

North Pacific Fishery Management Council

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Certified Richard B. Lauber
Chairman

Date 9/27/92

MINUTES

**103rd Plenary Session
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
August 4-5, 1992
Baranof Hotel
Juneau, Alaska**

The North Pacific Fishery Management Council met August 4-5, 1992 at the Baranof Hotel in Juneau, Alaska. The meeting was scheduled specifically to review and consider approval of a supplementary analysis of revised alternatives for Amendment 18 to the Bering Sea/Aleutian Islands groundfish plan. The Council also reviewed the implementation of the 750 metric ton halibut prohibited species catch limit for non-trawl fisheries in the Bering Sea/Aleutian Islands. The Advisory Panel and Scientific and Statistical Committee met August 3-4 at the same location. The following members of the Council, staff, SSC and AP attended the meetings.

Council

Richard Lauber, Chairman
Donna Darm for Robt. Turner
CDR Joe Kyle for RADM Rufe
Larry Cotter
Oscar Dyson
Bob Mace for Randy Fisher

Robert Alverson, Vice Chair
Ron Hegge
Henry Mitchell
Steve Pennoyer
Wally Pereyra
Clem Tillion for Carl Rosier

NPFMC Staff

Clarence Pautzke, Executive Director
Judy Willoughby
Jim Cornelius
Marcus Hartley

Helen Allen
Gail Peeler
Regina Stewart

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Support Staff

Earl Krygier, ADFG
Sue Salvesson, NMFS-AKR
Jessie Gharrett, NMFS-AKR
David Benton, ADFG
Ron Berg, NMFS-AKR
Galen Tromble, NMFS-AKR

Dave Flannagan, NMFS-AKR
Jay Ginter, NMFS-AKR
Lisa Lindeman, NOAA-GC
Mort Miller, NMFS-DC
Sam Herrick, NMFS, SWR
Steve Freese, NMFS-NWR

Scientific and Statistical Committee

Bill Clark, Chair
Bill Aron
Doug Eggers
Larry Hreha

Terry Quinn, Vice Chair
Dan Huppert
Richard Marasco
Jack Tagart

Advisory Panel

John Woodruff, Chairman
Dave Fraser, V. Chairman
John Bruce
Al Burch
Phil Chitwood
Kevin Kaldestad

David Little
Pete Maloney
Dean Paddock
Perfenia Pletnikoff
John Roos
John Sevier

Harold Sparck
Michael Stevens
Beth Stewart
Robert Wurm

General Public

Approximately 100 people attended the meeting. The following members of the public signed the attendance register:

Jim Ackert
Bill Arterburn
Mike Atterberry
Alexander Austneberg
Greg Baker
Jim Beaton
Dave Benson
Brian Bigler
Chris Blackburn
Joe Blum
Jim Brennan
Charles Bronson
Garry Brown
Charles H. Bundrant
Cheril Bartman
Bryan J. Cardinal
Daniel Clark
Vince Curry

Robert Czeisler
Jerry David
Jeff Davis
Doug Donegan
Bob Dooley
Bart Eaton
Steve Finley
Nate Ford
Kate Graham
Vern Hall
Morris Hansen
Arnold Harberger
David Harville
Gary Haugen
Prof. Higgs
Scott Hovik
D. Hughs
John Iani

Don Iverson
Bob Juettner
Frank Kelty
Mark Knudsen
Dr. Kochin
Linda Kozak
Bert Larkins
Ross Lemire
Bill Lock
Paul MacGregor
Shirley Marquardt
Ole Mathisen
Phil McCrudden
Jim McManus
Tim Meintz
Jerry Nelson
Bill Orr
Chuck Petzel

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Paul Peyton
Joe Plesha
Peter Richardson
Carleton Robinson
Jim Salisbury
Marideth Sandler
Eileen Savo

American Seafoods
Robert Slade
Gregg Small
Thorn Smith
Janet Smoker
Mark Snigaroff
Mary Brennen Standaert

Peter Stitzel
Joe Sullivan
Mike Szymanski
Arni Thomson
Gale Vick
Eiko Vojkovich
John Winther
Fred Yeck

NOTE: A list of those testifying is found in Appendix I to these minutes.

I. CALL TO ORDER AND APPROVAL OF AGENDA AND MINUTES OF PREVIOUS MEETING

Chairman Lauber called the meeting to order at approximately 8:11 a.m. on Tuesday, August 4, 1992. It was noted that Council members Dyson and Mitchell had not yet arrived because of weather problems. Mr. Dyson was connected by teleconference until 2:30 p.m. on the first day of the meeting; Mr. Mitchell arrived at approximately 1:15 p.m. that day. Mr. Dyson arrived in time to attend the full session on Wednesday, August 5.

Agenda. Larry Cotter asked that time be provided at the end of the meeting for Jeff Berg to describe to the Council his particular situation with regard to the moratorium. Council members agreed to provide the time. The agenda was approved as submitted with this one addition.

Minutes of Previous Meeting. Minutes of the June meeting were not yet available for review.

II. AMENDMENT 18 - BERING SEA/ALEUTIAN ISLANDS

The supplementary analysis of revised Amendment 18 alternatives was released by the Council for public review and comment following the June meeting. The analysis included revisions directed by the Council addressing recommendations made by the AP and SSC, but no substantive changes have been made in the underlying data assumptions from the draft document presented to the Council in June. Members of the Analytical Team (Jim Cornelius, Steve Freese, Marcus Hartley, Mort Miller, and Sam Herrick) summarized the findings, discussed the sensitivity of the findings to key assumptions, and answered questions concerning the analysis.

The document, comprised of four parts: 1) a cost-benefit analysis; 2) an economic impact analysis; 3) an analysis of the catcher vessel operational area; and 4) a summary and update of pertinent findings from the original social impact assessment, was distributed to interested parties on July 10, 1992, allowing for a three-week review period prior to the meeting.

Copies of written public comment on the supplementary analysis were provided to Council members. Approximately 50 persons gave oral testimony on the subject.

Under the timetable suggested by Undersecretary Knauss, the Council was scheduled to select a preferred alternative at this meeting and resubmit it for a 60-day Secretarial review, in order to have a plan in place for implementation early in 1993.

List of Persons Testifying at August 1992 Council Meeting

Amendment 18 - Bering Sea/Aleutian Islands

Jeff Davis, Baader
Frank Kelty, Mayor, City of Unalaska
Perfenia Pletnikoff, St. Paul Island
Fred Yeck, Midwater Trawlers Assn.
Gale Vick, Eileen Sajo, Sherry Bartman, Jerry David, Jr. (Dillingham, Bethel)
Ross Lemire, Arctic Storm
Chuck Petzel, Engineer, Alaska Ocean
Bob Juettner, Aleutians East Borough
Mark Knudsen, Port of Seattle
Nate Ford, Puget Sound Metal Workers Council
Shirley Marquardt, Dutch Harbor
Eiko Vojkovich, Arctic Alaska Corporation
Vern Hall, Kodiak
Arnold Harberger/Joe Plesha, Trident Seafoods
Charles Bronson, FV American Eagle
Bob Dooley, Bill Lock, Pacific Prince
Marideth Sandler, Southwest Municipal Conference
Bert Larkins, Joe Sullivan, Garry Brown, Alaska Factory Trawlers
Phil McCrudden, NeoPak, St Paul Island
State of Alaska: Dave Benton, Earl Krygier, Paul Peyton
Greg Baker, Westward Seafoods, Dutch Harbor
Daniel Clark, Skipper, shorebased vessel
John Iani, Dr. Kochin, Prof. Higgs, Pacific Seafood Processors Assn.
Mick Stevens, ProFish International
Kate Graham, American High Seas Fisheries Assn.
Jim McManus, Trident Seafoods
Olaf Austenberg, Dutch Harbor
Gregg Small, Emerald Mgmt.
Dave Fraser, American Independent Fishermen
Robert Czeisler, Ocean Phoenix
Doug Donegan, Trident Seafoods
Bryan Cardinal, Glacier Fish Company
Peter Stitzel, American Seafoods
Paul MacGregor, U.S. Surimi Commission
Dave Benson, Arctic Alaska
Peter Richardson, Arctic Alaska
Jim Salisbury, Supreme Alaska Seafoods
Chuck Bundrant, Trident Seafoods
Carleton Robinson, Alaska Ocean Seafood
Bill Orr, FTS

Bering Sea Fixed Gear Halibut PSC Limit

Mary Brennan Standaert

Thorn Smith, North Pacific Longline Assn

John Winther, Dave Little, Don Iverson, Petersburg/Clipper Seafoods

Jim Beaton, Yukon Fisheries

Morris Hanson, Pacific Monarch

Mike Szymanski, Fishing Co of Alaska

Linda Kozak, Kodiak Longline Vessel Owners Assn.

Jerry Nelson, Baranof Fisheries

Bill Clark, International Pacific Halibut Commission

Phil McCrudden, Consultant

Arni Thomson, Alaska Crab Coalition

Chris Blackburn, for Alaska Groundfish Databank

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Report of the Scientific and Statistical Committee

The full text of the SSC's comments are found in Appendix II to these minutes. In summary, the SSC said they believe the analytical team used the best available data in preparation of the analysis of the alternative allocations; these data referred to conditions in 1991. The SSC agreed that the data indicate that net benefits associated with Alternatives 2 and 3 are likely to be negative, and the impacts of each of these alternatives on aggregate income and employment are likely also to be negative.

Report of the Advisory Panel

The AP received staff and NMFS reports regarding the revised analysis and took public testimony. The AP recommended the Council adopt Alternative 3, with the following percentages:

<u>Year</u>	<u>Inshore</u>	<u>Offshore</u>
1993	35%	65%
1994	37.5%	62.5%
1995	37.5%	62.5%

The AP was not in favor of establishing the Catcher Vessel Operating Area. Most members felt that the zone is not necessary as long as a specific allocation plan exists. Further, many AP members were concerned that a CVOA would at times drive boats out of productive grounds and into areas that have higher bycatch and that are less safe. (See AP Minutes, Appendix III)

COUNCIL DISCUSSION AND ACTION

Larry Cotter moved the following:

A. To allocate the Bering Sea/Aleutian Islands pollock TAC between the inshore and offshore components as follows:

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

B. Catcher Vessel Operational Area

For pollock harvesting and processing activities, a Catcher Vessel Operational Area (CVOA) shall be defined as inside 168° through 163°W longitude, and 56°N latitude south to the Aleutian Islands. Any pollock harvested in a directed pollock fishery in this area and delivered in the United States must be processed by the inshore component, except that:

1. Sixty-five percent of the offshore component's "A" season allocation may be taken within the CVOA.
2. Offshore motherships and their catcher vessels may operate in the CVOA throughout the year, providing an offshore allocation remains unharvested; and,

3. **Notwithstanding the above, the portion of Area 519 within the CVOA shall be reserved exclusively for catcher vessels delivering to the inshore component.**

The Council and the Secretary, on an annual basis, may place a limit on the total amount of pollock which may be harvested within the CVOA, or within a portion of the CVOA. If a limit is put into effect, the inshore component shall have first priority to the amount of harvest available up to the amount of the inshore allocation; second priority shall be given to offshore motherships and their catcher vessels, and third priority shall be to the remainder of the offshore component.

C. On an annual basis, the NMFS will conduct a survey of the inshore and offshore components of the industry to determine the extent to which they will fully utilize their respective allocations. If the results of the survey show that one or the other will not take its entire allocation, or if during the course of the fishing year it becomes apparent that a component will not take the full amount of its allocation, the amount which will not be taken shall be released to the other component for that year. This shall have no impact upon the allocation formula.

The motion was seconded by Bob Mace.

It was clarified that the definitions and operating rules approved in the original Amendment 18 would remain applicable during 1993-95.

Mr. Cotter stated that in his opinion the original inshore-offshore motion submitted to the Secretary was appropriate; however, since the original percentages were disapproved, he is submitting this motion as a compromise. All of Mr. Cotter's previous comments on the issue are to be considered part of the record for this motion. Mr. Cotter stated that he feels that the inshore sector needs some protection and that the catcher vessels have been preempted and that an allocation is appropriate. The impact on the communities in the region are of particular concern to him and an inshore allocation is critical to their growth and stability.

Chairman Lauber confirmed that he wished all prior Council discussions on the issue to be part of the record for this motion and that his decision would be based not only on the cost-benefit analysis but on the extensive public testimony received at this meeting and at previous meetings.

With regard to the portion of the motion stating priorities for allocating pollock in the CVOA, if necessary, Mr. Pennoyer asked for clarification as to how an allocation could be made to offshore motherships and their catcher vessels when there is no inshore-offshore allocation specifically for motherships. Mr. Cotter clarified that his intent would be that if the inshore component would not be able to take their entire allocation within the area, the Regional Director would have the option of releasing the remaining portion to the catcher-processor component.

Also, with regard to a survey of industry requirements, Mr. Cotter stated that it is his intent that the Regional Director has the flexibility to reallocate during the course of the year; if a formal survey is not required or feasible, then the motion could be reworded to reflect that.

Regional Director Steve Pennoyer pointed out that it is possible that, with respect to marine mammal protection, other restrictions may take precedence over any inshore-offshore allocation or area designations.

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The cost-benefit analysis and the differing opinions surrounding it were discussed at length. The Council was very concerned that many of the assumptions and key data inputs to the model were suspect and sensitivity analysis showed how much the model outcomes could vary as a result of relatively minor changes in a few key percentages. They also felt that the cost-benefit analysis should not be the only factor taken into consideration when making a decision. Social benefits, including those articulated during public testimony from representatives of many of the coastal communities who will be impacted by the decision, were mentioned as being as important as the results of a cost-benefit analysis.

Council member Wally Pereyra indicated that he didn't feel that the Area 519 portion of the plan was adequately analyzed as to the impacts on the factory trawlers, or that this option had received appropriate public comment. Because the analysis covered an option to include a CVOA, or not include a CVOA, it was felt that the issue had been before the public and covered adequately.

Henry Mitchell moved to delete Section B, the Catcher Vessel Operating Area. The motion was seconded by Wally Pereyra.

Mr. Mitchell expressed a desire to see more information and analysis on this option. After further analysis, the CVOA could be implemented later if appropriate. It was pointed out that the Advisory Panel recommended against a CVOA. Mr. Pennoyer suggested an option to framework the plan so that a CVOA could be implemented by regulatory amendment if desired.

The amendment failed, 6 to 5, with Alverson, Darm, Mitchell, Pennoyer and Pereyra voting in favor.

Donna Darm moved that the CVOA would be in effect only for the "B" season and that motherships would be allowed to operate in the area, including Area 519, during the "B" season. The motion was seconded by Wally Pereyra. The motion carried, 6 to 5, with Cotter, Dyson, Mace, Tillion and Lauber voting no.

Council members agreed on these less restrictive provisions based on testimony from representatives of the offshore fleet that closing the area during the "A" season would deprive them of prime fishing grounds on the largest roe-bearing fish, particularly since the Bogoslof fishery had been closed. Safety factors, the possibility of higher discards of small pollock, and bycatch implications were also cited as reasons for the amended CVOA provisions.

Donna Darm moved that for 1994-95, the allocation would remain at 35% for inshore and 65% for offshore. The motion was seconded by Wally Pereyra and failed, 7 to 4, with Alverson, Darm, Pennoyer and Pereyra voting in favor.

Ms. Darm said that although some allocation may be required, she is not convinced that there are enough social benefits to offset the costs and that she cannot support a higher allocation that already approved by the Secretary. Other Council members felt that public testimony questioned the results of the analysis and the model sensitivity. They felt that the costs and benefits of a 35% allocation may be fairly even; some felt there could even possibly be a net economic benefit to the nation. Most were convinced that an assured amount of onshore landings would result in positive socioeconomic benefits to the coastal communities.

The main motion, as amended, carried 10 to 1, with Darm voting no.

Mr. Pereyra said that excluding the factory trawlers during the "A" season could have some very substantial economic impacts on their fleet.

III. IMPLEMENTATION OF THE BSAI NON-TRAWL 750 mt HALIBUT PSC

This subject was placed on the agenda at the request of NMFS and members of industry. After hearing a staff report from NMFS, the Council voted to consider action on the item and took public testimony from sixteen people.

On March 30, NMFS, Alaska Region, enacted an emergency rule to implement the PSC bycatch measures approved by the Council in Amendment 19. The emergency rule did not implement the 750 mt halibut PSC limit for the non-trawl fisheries because NMFS estimated this gear type would not reach its PSC limit before Amendment 19/24 was implemented. NMFS approved the amendment on July 22, 1992. Waving the 30-day cooling off period, the final rule could become effective by August 6, 1992; however, NMFS Alaska Region estimates that the final rule is more likely to take effect sometime in late August.

Current catch and bycatch statistics on the BSAI Pacific cod fishery through the week ending on July 19, 1992 indicate that hook and line gear had taken 69,859 mt, or 45 percent of the Pacific cod ITAC and the fixed gear component had taken 724.95 mt of halibut mortality. Roughly 15,000 mt of Pacific cod remain before reaching the ITAC. Over the past two months, the hook and line fleet has experienced a weekly halibut bycatch (not mortality) rate of 132 kg halibut/mt groundfish. At this rate, the fleet will require 316 mt of halibut mortality to prosecute 15,000 mt of Pacific cod, assuming a 16 percent mortality rate. At current effort, the hook and line fleet will take the remaining ITAC within six weeks, at which point the fleet will have taken 1,041 mt of halibut mortality, assuming bycatch rates remain the same. In addition, approximately 27,300 mt of Pacific cod remain in reserve and could be released after the ITAC is taken. Harvesting the reserve will require even more halibut PSC.

Report of the Advisory Panel

The AP recommended the Council rescind the halibut bycatch cap for fixed gear in the BSAI for 1992 or ask the Secretary of Commerce not to implement that portion of Amendment 19 that establishes this fixed gear cap. The intent of their recommendation was to allow the fixed gear fleet in the BSAI to fish for Pacific cod up to the TAC in 1992 without being restrained by the halibut cap. The AP further recommended the Council revise the BSAI trawl halibut bycatch cap for 1992 from the existing 5,033 mt to 5,333 mt. The AP felt that the fixed gear cap was developed arbitrarily without sufficient data on which to base it and that there was never any intent to restrain the fixed gear fleet from harvesting the TAC. The AP stated that their recommendations are for 1992 only and that prior to 1993 the industry would work toward ways to work under Amendment 19 cap levels. The AP also recommended that the council appoint a industry workgroup to review the entire issue of halibut caps, halibut mortality, the validity of data used, and the equity of the caps. The group would be asked to report back to the Council in September.

There was no report from the Scientific and Statistical Committee on this agenda item.

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COUNCIL DISCUSSION AND ACTION

During discussion Council members expressed the need for better documentation of halibut mortality by observers. Industry has testified that they are making efforts to reduce mortality by cutting gangions but are not receiving credit for it. In setting the cap the Council was not aware that the Pacific cod harvest would be considerably higher than in previous years and that the cap would become a constraint to attainment of the TAC. The Council realized that the halibut cap would be further exceeded but also were aware that improvements need to be made in documenting mortality rates.

Bob Alverson moved to as the Regional Director to recommend that the Secretary not waive the 30-day cooling-off period on Amendment 19 and, further to recommend the Regional Director release the Pacific cod reserves. The motion was seconded by Henry Mitchell.

Council member Ron Hegge advised he would abstain from the vote. **The motion carried, 6 to 4, with Cotter, Pennoyer, Pereyra and Tillion voting no and Hegge abstaining.**

Council members voting in opposition expressed concern over setting a precedence. They felt that because the cap had been reached the fishery should close as originally intended by Amendment 19.

Wally Pereyra moved that the Chairman appoint a industry bycatch workgroup to consider the entire issue of halibut caps, halibut mortality, the validity of data used, and the equity of the caps, with a report to the Council in September. The motion was seconded by Henry Mitchell and carried without objection.

IV. ADDED AGENDA TOPIC

Mr. Jeff Berg asked to be heard by the Council about his situation with regard to the moratorium. Mr. Berg purchased a sunken vessel, the ANDREW MCGEE in September of 1989. The vessel had been in the fisheries between 1980 and 1988 when it sank. This would qualify it under the moratorium qualifying period; however, the moratorium states that "any vessel lost or destroyed after January 1, 1989 can be replaced" Mr. Berg has invested nearly \$200,000 in the vessel and asked the Council to clarify his position with regard to the moratorium.

COUNCIL DISCUSSION AND ACTION

It was pointed out that although the vessel was sunk and brought back up, it could be considered that the vessel was in the same position as one that had simply been tied up during that period of time. The vessel qualifies under the qualifying period and therefore should not be penalized.

Bob Alverson moved that it is the sense of the Council that the vessel qualifies under the moratorium. The motion was seconded by Oscar Dyson and carried without objection.

V. CHAIRMAN'S REMARKS AND ADJOURNMENT

Chairman Rick Lauber presented plaques of appreciation for departing Council members Larry Cotter and Commander Joe Kyle. Appreciation was also expressed for Council staff member Jim Cornelius who will be returning to Oregon State University. Earlier in the meeting former Council member Joe Blum was also presented with a plaque.

The meeting was adjourned at 11:00 p.m. on Wednesday, August 5, 1992.