61	30	31	28	33
WG	CG or WG	Alt 1	79	37	42	26	53
WG	WG only	Alt 2	79	27	52	13	66

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

In summary, adding 2006 to the qualifying period would add between one and three AFA licenses, depending upon the alternatives and options selected.

**6.4.2.3 Summary for the AFA LLP direct effects of the amendment – those LLPs that would meet and not meet the threshold criteria**

The most apparent conclusion from Table 6 is the large effect from application of the threshold criteria to AFA licenses in the earlier qualification period (Option 1 1995-2005) versus the later qualification period (Option 1, suboption 1 2000-2005). Due to changes in operations of licenses under the AFA, the numbers of AFA licenses that would be excluded is much higher under Option 1, suboption 1. Depending upon the action of the Council on the AFA exemption (Component 3) this difference could be very important or moot.

**6.4.3 AFA LLP Issue #2, Part 2 – Exempting or Not Exempting AFA trawl CV LLPs under Component 3**

While LLPs are license-based not vessel-based, LLPs initially assigned to AFA trawl vessels cannot be transferred to non-AFA vessels (cite reference here). This makes them anchored within the AFA sector, not liable to transfer to other sectors. If the Council decides to provide an exemption for AFA LLPs, one decision that will be required is: **for which areas is the AFA exemption to apply?** For example, if the concern is to prevent any potential for impacting an AFA pollock allocation, the exemption could be limited to the BSAI. At the March/April the Council considered a recommendation from the Advisory Council to adopt an option to apply the AFA exemption only to the Bering Sea and Aleutian Islands, but they decided to reserve action on that issue pending further information.

Another decision would be: **whether the exemption is to apply to AFA CVs, AFA CPs (in the GOA), or both.**

Another, more complicated, decision would be to choose **which AFA LLPs would be exempted.** The most straightforward action would be to exempt AFA licenses. However, there are several ‘categories’ of AFA LLP licenses as noted below, based upon their characteristics.

- 1) original licenses derived from the history of an AFA vessel to which the license remains assigned (hereinafter called the ‘original’ AFA LLP),
- 2) AFA LLPs that are currently assigned to a different AFA vessel
- 3) Non-AFA LLPs assigned to AFA vessels

As they relate to the proposed exemption in Component 3, AFA licenses described in both (1) and (2) above would be treated the same.

There are 111 AFA trawl CV vessels named in the AFA. Using current (March 2007) NOAA Fisheries RAM division LLP files, there are currently 111 AFA vessels with 119 LLPs assigned to them. The following sections analyze the effects of various exemption wordings on the numbers of AFA vessels affected by the proposed amendment.

As previously discussed, Table 6 shows the respective numbers of AFA LLPs that would meet and not meet the groundfish harvest threshold criteria for the two qualification periods. These tables show the direct effects on which AFA LLPs would and would not meet the threshold criteria. However, as discussed above, the effects of the exemption could vary depending on the LLPs qualifying for the exemption (i.e. AFA licenses only or AFA licenses and non-AFA licenses assigned to AFA vessels). The possible choices are described below, based on the information in Table 8.

The transfer information presented in Table 8 is useful to track down the respective situations for the 119 licenses held by AFA vessels. There are 6 CP licenses shown on lines 1 and 2 of Table 6 that would not be subject to the proposed amendment, and would not be included in an AFA exemption. There are 9 AFA licenses that have been transferred between one AFA vessel and another that would be included in an exemption that was provided to AFA licenses. The most important figures to note from Table 6 are the non-AFA licenses that are currently assigned to AFA vessels that the Council may choose to include or to not include in the AFA exemption. There are a total of 5 non-AFA trawl CV licenses currently assigned to AFA vessels, as noted on lines 2 and 4 of Table 8.

**Table 8**

<b>AFA Original LLP Transfer situations and non-AFA licenses currently assigned to AFA vessels</b>		
	<b>Transfer Situations</b>	<b># of occurrences</b>
1	AFA LLPs that were transferred from one AFA vessel and assigned to another AFA vessel, the new assigned vessel also having retained its original AFA LLP (both C/P LLPs)	2
2	Non-AFA LLPs that were transferred to AFA vessels, the new assigned vessel also having retained its original AFA LLP (3 C/V LLPs and 4 C/P LLPs)	7
3	AFA LLP transferred from one AFA vessel to another, in two cases to a replacement vessel and on the other cases as a transfer, the new assigned vessel only having one LLP assigned to it.	9
4	Original AFA LLP was transferred from another AFA vessel, and a replacement non-AFA LLP was acquired as the only LLP (both C/V LLPs)	2
	<b>total</b>	<b>20</b>

Source: NMFS RAM Division LLP files at <http://www.fakr.noaa.gov/ram>

#### 6.4.3.1 Potential wording for AFA exemptions

##### **Exemption for AFA LLPs – possible wording 1 (noted in bold italics below)**

There are 99 AFA trawl CV LLPs where the vessel assigned to the original AFA license is the same as the vessel currently assigned. If the AFA exemption were worded to “***exclude LLPs originally issued to vessels qualified under the AFA***”, these 99 LLPs would clearly be exempted. However, seven of the 99 AFA trawl CV LLPs are assigned to AFA trawl CVs carrying CP licenses. These CV trawl vessels were assigned CP licenses under the AFA. Since the proposed amendment does not include CPs in the BSAI except as noted under Component 4, these CP LLPs are removed from the total, leaving 92 AFA trawl CVs from this group that would be covered with the exemption as worded above.

##### **Exemption for AFA LLPs – possible wording 2 (noted in bold italics below)**

The Council motion currently includes the phrase “***and LLPs used for eligibility in the AFA***” in addition to the wording shown above. As noted in Table 6, there are a total of 11 instances where original AFA licenses were exchanged between AFA vessels. The staff recommendation is that this situation would be covered under the first statement (to “***exclude LLPs originally issued to vessels qualified under the AFA***”), so the additional wording is unnecessary.

##### **Exemption for non-AFA LLPs assigned to AFA vessels- possible wording noted in bold italics**

There are only two instances where AFA vessels only have a single, non-AFA LLP assigned. The Council has received public comment, noting that if non-AFA LLPs were not included in an exemption, then they could possibly be extinguished by the proposed amendment, thus causing concern for the AFA vessel owner’s ability to benefit from their AFA quota of BSAI pollock.

The two instances where this situation occurs are shown in line (4) of Table 8 above. In a worse-case scenario, if these LLPs had been inactive (i.e. the vessel had been part of a cooperative and not been fishing during the 2000-2005 qualifying period), it would be a latent permit and would be eliminated under the proposed amendment. However, this is **not** the case in either situation, so these two LLPs would not be subject to elimination under the criteria of one landing or two landings for either qualification period (2000-2005 or 1995-2005). The two LLPs fished a single submanagement area, so it would not make a difference whether or not the Council would select Alternative 2 or Alternative 3. Therefore, all AFA vessels would be ‘protected by the combined wording shown above, from possible impacts to their pollock quota benefits in the BSAI.

If, despite the fact that neither of these two licenses would be eliminated under the proposed amendment, the Council wished to specifically include the two licenses in wording for an exemption, language that would accomplish that would read: “**exclude LLPs originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license**”.

##### **Multiple ‘stacked’ non-AFA LLPs assigned to AFA vessels - possible wording noted in bold italics.**

We know from line (2) of Table 8 that there are only three non-AFA trawl CV licenses ‘stacked’ on AFA vessels (the ‘stacked CP licenses would not be subject to action in the Bering Sea, but could be an issue in the Gulf of Alaska). If the exemption for Component 3 were extended to any LLP assigned to an AFA vessel, we would also be exempting these stacked LLPs. These LLPs, unlike the original AFA LLPs are transferable to non-AFA vessels. If ‘stacked’ non-AFA LLPs were exempted, even if they did not meet the endorsement threshold criteria of the LLP Recency amendment for their specific areas, they could re-enter the non-AFA groundfish fisheries in the future. There is also a potential problem for additional non-AFA licenses stacked between the present and the time the program is implemented.

If the Council wished to include this category of licenses in the AFA exemption, it could be accomplished by simplifying the wording to exempt “any licenses assigned to an AFA trawl CV vessel”.

*In summary, if an exemption is implemented under Component 3, it would be effective in preventing inadvertent loss of the AFA trawl CVs ability to fully utilize their BSAI AFA pollock quotas. If the wording for an AFA exemption included the original licenses derived from AFA vessel histories that cannot be transferred to non-AFA vessels (generally called the ‘original AFA LLP) there would be no inadvertent negative effects to AFA catcher vessel pollock activities in the BSAI.*

*Whether or not to provide an exemption under Component 3 for non-AFA trawl CV licenses that are assigned to AFA vessels is a decision left to the Council, based on issues other than any potential impact on BSAI pollock as noted above. Whether or not to provide an AFA exemption in Component 3 to areas other than the BS and AI is also a decision left to the Council, based on issues other than BSAI AFA pollock concerns.*

## **7.0 ISSUES RELATING TO SIDEBOARD ALLOCATIONS OF GROUND FISH**

### **7.1.1 AFA Issue 3: Issue #1 – Effects on the eligibility of AFA pollock cooperative participants to fish sideboard amounts in the Gulf of Alaska.**

A concern raised by the Council is the potential effect of this action on the ability of AFA pollock cooperative participants to fish sideboard amounts in the Gulf of Alaska fisheries. AFA Gulf of Alaska sideboards limit the annual harvest of AFA pollock fishery participants from Gulf of Alaska fisheries, based upon the retained catches of AFA vessels during the period 1995-97. The sideboard provisions were placed into effect under the AFA to protect non-AFA vessels participating in other groundfish fisheries from adverse impacts that could occur following rationalization of the Bering Sea pollock fishery. To implement the annual sideboard limit, NOAA Fisheries sets an aggregate catcher vessel sideboard limit for each groundfish species. This aggregate amount, and an associated PSC bycatch limit, is made available to all AFA catcher vessels. The sideboard limits are divided and distributed among the respective coops through the intercooperative agreement.<sup>3</sup>

Generally, AFA catcher vessels have failed to fully harvest their sideboard limits for most species in recent years. To take advantage of efficiencies in operations cost savings, some AFA LLP holders have not entered their vessels into sideboarded fisheries. By allowing other cooperative partners to fish the sideboard amounts attributed to their catch history, these LLP holders may not meet the threshold criteria within an endorsement area, particularly for the later qualification period from 2000-2005. If this action eliminates a latent LLP endorsement that does not have recent history of participation in a sideboard fishery, that AFA vessel would be unable to fish its contribution to the sideboard limit in the future.

Industry representatives testifying to the Council have voiced the concern that any AFA vessel that loses a Gulf area endorsement could lose the value from the sideboard amount attributable to the vessel. Under the status quo, some AFA vessels that have the ability to fish under a sideboard, have chosen to allow other co-op members to fish their contributions to the sideboard limit. If such a vessel loses the ability to fish its own sideboard amount, its bargaining power within the co-op would be diminished with respect to that sideboard amount. Recognizing that the sideboard amounts are fleet limits which are distributed and

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<sup>3</sup> John Gruver, United Catcher Boats Association. “2006 American Fisheries Act Catcher Vessel Intercoop Annual Report to the North Pacific Fishery Management Council, February 2007.

managed through the intercooperative agreement, any impact to a specific LLP holder from the LLP amendment is indeterminate. The ultimate impact to the affected LLP holder would be determined within the business arrangements of the AFA pollock fleet.

Absent an exemption for AFA trawl CV licenses (Component 3 of the proposed amendment) those licenses listed in Table 6 as not meeting the respective threshold criteria would be subject to having their groundfish area endorsements extinguished. In the BSAI, this could create difficulties with participation in the AFA pollock fishery. In the Gulf, the effects would be less onerous, limited to restricting future participation for those licenses that have not been fished recently.

## **7.2 Rockfish Pilot Program Quota and Sideboard Issues**

### **7.2.1 Issue # 1 – Effects on the eligibility of allocations to rockfish pilot program participants.**

To assess the effects of this action on participants in the rockfish pilot program one must first consider the basis for allocations and participation in that program. Allocations in the program are based on history attributable to an LLP license and are made to the license holder. Consequently, if this action were to eliminate a Central Gulf endorsement from a license eligible for that program, the license could be deprived of its allocation.

In the Central Gulf of Alaska, there are 63 licenses qualified for the rockfish pilot program, 17 catcher processor licenses and 49 catcher vessel licenses. The qualification period for the rockfish pilot program was based upon the highest 5 of seven years from 1996 through 2002. Some rockfish program qualifying LLPs not qualifying under the LLP recency thresholds primarily because of latency in the more recent years included in the 2000-2005 qualification period.

Table 9 shows the number of licenses that are eligible for the rockfish pilot program that would not meet the threshold criteria, and thus would lose their groundfish LLP endorsement in the CG if included in the LLP recency amendment. Representatives of the industry have pointed out that it is illogical to be in the final process of implementing one Council program (the rockfish demonstration program) and at the same time be developing a new amendment to remove the capability for an LLP holder to participate in that program.

If the Council were to exempt the Central Gulf area endorsements of the 63 LLPs that qualify for the rockfish pilot program from the LLP recency amendment, that action would remove the conflict described above. There is currently no wording in the alternatives, components and options to exclude participants on the rockfish pilot program in the GOA. Since LLPs qualified under the program can be transferred to vessels outside of the program, should the Council wish to implement an exemption for LLPs qualified under the program, the following wording is recommended:

***(new) Component 6 – Option 1 will exclude Central Gulf area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment.***

The above exemption and discussion is appropriate for Alternative 3, where the threshold criteria are applied at the management area level. However, if the Council decides in favor of Alternative 2, then the exemption will need to be at the level of the GOA instead of the Western Gulf of Alaska. The data representing the respective situations is shown in Table 9.

**Table 9: Qualified catcher vessel licenses and catcher processor licenses in the BSAI & GOA for the rockfish demonstration project that meet specific harvest thresholds**

Central Gulf Rockfish Pilot Program Catcher Processor Licenses												
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	Option 1 at least one week w/landing as a Catcher Processor				Option 2 at least two weeks w/landing as a Catcher Processor			
					2000-2005	2000-2005	Subopt 1	Subopt 1	2000-2005	2000-2005	Subopt 1	Subopt 1
					Yes	No	1995-2005	1995-2005	Yes	No	1995-2005	1995-2005
CG	CG or WG	CG Rockfish Cps	Alt 1	17	11	6	14	3	11	6	14	3
CG	CG only	CG Rockfish Cps	Alt 2	17	11	6	14	3	11	6	14	3
WG	CG or WG	CG Rockfish Cps	Alt 1	12	10	2	11	1	10	2	11	1
WG	WG only	CG Rockfish Cps	Alt 2	12	10	2	11	1	9	3	11	1

  

Central Gulf Rockfish Pilot Program Catcher Processor Licenses												
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	Option 1 at least one week w/landing as a Catcher Processor or as a Catcher Vessel				Option 2 at least two weeks w/landings as a Catcher Processor or as a Catcher Vessel			
					2000-2005	2000-2005	Subopt 1	Subopt 1	2000-2005	2000-2005	Subopt 1	Subopt 1
					Yes	No	1995-2005	1995-2005	Yes	No	1995-2005	1995-2005
CG	CG or WG	CG Rockfish Cps	Alt 1	17	11	6	15	2	11	6	15	2
CG	CG only	CG Rockfish Cps	Alt 2	17	11	6	14	3	11	6	14	3
WG	CG or WG	CG Rockfish Cps	Alt 1	12	10	2	12	0	10	2	12	0
WG	WG only	CG Rockfish Cps	Alt 2	12	10	2	11	1	9	3	11	1

  

Central Gulf Rockfish Pilot Program Catcher Vessel Licenses												
LLP Area	Alternative	Harvest Area	License Sector	Total Licenses	Option 1 at least one day w/landing				Option 2 at least two days w/landing			
					2000-2005	2000-2005	Subopt 1	Subopt 1	2000-2005	2000-2005	Subopt 1	Subopt 1
					Yes	No	1995-2005	1995-2005	Yes	No	1995-2005	1995-2005
AI	AI or BS	CG Rockfish Cvs	Alt 1	2	1	1	2	0	1	1	2	0
AI	AI only	CG Rockfish Cvs	Alt 2	2	1	1	1	1	1	1	1	1
BS	AI or BS	CG Rockfish Cvs	Alt 1	29	26	3	28	1	26	3	28	1
BS	AI or BS	CG Rockfish Cvs	Alt 1 Opt3	1	1	0	1	0	1	0	1	0
BS	BS only	CG Rockfish Cvs	Alt 2	29	26	3	28	1	26	3	28	1
BS	BS only	CG Rockfish Cvs	Alt 2 Opt3	1	1	0	1	0	1	0	1	0
CG	CG only	CG Rockfish Cvs	Alt 2	46	41	5	46	0	41	5	46	0
CG	CG only	CG Rockfish Cvs	Alt 2 Opt3	1	1	0	1	0	1	0	1	0
CG	CG or WG	CG Rockfish Cvs	Alt 1	46	41	5	46	0	41	5	46	0
CG	CG or WG	CG Rockfish Cvs	Alt 1 Opt3	1	1	0	1	0	1	0	1	0
WG	CG or WG	CG Rockfish Cvs	Alt 1	21	18	3	21	0	18	3	21	0
WG	CG or WG	CG Rockfish Cvs	Alt 1 Opt3	1	1	0	1	0	1	0	1	0
WG	WG only	CG Rockfish Cvs	Alt 2	21	11	10	17	4	6	15	16	5
WG	WG only	CG Rockfish Cvs	Alt 2 Opt3	1	1	0	1	0	1	0	1	0

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

**7.2.2 Issue 2: Rockfish Demonstration Sideboard Issues - Would the proposed LLP amendment prevent qualified LLPs from harvesting sideboard amounts attributed to their catch histories?**

The sideboard issues for the rockfish pilot program are similar to the AFA sideboard issues discussed above. For a few reasons, however, these sideboard issues are less complex and troubling. As under the AFA, the sideboards are limits on harvests, rather than allocations. As such, concern for possible disqualification of participants from sideboarded fisheries is of lower concern than disqualification from the allocated Central Gulf rockfish fisheries. Unlike the AFA, the rockfish pilot program has yet to be implemented. Since it is a new program, no rockfish participants have relied on that program's allocations to adapt fishing patterns in sideboarded fisheries. Given that the Council did not intend these sideboards to be allocations and that the Council intends to use this action to eliminate latent licenses, it is unclear what rationale would support exempting rockfish licenses from this action to protect their interest in sideboarded fisheries. This situation described above is also applicable to Amendment 80 sideboard groundfish allocation, as discussed below. It should also be noted that sideboards in the CGOA rockfish

program apply only in the month of July, so that sideboard interest that could be lost with the endorsement would be relatively minor.

### 7.3 Amendment 80 Quota and Sideboard Issues

#### 7.3.1 Issue # 1 – Impacts of applying the LLP amendment thresholds to Amendment 80-qualified CP vessels and to other LLPs currently assigned to those vessels

Table 10 presented below provides an analysis of the effects of the proposed amendment to the Amendment 80 program. NOAA Fisheries recently completed their determination of the qualifying vessels under the program. Once selected, the LLP tied to the Amendment 80 quota, as well as all other LLPs assigned to the Amendment vessel at the time of program implementation, will be restricted from being used by a non-Amendment 80 vessel. It should be noted that Amendment 80 has not yet been implemented, so there is not a historical dependence upon its effects.

Table 10: GOA CP LLPs assigned to Amendment 80-Qualified Vessels LLP having groundfish harvests that meet specific harvest thresholds

Catcher Processor Trawl Licenses						Option 1 at least one week w/landing as a Catcher/Processor				Option 2 at least two weeks w/landings as a Catcher/Processor			
LLP Area	Alternative	Harvest Area	License Sector	Harvest as a CV included?	Total Licenses	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
CG	Alt 1	CG or WG	Amend 80	no	19	16	3	19	0	15	4	19	0
CG	Alt 2	CG only	Amend 80	no	19	16	3	19	0	13	6	19	0
WG	Alt 1	CG or WG	Amend 80	no	22	21	1	22	0	20	2	22	0
WG	Alt 2	WG only	Amend 80	no	22	20	2	21	1	19	3	21	1

  

Catcher Processor Trawl Licenses						Option 1 at least one week w/landing as a Catcher/Processor or as a Catcher Vessel				Option 2 at least two weeks w/landings as a Catcher/Processor or as a Catcher Vessel			
LLP Area	Alternative	Harvest Area	License Sector	Harvest as a CV included?	Total Licenses	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
CG	Alt 1	CG or WG	Amend 80	yes	19	16	3	19	0	15	4	19	0
CG	Alt 2	CG only	Amend 80	yes	19	16	3	19	0	13	6	19	0
WG	Alt 1	CG or WG	Amend 80	yes	22	21	1	22	0	20	2	22	0
WG	Alt 2	WG only	Amend 80	yes	22	20	2	21	1	19	3	21	1

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.

There are a total of 28 vessels that are qualified for the Amendment 80 program<sup>4</sup>. The respective numbers of LLPs associated with the Amendment 80 program meeting the threshold levels for the proposed LLP recency amendment is shown below in Table 7. This table shows the numbers of LLPs assigned to Amendment 80-qualified vessels that would meet and not meet the respective thresholds in the proposed LLP amendment. The qualification period for the Amendment 80 program was based harvests from 1997 through 2002. The relatively small number of LLPs not qualifying under the LLP recency thresholds, as shown in Table 10 are due to the more recent years included in the 2000-2005 qualification period.

As noted in Table 10, between 1 and 6 LLPs would not meet the trawl recency threshold, depending upon the alternatives and options selected by the Council. If the LLPs assigned to Amendment 80 are not

<sup>4</sup> unpublished computer file, personal communication from Glenn Merrill, NOAA Fisheries, Sustainable Fisheries Division, March 14<sup>th</sup>, 2007)

exempted from the program, these LLPs would lose their endorsement for the specific area not meeting the threshold landings amount. Since the Amendment 80 allocations are in the BSAI, the Gulf of Alaska effects are limited to restricting future participation for those licenses that have not been fished recently.

If the Council wishes to consider an exemption in the Gulf of Alaska for Amendment 80-qualified licenses, the following language is recommended:

***Component 4 – Option 1 will exclude Gulf of Alaska endorsements of LLPs assigned to the vessels qualified under Amendment 80 and other LLPs assigned to the qualifying vessels at the time of implementation.***

Exempting other licenses assigned to the Amendment 80 qualified vessels would not result in preserving latent licenses that could be transferred to other vessels, since licenses assigned to Amendment 80 vessels are subsequently restricted to use on vessels in that program.

### **7.3.2 Issue 2: Amendment 80 Sideboard Issues Sideboard Issues - Would the proposed LLP amendment prevent qualified LLPs from harvesting sideboard amounts attributed to their catch histories?**

In the BSAI, there are no sideboards for any species for the Amendment 80 vessels, so the following discussion relates only to LLPs assigned to Amendment 80-qualified vessels in the Gulf of Alaska. As noted above, the Council staff prepared a discussion paper (Agenda C-2 (a) for the March/April meeting which details sideboard issues for the AFA, rockfish pilot program and Amendment 80 programs.

Amendment 80 allows members of the H&G trawl CP sector to optimize when and where they fish. The intended results of the program include increased efficiency for vessels in the program, by allowing them to alter their historic fishing patterns. The flexibility introduced with the amendment could also provide these vessels a competitive advantage over participants in other fisheries, particularly GOA fisheries, currently unable to rationalize their fishing operations.

Recognizing this situation, the Council adopted sideboard limits to prevent expansion into non-Amendment 80 fisheries. The sideboard limits were based upon the harvest of species not allocated by the main portion of Amendment 80 (Component 1), based upon harvests during the same qualification years used to determine the H&G trawl CP sector's allocation of the target species.

The sideboard issues for the Amendment 80 program are much the same as for the AFA LLPs described in the section above. Even if an Amendment 80-qualified vessel were to lose its LLP, the sideboard limits attributed to its catch history during the qualifying years would still exist and could be utilized. The actual effect of this situation is indeterminate, and would depend upon the private business agreements within the respective cooperative of the specific vessel affected. An exception to this situation could occur where the affected LLP owner would choose not to join a cooperative, or if they selected to be in a cooperative with no other LLP holders, no alternative would exist to harvest the sideboard limits.

## 8.0 OTHER COMPONENTS OF THE PROPOSED AMENDMENT

### 8.1 Component 1 Option 4 - Potential Inclusion of catcher processor LLPs that are non-AFA & non-Amendment 80 groundfish in the BSAI

At the October, 2006 meeting, the Council added a new option to the LLP analysis. Prior to that time, the proposed amendment did not address the operation of CPs in the BSAI. The new option provides the choice of whether or not to include application of the harvest thresholds for LLPs to CPs operating in the BSAI that are non-AFA licenses and also are LLPs qualified for Amendment 80.

Table 11 shows the number of all non-AFA/non-Amendment 80 trawl CP licenses that meet and do not meet the threshold harvests for the respective areas. The assumption for this analysis was that Depending upon the area and options, the number of licenses in this category not meeting the threshold is as high as seven of nine.

Under the assumptions of Alternative 3, CP non-trawl landings could be included in the analysis of threshold qualification. Under this situation, each of the five non-AFA, non-Amendment 80 CP LLPs would meet the thresholds of both one and two landings over either of the qualification periods.

**Table 11: CP LLPs assigned to neither Amendment 80-Qualified nor AFA vessels that meet specific harvest thresholds, 1995-2005 and 2000-2005**

Catcher Processor Trawl Licenses				Option 1 at least one week w/landing as a Catcher/Processor				Option 2 at least two weeks w/landings as a Catcher/Processor			
LLP Area	Alternative	Harvest Area	Total Licenses	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No	2000-2005 Yes	2000-2005 No	Subopt 1 1995-2005 Yes	Subopt 1 1995-2005 No
AI	Non-AFA/Non-AM80	Alt 1	9	3	6	3	6	2	7	2	7
AI	Non-AFA/Non-AM80	Alt 2	9	2	7	2	7	2	7	2	7
BS	Non-AFA/Non-AM80	Alt 1	8	2	6	2	6	1	7	1	7
BS	Non-AFA/Non-AM80	Alt 2	8	2	6	2	6	1	7	1	7
CG	Non-AFA/Non-AM80	Alt 1	5	1	4	1	4	1	4	1	4
CG	Non-AFA/Non-AM80	Alt 2	5	1	4	1	4	1	4	1	4
WG	Non-AFA/Non-AM80	Alt 1	1	1	0	1	0	1	0	1	0
WG	Non-AFA/Non-AM80	Alt 2	1	1	0	1	0	1	0	1	0

Source: ADF&G fish ticket files and NMFS WPR landings data merged to an August 2007 RAM Division LLP file.