

Jon McCracken  
Kent Lind  
Jim Richardson

MEMORANDUM

TO: Council, SSC and AP Members

FROM: Chris Oliver *Chris*  
Executive Director

DATE: April 2, 2002

SUBJECT: Single Geographic Location Change

ESTIMATED TIME  
10 HOURS  
(For all C-7 items)

**ACTION REQUIRED**

Initial review of single geographic location amendment and proposed inshore/offshore language changes, and formally identify a Problem Statement for these proposed actions.

**BACKGROUND**

In October, 2001, the Council tasked staff to provide an analysis of eliminating the single geographic location restriction for floating inshore processors processing targeted BSAI pollock. The Council requested the analysis be completed in time for initial review during the April, 2002, Council meeting. On March 7, 2002, National Marine Fisheries Service submitted a letter (Item C-7(c)(1)) to the Council requesting expansion of the single geographic location amendment to include four inshore/offshore-related amendment changes. These changes have been included in the package for Council consideration.

Single Geographic Location

The purpose of this action is to provide greater flexibility for AFA-qualified inshore floating pollock processors during a fishing year by allowing them to process targeted BSAI pollock in more than one geographic location.

There are two alternatives under consideration in this action item. The first alternative is to leave intact the language that restricts AFA-qualified inshore floating processors to a single geographic location during a single fishing year while processing BSAI targeted pollock. The second alternative is to allow AFA-qualified inshore floating processors to process targeted BSAI pollock in more than one location in a single fishing year.

Inshore/Offshore Language Proposals

The purpose of this action is to revise obsolete or inconsistent inshore/offshore language in the BSAI and GOA Groundfish FMPs. The passage of the AFA in 1998 superseded inshore/offshore language in the BSAI Groundfish FMP. As a result, inshore/offshore language currently contained in the BSAI FMP is obsolete or no longer consistent with AFA. The GOA inshore/offshore language in the GOA FMP was also impacted by the passage of the AFA. There are multiple references to BSAI inshore/offshore categories and operating restrictions that no longer are relevant under the AFA. Currently, the GOA inshore/offshore allocation is scheduled to sunset on December 31, 2004. The rationale for that sunset date was to be consistent with the AFA, allowing simultaneous review of the AFA and GOA inshore/offshore allocation. However, Congress recently eliminated the December 31, 2004 sunset for AFA, thus extending the act indefinitely. With the

extension of AFA, the rationale for a 2004 sunset in the GOA no longer appears valid. To extend the GOA inshore/offshore allocation indefinitely and to eliminate obsolete language and rectify inconsistent language between the AFA and inshore/offshore regime, a number of options are included in this Amendment.

In this action item, there are five alternatives under consideration. These alternatives are exclusive from one another, so any combination of alternatives can be selected. The first alternative is no action. The second alternative is remove obsolete inshore/offshore language from the BSAI Groundfish FMP. The third alternative is update the CVOA to accommodate AFA-related changes. The fourth alternative is remove references to BSAI inshore/offshore from the GOA Groundfish FMP. The final alternative is remove the December 31, 2004, sunset date for GOA inshore/offshore allocations.



UNITED STATES DEPARTMENT  
National Oceanic and Atmospheric

National Marine Fisheries Service  
P.O. Box 21668

Juneau, Alaska 99802-1668

March 7, 2002

AGENDA C-7(c)(1)  
APRIL 2002

RECEIVED

MAR 10 2002

N.P.F.M.C

David Benton  
Chairman, North Pacific Fishery  
Management Council  
605 West 4<sup>th</sup> Avenue  
Anchorage, Alaska 99501-2252

Dear Dave,

In April 2002, the Council is scheduled to discuss a proposed amendment that would revise the single geographic location requirement for inshore floating processors operating in the Bering Sea and Aleutian Islands Management Area (BSAI). The amendment, as proposed, would consist of a regulatory amendment to American Fisheries Act (AFA) regulations and a fishery management plan (FMP) amendment to the Gulf of Alaska (GOA) inshore/offshore program.

We recommend expanding the scope of the amendment proposal to include four relatively minor inshore/offshore-related amendment changes that are necessary to make the groundfish FMPs consistent with the AFA and existing regulations. Our four recommended inshore/offshore changes are as follows:

1. Remove obsolete inshore/offshore language from the BSAI Groundfish FMP

The BSAI FMP includes various obsolete inshore/offshore provisions. In December 1998, NMFS disapproved the inshore/offshore allocations of pollock that were proposed under Amendment 51 because they were inconsistent with the newly-enacted AFA. However, much of the underlying amendment language remains in place and no longer is consistent with the AFA or existing regulations. The only inshore/offshore provision that was not superseded by the AFA is the Catcher Vessel Operational Area (CVOA). The remaining inshore/offshore definitions, operating restrictions, and allocation procedures included in the FMP have been rendered obsolete by the AFA and should be removed.

2. Update the CVOA to accommodate AFA-related changes

The FMP contains the following CVOA language:

A catcher vessel operational area shall be defined as the area of the BSAI east of 167° 30' W. long, west of 163° W. long., south of 56° N. lat. and north of the Aleutian



Islands. The CVOA shall be in effect during the B season from September 1 until the date that NMFS closed the inshore component B season to directed fishing. Vessels in the offshore component are prohibited from conducting directed fishing for pollock in the CVOA unless they are participating in a CDQ fishery.

The bold text is not consistent with how the BSAI pollock fishery is managed currently. First, the B season no longer begins on September 1. Second, NMFS no longer closes the "inshore component" to directed fishing for pollock because each individual inshore cooperative is operating under its own pollock allocation. Finally, the term "offshore component" was superseded by the new AFA category of "AFA catcher/processor." To make this language consistent with current management of the BSAI pollock fishery, we recommend replacing the bold text with the following:

**AFA catcher/processors are prohibited from engaging in directed fishing for pollock in the CVOA during the non-roe season (B season) unless they are participating in a CDQ fishery.**

This change would revise the FMP text to make the CVOA consistent with the intent of Amendment 51 which was that pollock catcher/processors be excluded from fishing for pollock in the CVOA during the B season.

As part of the latest Steller sea lion emergency regulations, NMFS has revised CVOA regulations to comport with the AFA and Steller sea lion protection measures. Therefore, the CVOA language in the FMP should be updated as well.

3. Remove references to BSAI inshore/offshore from the GOA Groundfish FMP

The GOA inshore/offshore regime for GOA pollock and Pacific cod was not affected by the passage of the AFA. However, the GOA inshore/offshore program contains multiple references to BSAI inshore/offshore categories and operating restrictions that no longer are relevant under the AFA. Therefore, we recommend that the GOA FMP inshore/offshore language be revised to remove references to inshore/offshore provisions in the BSAI.

4. Remove the December 31, 2004, sunset date for GOA inshore/offshore allocations

AFA Amendments 61/61/13/8 incorporated the AFA into the groundfish, crab, and scallop FMPs and also extended GOA inshore/offshore allocations through 2004. The Council chose December 31, 2004, as the sunset date so that both BSAI and GOA allocation issues could be addressed concurrently when the AFA pollock allocations expired on December 31, 2004. However, Congress recently passed legislation that removed the December 31, 2004, sunset date from the AFA pollock allocations and the AFA-related sunset dates contained in Amendments 61/61/13/8 were removed through partial-disapproval of the amendment package. Because Congress extended the AFA allocations indefinitely, the primary reason for reviewing GOA inshore/offshore allocations in 2004 has been eliminated.

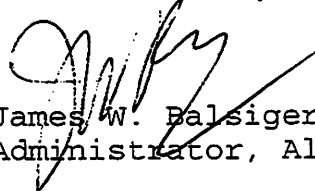
Taking action now to remove the GOA inshore/offshore sunset date may be preferable to dealing with a separate inshore/offshore rollover amendment in 2004. By 2004, the Council may be well along the path towards a larger GOA rationalization program and the need to address GOA inshore/offshore allocations in 2004 could detract time and resources away from this larger effort. To the extent that the Council wishes to re-examine GOA inshore/offshore issues in the future, it may be more appropriate to examine such allocations as part of the larger GOA rationalization program, rather than as a stand-alone rollover amendment.

Removing the December 31, 2004, sunset date from the GOA inshore/offshore allocation regime would require amending existing regulations that contain this sunset date. Of the four proposed changes, this is the only one that would result in a regulatory change.

If the Council concurs in these proposed changes to the BSAI and GOA inshore/offshore FMP provisions, we would urge that these changes be combined with the current single geographic location amendment proposal so that all inshore/offshore related issues could be dealt with in a single amendment package, rather than as stand-alone amendments. We believe that the existing analysis prepared for the single geographic location proposal could be revised to include a summary of the conclusions of past GOA inshore/analysis documents and recent EIS documents that examined the GOA pollock and Pacific cod fisheries in order to describe the effects of GOA inshore/offshore allocations.

To assist in the discussion of this issue, we have prepared draft FMP amendment language text for both the BSAI and GOA groundfish FMPs that would contain all the changes that we propose along with the proposed change to the single geographic location requirement for GOA inshore processors. Our draft FMP amendment language is attached.

Sincerely,



James W. Balsiger  
Administrator, Alaska Region

Attachment

## Draft Amendment Language for the GOA Groundfish FMP

Section 4.3.1.6 is revised to read as follows

### 4.3.1.6 Inshore/offshore allocations of pollock and Pacific cod

The total allowable catch of Gulf of Alaska pollock and Pacific cod will be allocated between the inshore and offshore components of industry in specific shares in order to lessen or resolve resource use conflicts and preemption of one segment of the groundfish industry by another, to promote stability between and within industry sectors and affected communities, and to enhance conservation and management of groundfish and other fish resources.

Inshore/offshore allocations of pollock and Pacific cod were first approved under Amendment 23 which was effective from 1992 through 1994. Amendments 40, 51, and 61 extended the inshore/offshore allocations of pollock and Pacific cod unchanged for three additional 3-year periods, from 1995-1998, 1999-2001, and 2002-2004, respectively. Amendment 61 contained a December 31, 2004, sunset date so that GOA inshore/offshore allocation issues could be evaluated concurrently with BSAI allocation issues in 2004 when the BSAI allocation percentages established by the AFA also were scheduled to expire. However, in November 2001, Congress removed the December 31, 2004 sunset date for AFA pollock allocations. This action was followed by Amendment 62 in 2002 which removed the sunset date from the GOA inshore/offshore allocations and revised the FMP to remove references to the obsolete inshore/offshore regime in the BSAI.

#### 4.3.1.6.1 Definitions

Inshore component means the following three components of the industry:

1. All shoreside processors as defined in Federal regulations.
2. All catcher/processors less than 125 ft LOA that have declared themselves to be "inshore"
3. All motherships or floating processors that have declared themselves to be "Inshore."

Offshore component means all processors not included in the definition of inshore component.

#### 4.3.1.6.2 Inshore endorsements and operating restrictions

Annually before operations commence, each mothership, floating processing vessel and catcher/processor vessel that intends to process GOA pollock or GOA Pacific cod harvested in an inshore directed fishery for those species must apply for and receive an inshore processing endorsement on its Federal fisheries or Federal processor permit. All shoreside processors are by definition included in the inshore component and are not required to apply for an inshore processing endorsement. Once an inshore processing endorsement is issued it is valid for the duration of the fishing year and cannot be rescinded. Processors that lack an inshore processing endorsement are prohibited from processing GOA pollock or GOA Pacific cod harvested in a directed fishery for processing by the inshore component. Harvesting vessels that do not process pollock or Pacific cod do not need an inshore processing endorsement and may choose to deliver their catch to either or both components.

Catcher/processors that hold an inshore processing endorsement are prohibited from harvesting or processing more than 126 mt (round weight) of pollock or GOA Pacific cod in combination during any fishing week.

Motherships and floating processors that hold an inshore processing endorsement must process all GOA pollock and GOA Pacific cod harvested in a directed fishery for those species in a single geographic location inside the waters of the State of Alaska during a fishing year.

Motherships and floating processors that hold an inshore processing endorsement are prohibited from:

1. Operating as catcher/processors in the BSAI during the same fishing year.
2. Operating as AFA motherships in the BSAI directed pollock fishery during the same fishing year.

#### 4.3.1.6.3 Allocations

One hundred percent of the allowed harvest of pollock is allocated to inshore catcher/processors or to harvesting vessels which deliver their catch to the inshore component, with the exception that offshore catcher/processors, and vessels delivering to the offshore component, will be able to take pollock incidentally as bycatch in other directed fisheries. All pollock caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.

Ninety percent of the allowed harvest of Pacific cod is allocated to inshore catcher/processors or to harvesting vessels which deliver to the inshore component and to inshore catcher processors; the remaining ten percent is allocated to offshore catcher/processors and harvesting vessels which deliver to the offshore component. All Pacific cod caught as bycatch in other fisheries will be attributed to the sector which processes the remainder of the catch.

These allocations shall be made by subarea and period as provided in Federal regulations implementing this FMP.

#### 4.3.1.6.4 Reapportionment of unused allocations

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



**Draft Amendment Language for the BSAI Groundfish FMP**

Section 5.4.11 of the FMP is revised to read as follows:

**5.4.11 Inshore/offshore allocations of pollock and the Catcher Vessel Operational Area (CVOA)**

**5.4.11.1 History of inshore/offshore allocations pollock in the BSAI**

In 1992, the first 3-year inshore/offshore allocations of pollock were approved under Amendment 18. Amendment 18 established a Community Development Quota (CDQ) program and set aside one half of the pollock reserve (7.5 percent of the BSAI pollock TAC) for CDQ harvest, allocated 35 percent of the remaining BSAI pollock TAC to vessels catching pollock for processing by the inshore component and 65 percent of the remaining BSAI pollock TAC to vessels catching pollock for processing by the offshore component. Amendment 18 also established a catcher vessel operational area (CVOA) from which the offshore component would be excluded during the B season when directed fishing for pollock.

In 1995 the inshore/offshore allocations of pollock and the CDQ program were extended unchanged for an additional 3 years under Amendment 38. In September 1998, the Council submitted Amendment 51 which revised the inshore/offshore allocation percentages approved under Amendment 38 and established the CVOA as a permanent provision of the FMP. In October 1998 the President signed into law the American Fisheries Act (AFA) which superseded the inshore/offshore allocations contained in proposed Amendment 51. As a result, NMFS partially-approved Amendment 51 by disapproving the pollock allocations but approving the permanent establishment of the CVOA. Also in 1998, the CDQ program was separated from the inshore/offshore program and made a permanent provision of the FMP under Amendment 45.

In 2002, the provisions of the AFA were incorporated into the FMP under Amendment 61 which permanently superseded the previous inshore/offshore pollock allocation program that was in effect from 1992 through 1998. AFA-related management measures are set out at [section xx] of the FMP. The CVOA is the sole remaining inshore/offshore management measure that was extended under Amendment 51 and not superseded by the passage of the AFA.

**5.4.1 Catcher Vessel Operational Area (CVOA)**

A catcher vessel operational area shall be defined as the area of the BSAI east of 167° 30' W. long, west of 163° W. long., south of 56° N. lat. and north of the Aleutian Islands. AFA catcher/processors are prohibited from engaging in directed fishing for pollock in the CVOA during the non-roe season (B season) unless they are participating in a CDQ fishery.

**ICICLE.****RECEIVED**

APR - 3 2002

**N.P.F.M.C**

April 3, 2002

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

Dear Dave:

At the April Council meeting, the agenda for Item C-7, American Fisheries Act, includes an item (c) on the Single Geographic Location change—initial review. Icicle Seafoods has requested that this item be included.

Icicle owns and operates the P/V Northern Victor, a self-propelled floating pollock processor. The Northern Victor entered the Alaska fisheries in the summer of 1990 and has processed both Bering Sea and Gulf of Alaska pollock at a single location in Beaver Inlet on the south side of Unalaska Island, near Dutch Harbor. When it is processing in Beaver Inlet, the Northern Victor is secured to a specially-built mooring system that keeps the vessel stable. The vessel returns to Seattle twice a year, between pollock seasons, for maintenance, dry-docking, and any needed repairs.

Icicle has no current plans to operate the Northern Victor at any other locations, but is always exploring alternatives for all of its operations. Icicle recently invested in a shoreside processing operation in Adak, Alaska and also has evaluated the possibility of additional processing operations in St. Paul. The latter option was considered when Steller sea lion protective measures included severe fishing restrictions near the Aleutian chain. Although we expect to continue to station the Northern Victor in Beaver Inlet to process Bering Sea and Gulf of Alaska pollock, opportunities and/or restrictions may push us to consider operations in different locations in the future.

In 1999, in the initial set of American Fisheries Act implementing regulations, the Council included a requirement that an AFA floating processor operate in a single geographic location when processing Bering Sea AFA pollock (the AFA statute does not include this restraint). The rationale was two-fold: first, some shoreside AFA pollock processors were concerned that a floating processor would have an advantage if it could move from place to place while processing AFA pollock. Second, the requirement was used to ensure that a processor could operate in only one sector under the Inshore-Offshore regulations (for example, to prohibit

**ICICLE SEAFOODS, INC.**

4019-21st Avenue West • Seattle, WA 98199  
P.O. Box 79003 • Seattle, WA 98119 • Tel: 206-282-0988 • Fax: 206-282-7222

a factory trawler from operating offshore in the Bering Sea and then tying up to operate as an inshore mothership in the Gulf of Alaska).

Icicle believes that the single geographic location restraint is no longer needed for either of the above reasons and we recommend that the Council eliminate the restriction.

First, regarding the inshore-offshore regulations, the Council and NMFS have already decided to eliminate these regulations in the Bering Sea since the AFA statutorily defines the three sectors (catch-processors, at-sea motherships, and inshore) and prohibits a vessel from operating in more than one sector. For the Gulf of Alaska, the inshore-offshore regulations will continue to be in effect and NMFS has indicated to us privately that other GOA processors can and will be protected in the final AFA regulations. When processing GOA groundfish, Icicle intends and is willing to be restricted to operating in Beaver Inlet.

Second, regarding competitive concerns of other AFA inshore processors, the success of the AFA and the protections it provides have eliminated any concerns. We have been informed by the other AFA inshore processors that they have no objection to elimination of the single geographic location requirement.

Finally, elimination of the restraint will affect only two vessels since there are only two floating processors that are qualified in the inshore sector of the AFA, the P/V Northern Victor and the P/V Arctic Enterprise (owned by Trident and operating in Akutan).

Sincerely,



Terry L. Leitzell  
General Counsel

C7(c) Single (co. loc

Affiliation

ICICLE SEAFORDS  
PSPA  
APD

Name

1. X TERRY LEITZEL
2. X Glenn Reed
3. X Julie Barry

# CURRENT COUNCIL TOPIC