

North Pacific Fishery Management Council

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December 3, 2004

DRAFT AGENDA
169th Plenary Session
North Pacific Fishery Management Council
December 8-14, 2004
Anchorage Hilton
Anchorage, Alaska

The North Pacific Fishery Management Council will meet December 8-14, 2004 at the Anchorage Hilton, 500 West 3rd Avenue, Anchorage, Alaska. Other meetings to be held during the week are:

Committee/Panel

Advisory Panel
Scientific and Statistical Committee
IFQ Implementation Committee
Enforcement Committee

Beginning

Dec 6, Mon. - Dillingham/Katmai
Dec 6, Mon. - King Salmon Room
Dec 8, Wed. 6:00-10:00pm - Aspen/Spruce
Dec 7, Tues. 1:00-5:00pm - Iliamna Room

All meetings will be held at the Hilton Hotel unless otherwise noted. All meetings are open to the public, except executive sessions of the Council. Other committee and workgroup meetings may be scheduled on short notice during the week, and will be posted at the hotel.

INFORMATION FOR PERSONS WISHING TO PROVIDE PUBLIC COMMENTS

Sign-up sheets are available at the registration table for those wishing to provide public comments on a specific agenda item. Sign-up must be completed **before** public comment begins on that agenda item. Additional names are generally not accepted **after** public comment has begun.

Submission of Written Comments. Written comments and materials to be included in Council meeting **notebooks** must be received at the Council office by **5:00 pm (Alaska Time) on Wednesday, December 1**. Written and oral comments should include a statement of the source and date of information provided as well as a brief description of the background and interests of the person(s) submitting the statement. Comments can be sent by mail or fax--please **do not** submit comments by e-mail. **It is the submitter's responsibility to provide an adequate number of copies of comments after the deadline.** Materials provided **during** the meeting for distribution to Council members should be provided to the Council secretary. A minimum of **25** copies is needed to ensure that Council members, the executive director, NOAA General Counsel, appropriate staff, and the official meeting record each receive a copy. If copies are to be made available for the Advisory Panel (**28**), Scientific and Statistical Committee (**18**), or the public after the pre-meeting deadline, they must also be provided by the submitter.

FOR THOSE WISHING TO TESTIFY BEFORE THE ADVISORY PANEL

The Advisory Panel has revised its operating guidelines to incorporate a strict time management approach to its meetings. Rules for testimony before the Advisory Panel have been developed which are similar to those used by the Council. Members of the public wishing to testify before the AP **must** sign up on the list for each topic listed on the agenda. Sign-up sheets are provided in a special notebook located at the back of the room. The deadline for registering to testify is when the agenda topic comes before the AP. The time available for individual and group testimony will be based on the number registered and determined by the AP Chairman. **The AP may not take public testimony on items for which they will not be making recommendations to the Council.**

FOR THOSE WISHING TO TESTIFY BEFORE THE SCIENTIFIC AND STATISTICAL COMMITTEE

The usual practice is for the SSC to call for public comment immediately following the staff presentation on each agenda item. In addition, the SSC will designate a time, normally at the beginning of the afternoon session on the first day of the SSC meeting, when members of the public will have the opportunity to present testimony on any agenda item. The Committee will discourage testimony that does not directly address the technical issues of concern to the SSC, and **presentations lasting more than ten minutes will require prior approval from the Chair.**

COMMONLY USED ACRONYMS

ABC	Acceptable Biological Catch	MSY	Maximum Sustainable Yield
AP	Advisory Panel	mt	Metric tons
ADFG	Alaska Dept. of Fish and Game	NMFS	National Marine Fisheries Service
BSAI	Bering Sea and Aleutian Islands	NOAA	National Oceanic & Atmospheric Adm.
CDQ	Community Development Quota	NPFMC	North Pacific Fishery Management Council
CRP	Comprehensive Rationalization Program	OY	Optimum Yield
CVOA	Catcher Vessel Operational Area	POP	Pacific ocean perch
EA/RIR	Environmental Assessment/Regulatory Impact Review	PSC	Prohibited Species Catch
EEZ	Exclusive Economic Zone	SAFE	Stock Assessment and Fishery Evaluation Document
EFH	Essential Fish Habitat	SSC	Scientific and Statistical Committee
ESA	Endangered Species Act	SSL	Steller Sea Lion
FMP	Fishery Management Plan	TAC	Total Allowable Catch
GHL	Guideline Harvest Level	USFWS	United State Fish & Wildlife Service
GOA	Gulf of Alaska	VBA	Vessel Bycatch Accounting
HAPC	Habitat Areas of Particular Concern	VIP	Vessel Incentive Program
IBQ	Individual Bycatch Quota		
IFQ	Individual Fishing Quota		
IPHC	International Pacific Halibut Commission		
IRFA	Initial Regulatory Flexibility Analysis		
IRIU	Improved Retention/Improved Utilization		
ITAC	Initial Total Allowable Catch		
LAMP	Local Area Management Plan		
LLP	License Limitation Program		
MSFCMA	Magnuson-Stevens Fishery Conservation and Management Act		
MMPA	Marine Mammal Protection Act		
MRA	Maximum Retainable Amount		
MRB	Maximum Retainable Bycatch		

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Estimated Hours

A. CALL MEETING TO ORDER

- (a) Approval of Agenda
- (b) Approval of minutes (T)

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B. REPORTS

- B-1 Executive Director's Report (4 hrs)
- B-2 NMFS Management Report
- ~~B-3 Enforcement Report (February)~~
- B-4 Coast Guard Report
- B-5 ADF&G Report (and review of proposals to BOF)
- B-6 USFWS Report
- B-7 Protected Species Report (review MMPA listing proposed rule)

C. NEW OR CONTINUING BUSINESS

- C-1 Crab Rationalization (6)
Review proposed rule and comment.
- C-2 GOA Groundfish Rationalization (6)
 - (a) Receive report from Community Committee.
 - (b) Refine alternatives and options for analysis.
- C-3 GOA Rockfish Demonstration Project (2)
Review available information and take action as necessary.
- C-4 EFH and Habitat Area Particular Concern (HAPC) (6)
 - (a) Review Alternative 5B options analysis; and finalize alternatives.
 - (b) Review HAPC Process, and consider revisions as necessary.
 - (c) Update on proposed Dixon Entrance HAPC area, action as necessary.
- C-5 IR/IU (4)
Finalize alternatives and options, and revise problem statement for Amendment 80.
- C-6 Observer Program (4)
Preliminary review of analysis of program restructuring.
- C-7 Halibut/Sablefish IFQ Program (6)
 - (a) Report from IFQ Implementation Team and consider initiating amendments.
 - (b) Final Action on 4C/4D amendment.
 - (c) Final action on omnibus regulatory amendment.

- C-8 Halibut Subsistence (6)
Final Action on omnibus regulatory amendment.
- C-9 Pacific Cod Allocations (2)
Review background paper and develop problem statement and alternatives.

D. FISHERY MANAGEMENT PLANS

- D-1 Groundfish Management (8)
(a) AI Special Management Area: Review preliminary discussion paper.
(b) BSAI Salmon Bycatch: develop problem statement and alternatives.
(c) Review rockfish management discussion paper. (T)
(d) Receive report from Non-Target Species Committee.
(e) Final groundfish specifications for GOA
(f) Final groundfish specifications for BSAI.
(g) Final action on groundfish FMP updates.
- D-2 Staff Tasking (2)
Review tasking and committees and initiate action as appropriate.
- D-3 Other Business

Total Agenda Hours: 56 Hours

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Certified: Law Bender
Date: 11/29/04

MINUTES SCIENTIFIC STATISTICAL COMMITTEE October 4-6, 2004

The Science Statistical committee met October 4-6, 2004 at the Centennial Hall in Sitka, AK. Members present:

Rich Marasco, Chair
Mark Herrmann
Franz Mueter
David Sampson

Gordon Kruse, Vice Chair,
Sue Hills
Ken Pitcher
Doug Woodby

Keith Criddle
Anne Hollowed
Terry Quinn

Members absent:

Steve Hare
Farron Wallace

George Hunt

Seth Macinko

B-7 Protected Species Reports

Staff presentations were primarily by Bill Wilson (NPFMC) with additional information provided by Bridget Mansfield (NMFS AK region), Thorn Smith (North Pacific Longline Association), and Paul McGregor (At-Sea Processors Association). Public testimony provided by Terry Litzel of Icicle Seafoods.

The SSC found the inclusion of a Protected Species Report to be a valuable addition and complements NPFMC staff member Bill Wilson on both the detailed report and his succinct presentation to the SSC.

C. Seabirds. The SSC, after hearing presentations by Thorn Smith and Paul McGregor, was impressed and supportive of research and technique development by both longline and trawl fishery groups to avoid seabird mortality. This proactive approach is a model that might be considered by both industry and agencies to address potential issues.

E. Northern Fur Seals (NFS). The SSC received reports on a) the Draft EIS on renewing the fur seal subsistence harvest regulations, and b) a status report on most recent counts of NFS in Alaska. The draft EIS raises the issue of the cumulative indirect effects of commercial fisheries on NFS, giving it a negative conditional significant rating, without providing an in-depth assessment. We were told that NMFS is planning a new EIS on NFS management in general that will include a more in-depth assessment incorporating new data and changes in the fishery, but no timeline was given. The SSC encourages NMFS not to delay in producing the new EIS. The SSC notes that the CS- rating is likely to attract the

public's attention. It would seem advisable to review what is known about the foraging range of reproductive females with pups on the Pribilof rookeries, what prey are utilized and the relationship with current fisheries. A useful exercise would be to plot the female foraging areas, what is known about prey utilization, and overlay this with fishery harvest data. Also it would be useful to review what is known about reproduction and age-specific survival and insights into mechanisms involved in the decline. The planned EIS is the appropriate place to include a thorough review of the current state of knowledge of fur seal biology, particularly in regard to possible relationships with fisheries. Although management of fur seals is an important consideration, it is unlikely that directed harvest of the magnitude currently occurring is a driving factor in the decline.

Although the absolute number of NFS is large (~750,000), the continued unexplained decline in NFS numbers raises concerns. NFS have declined by about 60% since the early 1970s and there is a suggestion that the decline may be accelerating. NMFS should be encouraged to intensify research with focus on population limitation.

G. Steller Sea Lion Recovery Team. The SSC notes that the definition of critical habitat has been of concern to the Council and that we have understood in the past that this issue will be dealt with in the Recovery Plan. The draft table of contents mentions habitat only in the descriptive section under "Habitat Characteristics and Use." The SSC encourages the Recovery Team to address this issue substantively, incorporating what has been learned about SSL critical habitat since publication of the most recent Biological Opinion.

L. List of fisheries for 2003. The LOF summary document should not be released without the accompanying analysis and without careful qualifications regarding the assumptions underlying Table 1. It should be prominently noted that the values of "*Estimated Incidental Annual Mortality and Serious Injury*" for killer whale and humpback whale reported in Table 1 reflect a decision to double-count mortality-serious injury events. Faced with insufficient information to assign mortality-serious injury events to specific marine mammal stocks, the analysts chose to assign single mortality-serious injury events involving killer whales to both the transient and resident sub-units of Eastern North Pacific killer whale stocks. Similarly, the analysts chose to assign single mortality-serious injury events involving humpback whales to both the western and central sub-units of North Pacific humpback whale stocks. A more appropriate approach would have been to have weighted the mortality-serious injury events by the probability that they involved marine mammals from particular population sub-units. For example, if it was equally likely that incidents which were observed in the BSAI Pacific cod longline fishery involved transient and resident killer whale population sub-units, then the estimated incidental annual mortality and serious injury values reported in Table 1 should be $0.8 \times 0.5 = 0.4$ for Eastern North Pacific transient killer whales and $0.8 \times 0.5 = 0.4$ for Eastern North Pacific resident killer whales. Similarly, if there is a 75% probability that mortality-serious injury events involving humpback whales in the Bering Sea sablefish pot fishery involved whales from the central North Pacific population sub-unit and a 25% probability that the mortality-serious injury events involved whales from the western population sub-unit, the estimated incidental annual mortality and serious injury incidence for western North Pacific humpback whales in the Bering Sea sablefish pot fishery should be $0.2 \times 0.75 = 0.15$. Similarly, the estimated incidental annual mortality and serious injury incidence for central North Pacific humpback whales in the Bering Sea sablefish pot fishery should be $0.2 \times 0.25 = 0.05$. As presently constituted, Table 1 includes biased and inconsistent estimates of incidental annual mortality and serious injury for killer whales and humpback whales; the table should be revised before being released for public review.

N(3). New trade-off tool. The SSC encourages development of a Trade Off Tool (TOT, Bump II) to sort through proposals for changes to SSL protection measures so that the concept of “no net loss” of protected areas can be assured. SSC would like to review the TOT formulation and weighting factors before it is used formally.

As stated in Appendix I page 5 from BSAI FMP revisions:

Management measures are in place in the BSAI and GOA groundfish fisheries to protect SSL...were deemed necessary based on the hypothesis that the continued decline of the western stock of the Steller sea lion is due to nutritional stress and that groundfish fisheries contribute to this stress by competing with sea lions for their key prey species. Management measures were specifically developed to reduce competitive interaction between SSL and the groundfish fisheries...

The nature and uncertainty surrounding the magnitude of the connection (if any) between any restrictions of harvest or protection of space around SSL areas and changes in SSL numbers is unknown. As stated in the June 2001 SSC minutes, “The SSC believes that caution should be exercised in using the results of the analysis. The results should not be relied upon as indicative of actual population trajectories or as a reflection of statistically significant differences in trajectories as a consequence of alternative RPA proposals.”

That is, we do not know if protection of an additional 100 square km of habitat near a rookery will result in an increase of 5 or 100 SSL or any at all. Thus any assessment framework that uses the scoring of alternative actions should be examined carefully and used with caution. Thus, TOT analyses do not represent a rigorous scientific assessment of what we expect to happen to SSL population size as a result of management actions. However, the TOT analysis could be useful to achieve a “legal” objective of not straying “too far” from the suite of protection measures that passed muster in the courts and the SSC encourages its development in that context.

C-3 EFH and HAPC

C-3a. EA/RIR/IRFA on HAPC proposals

Cathy Coon (NPFMC) and Marcus Hartley (Northern Economics) presented on the draft EA/RIR/IRFA for Habitat Areas of Particular Concern (HAPC). The SSC provided editorial comments and, given attention to these, agrees that the document is ready for release for public review.

C-3b. CIE Review

The SSC received a presentation by Dr. Ken Drinkwater (Marine Research Institute, Bergen Norway) summarizing the Center for Independent Experts (CIE) panel review of the effects of fishing analysis contained in Appendix B of the EFH EIS. Dr. Craig Rose (AFSC) presented the NMFS response to the review, focused solely on technical issues and recommendations for short term actions to take place prior to publication of the final EIS in January, 2005. Public comment was given by Ben Entiknap of the Alaska Marine Conservation Council, Ed Richardson of the Pollock Conservation Cooperative, Jon Warrenchuk of Oceana, and John Gauvin of the Groundfish Forum.

The SSC identified three issues for comment: 1) the use of MSST as a criterion for evaluating effects of fishing on FMP species, 2) the fishing effects model and recommendations for further analysis, and 3) the need for a precautionary approach in interpreting model results.

The MSST Criterion. The SSC sought clarification from the CIE panel chair regarding their evaluation of the MSST criterion. The CIE panel chair stated that they believe the MSST should be included as part of the impact consideration but that other information should be reviewed to complete the evaluation. The SSC agrees with this view and recommends that the final document 1) more fully describe the factors and available information considered and 2) be expanded to include additional information as indicated by Dr. Rose. The types of additional information include: time series of recruitment and spawning biomass, a comparison of the status of the stock relative to biological reference points, an analysis of spatial variation in CPUE from the survey and possibly fishery data, analysis of the effort time trend in heavily fished and lightly fished areas, and a comparison of fish condition and food habits inside and outside heavily fished regions. The SSC requests that NMFS provides a statement of the rationale for the determination of fishing impacts on habitat. Further there is a need to clarify the meaning of "professional judgment".

The Fishing Effects Model. The SSC emphasizes the limitations of the model to assess impacts of fishing on habitat and target species. The model output largely reflects fishing intensity as modified by highly uncertain estimates of recovery rate. Given our lack of understanding of how reductions in habitat quantity and quality may affect fish productivity, the model in its current form does not support scientifically based, quantitative conclusions regarding the effects of habitat disturbance on target species. However, it can help in the qualitative interpretation of spatial patterns in CPUE, condition indices, etc., as pointed out in the CIE review. As noted in the CIE report, various potential improvements to the model are unlikely to provide significant changes in the pattern of habitat effects. For this reason, the SSC recommends that further work with the fishing effects model in the short term be focused on validation, which was a principal recommendation of the CIE review report. Validation efforts might be most productive if focused on available data from closed waters and adjacent open waters in two areas: Bristol Bay and Kodiak where data are available on fishing intensity, benthic species, and habitats in recent research by NMFS scientists (R. McConnaughey and R. Stone).

In the long-term, additional model development and improvement is recommended, focusing on obtaining more finely scaled substrate data, improvements in parameter estimates, and further validation efforts, which might include testing the model with data sets from other regions, such as eastern Canada, perhaps through collaboration with other scientists familiar with those data. The USGS sediment chart for the NGOA should be considered as a source of broader area information on substrate characteristics.

Precautionary Approach. As stated in the CIE report, "In recent years, fisheries science has been applying the precautionary approach. That is, in the absence of conclusive proof, one should proceed cautiously. Yet, there is little to no discussion within Appendix B of the precautionary approach with regards to EFH." The SSC feels that there are two places for considering precaution, one is in the interpretation of results and the other is in the specification of management actions. The latter is the purview of the Council, and, for example, in the SSC's March 2004 minutes we commented that a requirement of demonstrable linkage between habitats and fish productivity is a very high standard to achieve prior to taking management action, a standard that may not be consistent with the Council's precautionary approach. However, the former consideration of precaution should be considered in Appendix B. One example highlighted in the CIE report is the fact that 40% of the individual evaluations are considered as "unknown". Given the level of uncertainty, conclusions should be appropriately couched relative to the level of uncertainty in the analysis upon which they are drawn.

C-3c. Comment and Response report on EFH EIS

Dr. Jon Kurland presented a report summarizing public comments and the NMFS draft responses to those comments. The SSC thanks Dr. Kurland and his staff for preparation of this report.

C-4 IR/IU Amendment 80

John McCracken (NPFMC staff) provided the SSC with an overview of the outline for three analyses: an EA/RIR/IRFA for amendment 80 to the BSAI groundfish management plan, a discussion paper on subdividing BSAI TACs, and a discussion paper on the impacts of amendment 80 on BSAI parallel fisheries. It is anticipated that these analyses would proceed together with initial review in February 2005 and final action in April 2005. Public testimony was provided by Ed Luttrell (Groundfish Forum).

This is an ambitious schedule for a major analysis. The SSC would appreciate an opportunity to comment on the analysis as it is developed; a progress report should be presented to the SSC in December, 2004. Based on the draft outlines for the three analyses and discussions with staff, the SSC offers the following suggestions:

1. The analyses should address the rationale for allocating bycatch based on catch history. Basing bycatch allocations on past bycatches effectively rewards those who have catch histories with large amounts of bycatch even if their bycatch rates have exceeded fleet averages; it may be perceived as rewarding "dirty" fishing.

Alternative rules for allocating bycatch could be considered. For example, bycatch could be allocated based on target catch history and industry average bycatch rates. Another alternative would be to apply a variant of the zero-revenue auctions used in the Clean Air Act's Acid Rain Program to control sulfur emissions¹. It is not necessary to consider an infinite variety of possible allocation criteria, but the analysis should include an explanation of why this particular criterion was selected and whether it is consistent with the objectives outlined in the Council's problem statement.

2. The analysis should include motivation for the proposed criteria for in-season reallocation of unharvested bycatch to "most similar" fisheries. Alternative rules for in-season reallocation could be considered. For example, an auction of unneeded bycatch allocations would ensure that the bycatch allocations would be available to those fisheries for which bycatch limits impose the highest opportunity costs. Such an allocation criterion could be justified as a mechanism for recovering costs associated with management and observer costs needed for verifying the magnitude and composition of bycatches. Alternatively, the revenues generated from auctioning the unneeded bycatches could be returned to the fishery that released the unneeded quota, thereby providing a monetary incentive to reduce bycatches. Other possibilities include the zero-revenue auction approach referenced above and the so-called "Australian drop through" system². (Both of these systems are discussed in the NRC report *Sharing the Fish*). These and other alternative allocation criteria offer the prospect of reducing bycatches. Although it is not necessary to consider an infinite variety of possible in-season reallocation criteria, the analysis should include

¹ Hausker, K. 1990. Coping with the cap: How auctions can help the allowance market work. *Public Utilities Fortnightly* 125:28-34.

Hausker, K. 1992. The politics and economics of auction design in the market for sulfur dioxide pollution. *Journal of Policy Analysis and Management* 11(4):553-572.

Tietenberg, T.H. 1985. *Emissions Trading: An Exercise in Reforming Pollution Policy*. Resources for the Future, Washington, D.C.

Tietenberg, T.H. 1990. Economic instruments for environmental regulation. *Oxford Review of Economic Policy* 6(1):17-33.

Tietenberg, T.H. 1995. Pp. 15-32 in S. Hanna and M. Munasinghe (eds.), *Design Lessons from Existing Air Pollution Control Systems: The United States. Property Rights in a Social and Ecological Context: Case Studies and Design Applications*. The World Bank, Washington, D.C.

² Young, M.D. 1995. The design of fishing-right systems: The New South Wales experience. *Ocean and Coastal Management* 28:54-61.

Young, M.D., and B.J. McCay. 1995. Building equity, stewardship, and resilience into market-based property-rights systems. Pp. 87-102 in S. Hanna and M. Munasinghe (eds.), *Property Rights and the Environment: Social and Ecological Issues*. The Beijer International Institute of Ecological Economics and The World Bank, Washington, D.C.

an explanation of why a particular criterion is selected and whether it is consistent with the objectives outlined in the Council's problem statement.

3. The analysis should include a discussion of the motivation for and implications of basing the allocation on the average of catch history over the "X best years" rather than simply using the average catch history. One implication of this approach is that it will result in an allocation of catch history that is less than the best-years average. A similar approach was applied in the initial allocation of halibut and sablefish IFQ and resulted in a widespread perception that individuals received less than their past catch average. In addition, basing the allocation on a subset of the catch history reallocates catches from low variance harvesters to high variance harvesters, disadvantaging the most consistent harvesters.
4. The potential impact of the alternatives considered in this suite of analyses on the quality of data collected for management and the cost of collecting that data through the North Pacific Observer program need to be carefully explored. In addition, there should be an examination of the tradeoff between increasingly fine scale management and confidence in bycatch estimates.
5. The analysis should include a discussion of potential spillover effects for other BSAI and GOA fisheries and of implications for the processing sector.
6. The analysis should include a discussion of transfer provisions and transfer restrictions, and the rationale for limits on transferability within the fishery and between fisheries. Specifically, the analysis should discuss within-season transfer provisions, provisions related to annual transfers, and provisions related to permanent transfers. In addition, the analysis should consider the impact of provisions related to the divisibility of bycatch allocations, for example, can crab bycatch allocations be transferred independently of halibut bycatch allocations.
7. To date, the regulatory impact reviews prepared for Council consideration have adopted a cost-benefit analytic (CBA) framework. Under a CBA framework, the analysis seeks to characterize the magnitude of consumer and producer surplus under the status quo and under the proposed alternatives; and thus requires statistical models of the demand for and supply of market and non-market goods and services. The SSC is concerned that data necessary for developing quantitative estimates of the costs and benefits associated with the alternatives are unavailable, and that even if the data were available, that the econometric analyses based on the data could not be completed in time to be included in the analytic package. OMB Guidelines³ suggest that cost effectiveness analysis (CEA) may be an appropriate complement or alternative to CBA for certain regulatory decisions. While CEA is most often applied to rule-making related to health and safety, it may provide a useful framework for analyses where the primary benefits are non-monetary. Because the purpose of amendment 80 is improved retention and improved utilization of groundfish catches, objectives that are primarily non-monetary, CEA may be a useful framework for the analysis of this suite of proposed actions. The SSC is not aware of other applications of CEA to the analysis of alternative management measures for fisheries, consequently use of a CEA framework may attract a heightened level of review by the Secretary of Commerce and OMB. Nevertheless, if the choice is between preparing a qualitative CBA and preparing a CEA, there may be advantages to adopting the CEA framework. OMB (2003) notes:

Cost-effectiveness analysis can provide a rigorous way to identify options that achieve the most effective use of the resources available without requiring monetization of all of relevant benefits or costs. Generally, cost-effectiveness analysis is designed to compare a set of regulatory actions with the same primary outcome (e.g., an increase in the acres of wetlands protected) or multiple outcomes that can be integrated into a single numerical index (e.g., units of health improvement).

...

³ Office of Management and Budget, September 17, 2003. Circular A-4—Guidance to Federal Agencies on the Development of Regulatory Analysis as Required under Section 6(a)(3)(c) of Executive Order 12866.

When you have identified a range of alternatives (e.g., different levels of stringency), you should determine the cost-effectiveness of each option compared with the baseline as well as its incremental cost-effectiveness compared with successively more stringent requirements. Ideally, your CEA would present an array of cost-effectiveness estimates that would allow comparison across different alternatives. However, analyzing all possible combinations is not practical when there are many options (including possible interaction effects). In these cases, you should use your judgment to choose reasonable alternatives for careful consideration.

...

You also may use CEA to compare regulatory alternatives in cases where the statute specifies the level of benefits to be achieved.

In the context of amendment 80, it could be argued that the level of benefit (improved retention-improved utilization) are defined in statute and cannot be readily monetized because they are non-monetary and are broadly distributed through society to citizens who cannot be readily identified a priori. The character of the benefits is that of a public good. It could also be argued that the market-based alternatives are intended to reduce the opportunity cost of achieving the management objective. Although we are unprepared to advise that CEA is the most appropriate framework for the analysis of amendment 80, we encourage staff to consider using CEA in place of or in addition to CBA.

8. In addition to considering the benefits of the proposed alternatives, the analysis needs to include an examination of the distributional consequences of the alternatives. The SSC suggests that the distributional impacts be evaluated on the basis of anticipated changes in the distribution of catches, landings, and revenues to the homeport of vessels affected by the proposed actions. While input-output analysis would provide a more detailed representation of regional economic impacts, the difficulty in assembling and refining an input-output model for the potentially affected communities are prohibitive and it is unlikely that an appropriately tuned input output model could be assembled for this analysis. Updated information on the community profiles should be included or referenced where available.
9. Characterization of the no action (status quo) alternative should account for anticipated evolution of the fishery in response to current regulations, and anticipated changes in market conditions and the availability of target and incidental stocks.

C-6 IFQ Program

Council staff, Jane DiCosimo, presented the initial review of the RIR/IRFA for regulatory amendments for IFQ and CDQ halibut in areas 4C and 4D and housekeeping amendments for the IFQ program. Public testimony was provided by Joel Hanson (Boat Co.) and Simeon Swetzof Jr.

Quota harvest in halibut management areas 4C and 4D.

The SSC received the report for the regulatory amendment to modify harvest restrictions for the IFQ and CDQ fisheries in area 4C and 4D. The purpose of the proposed action is to provide additional options for area 4C QS holders to increase their catches. Area 4C QS holders have not harvested their full entitlements in recent years and allege that they would be better able to harvest their full entitlement if they were permitted to fish area 4C quota share in area 4D. The SSC notes that the proposed action to allow class D quotashares in areas 3A and 4 (below) to be fished on class C or class B vessels might affect the perceived need to allow area 4C quotashare to be harvested in area 4D.

The SSC recommends that the analysis be revised to include a discussion on whether the TAC in area 4C is simply too high relative to halibut stocks in area 4C or whether the TAC is proportional to stock abundance but halibut are unavailable to area 4C quotashare holders given the type of gear that they are able to deploy with the vessels authorized for use in the area 4C fishery. If the area 4C TAC is too high, there should be a discussion of why it is better to allow for 4C harvest to be taken in 4D instead of reducing area 4C quota.

The SSC notes that the term "non-market values" is misused in Table 19. Instead, from the description following the use of this term it is evident that this discussion is instead dealing with "economic impacts".

This analysis typifies the continued limitations to the quality of empirical economic analysis conducted for the Council. In this analysis, as in most recent analyses, evaluation of the costs and benefits of regulatory actions is limited to a brief discussion of possible changes in exvessel revenues. The lack of cost data precludes a quantitative cost/benefit analysis and reduces the analysis to discussion of hypothetical net benefits. The lack of data and economic analysis also prevents the report author from obtaining quantitative estimates of the magnitude of economic impacts that the proposed actions may have on affected communities. The purpose and need statement speaks to concern about the significant loss of potential revenues due to unharvested catches. The magnitude of these foregone revenues does not rise to the level of significance under EO 12866, indeed, the estimated foregone revenues are nearly two orders of magnitude smaller than the level of significance recognized under EO 12866. This suggests that the Council's concern in this action is not motivated by concerns about lost net benefits to the nation, but instead about regional economic impacts. While this may obviate, in part, the need for a cost-benefit analysis, it heightens the need for a careful analysis of regional economic impacts and suggests that the analysis should have endeavored to provide a more careful assessment of regional economic impacts to fishermen and fishery dependent communities that exploit halibut stocks in areas 4C and 4D.

The SSC recommends that the analysis be released for public review after the above concerns have been addressed.

Seven proposed actions to amend halibut and sablefish IFQs

The SSC recommends that the analysis of the seven proposed actions be released for public review. Again, the general comment holds that there was very little economic analysis performed (or possible) for any of the seven amendments.

Of the seven proposed amendments the SSC made specific comments on just two. On the medical transfer amendment, the SSC notes that the issuance of medical transfers is likely to limit the ability of fisheries managers to enforce effective limits on the leasing of IFQs. Issues include: policing the validity of medical transfers, determining whether they should be limited to physical health or extended to mental health, treatment for substance abuse, limited to the quota share holder or extended to dependents, etc.

On the proposed amendment to allow class D quotashares to be fished up in areas 3B, 4A, 4B, 4C, and 4D, the SSC notes that there needs to be a discussion of the effects of these proposed alternatives on opportunities for new entrants. It is not surprising that current quotashare holders favor liberalization of restrictions on transfer and vessel size category. Potential new entrants are unlikely to be aware of the Council process or to testify regarding the potential impact of reducing the availability of class D quotashares. For example, if class D quotashares can be fished on class C vessels how will this affect the ability of new fishery entrants to purchase category D quotashares? Another issue that needs to be discussed is if class D quotashares are allowed to be harvested by class C vessels whether this might mitigate some of the problems in area 4C to catch up to their quota allocation.

C-7 Halibut Subsistence

Jim Fall (ADF&G) provided an overview of the protocol and preliminary analysis of the 2003 survey of subsistence harvests of Pacific halibut. Jane DiCosimo (NPFMC) provided a brief overview of proposed amendments to subsistence halibut fishery regulations. Public testimony was provided by Sky Starsky (Alaska Native Subsistence Halibut Commission) and Kevin Kristovich (Ketchikan).

Subsistence Harvest Survey

The subsistence halibut registration certificate (SHARC) program was implemented in May 2003. Consequently, the 2003 survey of SHARC holders does not reflect a full calendar year of harvests and may not provide an accurate estimate of annual subsistence harvests for 2003. Moreover, because 2003 was the first year for the Halibut Subsistence program, the number and mix of SHARC holders and the magnitude of their catches may not reflect the number or composition of SHARC holders or the volume of catches in future years. Nevertheless, this survey provides a crucial baseline that will aid understanding of changes over time in the number and makeup of subsistence halibut harvesters and subsistence harvests of halibut. Administering a mail survey in rural Alaskan communities poses substantial challenges; the survey protocol involved a direct mailing to all SHARC holders, with two follow-up mailings to non-respondents, on-site interviews in some communities, and discussions with community leaders in some communities, and ultimately resulted in a 65% response rate.

Additional surveys following the same protocol are planned for 2004 and 2005. The 2004 and 2005 surveys will provide insight into changes in participation rates in the subsistence and sport fisheries in response to the liberalized gear and harvest limits in the subsistence fishery. Conduct of the 2004 and 2005 surveys may be hampered by increased numbers of invalid addresses because the SHARCs are issued for 2-years or 4-years; consequently non-response bias is likely to increase in the 2004 and 2005 surveys. In addition, familiarity with the SHARC program and annual survey could result in decreased response rates unless the 2004 and 2005 surveys are accompanied by a publicity campaign that motivates the purpose and need for gathering information about subsistence catches.

While analysis of responses to the second and third mailings in the 2003 survey did not indicate statistically significant differences between responses to the first mailing and responses to subsequent mailings, the analysis does not demonstrate that the responses received are characteristic of the fishing activities of the non-respondents (35% of SHARC holders). Many of the SHARC holders did not fish under subsistence halibut rules in 2003. It would be useful to ascertain why they did not fish. Some may have obtained SHARCs because of their novelty; others may have obtained SHARCs with the intent to participate in 2003, but were unable secure boats and gear or free time to participate; still others may have obtained SHARCs with the intent of ensuring themselves the option of participating in 2003 or in some subsequent year. In addition, it is alleged that some obtained SHARCs at the encouragement of community leaders who may have wished to demonstrate community interest in the subsistence halibut fishery.

Survey responses from Toksook Bay and from SHARC holders who resided outside of Alaska were not expanded. While the rationale for not expanding these observations is reasonable, it is likely to have resulted in an underestimate of catches for residents of Toksook Bay and SHARC holders who resided outside of Alaska. To the extent that other tribes and rural communities included SHARC holders who did not intend to fish, expansion of reported catches from those communities is likely to have resulted in overestimation of catches. This highlights the need for a documented understanding of the reason why SHARC holders did not fish, as well as an estimate of the number of individuals who engaged in the subsistence fishery, but did not obtain SHARCs. (Some subsistence harvesters do not recognize state or federal authority over management of customary subsistence resources and may have refused to obtain SHARCs or refused to respond to the survey as acts of civil disobedience.)

In the future, consideration should be given to changing the survey protocol from a census of SHARC holders to a random sample of SHARC holders. The sample properties of responses drawn from a random sample are often superior to the sample properties of responses drawn from an incomplete census. For example, in the case of a random sample, it is relatively easy to structure a test of non-response bias. Moreover, the costs of administering a random sample survey are generally lower than the costs of administering a census. (These advantages are why the Alaska Statewide sport harvest survey is administered as a random sample survey rather than as a census.)

The SSC finds it difficult to evaluate whether the 2003 harvest level is, in fact, “consistent” with the 2001 estimate derived by R. Wolfe. Moreover, we recommend against using the term “consistent” when comparing those harvest levels because it implies some sort of vague equality when in fact differences in the basis for deriving the two values makes comparison difficult. The unfounded implication is that there has been little change in subsistence harvests between those years. The liberalization of gear restrictions and bag and possession limits for both rural and traditional subsistence users would intuitively suggest that overall harvests would increase. The suggestion that subsistence harvesting is self-limiting begs additional and more robust testing for changes in patterns of harvest. If self limitation of overall harvest is occurring, then collection of information of catch per trip and number of trips should demonstrate a more rapid and efficient satisfaction of catch objectives that is halted once individual needs are met.

In addition to seeking information about the number and weight of halibut caught by SHARC holders, the 2003 survey sought information about catches of lingcod and rockfish. There are concerns that estimates of lingcod catches may include catches of greenlings, cabezon and other species with big heads, elongated bodies and obscure scales (e.g. cod and sablefish). Similarly, there are concerns that estimates of rockfish catches may include various *Sebastes* and *Sebastalobus* species as well as sculpins and other assorted fishes. Moreover, because of conflict between state and federal regulation, some catches of rockfish and lingcod may have occurred in state waters using gear that is legal for the federally managed halibut subsistence fishery but not legal for catches of rockfish or lingcod in state waters. Some survey respondents may have under reported catches of rockfish and lingcod because those catches were in violation of state regulations. Because rockfish and lingcod stocks are often discrete and because these are long-lived low fecundity species, there are concerns that the subsistence halibut fishery could result in unsustainable removals of some stocks. Directed and incidental catches of rockfish and lingcod in various sport and commercial fisheries along the west coast and in Alaska have reduced some stocks precipitously. The present survey of SHARC holders does not provide enough information about lingcod and rockfish catches and should be complemented with a port-sampling or carcass collection program that would allow refined estimates of removals by species. Port sampling could be costly and because fishermen may not fillet their catches and carcass bins are malodorous, a carcass collection program might be ineffective. However, because many rockfish species can be differentiated on the shape, color, and number of fin-rays on the anal fin and by the presence and pattern of spines on the gill covers, a program of dockside bins for anal fins and gill covers might provide the information needed to assign reported catches of rockfish to particular species.

Halibut Subsistence Amendments

Time constraints and the need to focus on other agenda items prevented the SSC from reviewing the full suite of 6 proposed amendments to the subsistence halibut fishery regulations. However, we note the following:

- Changing federal and state regulations to ensure that incidental catches of rockfish and lingcod taken on gear that is legal for the subsistence harvest of halibut is crucial. Without such changes, it is unclear that the SHARC survey will provide a reliable estimates of aggregate removals or localized depletion of rockfish and lingcod, let alone information about removal and mortality rates for individual rockfish species or stocks.

- Replacement cost is an inappropriate measure of the value of subsistence catches. Replacement cost assumes that demand is perfectly inelastic, that is, that there is no substitution or income effects associated with demand for the subsistence catch and that costs are irrelevant. In addition, replacement cost ignores cultural values associated with the catch and ignores the opportunity cost of time. OMB guidelines (Circular A4, September 17, 2003) support the use of willingness-to-pay or willingness-to-accept measures of benefits and costs. In this case, willingness-to-accept would be the most appropriate measure.

“Barter for cash” is nonsensical doublespeak. There are many instances where individuals knowingly engage in monetary transactions at prices well-above or well-below prevailing market prices. Nevertheless, by definition, the transfer of goods or services in exchange for cash constitutes a “sale”. Barter is the exchange of goods and services for other goods and services, not the exchange of goods and services for monetary remuneration.

D-2 Crab Management

Diana Stram (NPFMC) and Bob Otto (NMFS) presented an overview of the minutes from the Crab Plan Team Meeting held during September 20-22, 2004 and Bob Otto presented an overview of the 2004 Crab SAFE. There was no public testimony.

The SSC noted continued improvement in the quality of the Crab SAFE document and commends the preparers of this document for these improvements. The sections on bycatch, treatment of GHL versus actual harvest and the updated economics sections are appreciated. The SSC also noted the improved Crab SAFE despite the very short time frame between the crab plan team meeting and the October Council meeting.

Dr. Otto reviewed catch tables from the SAFE. The SSC noted that the catch of snow crab tends to exceed the GHL on a systematic basis (Table 4 of SAFE). The SSC encouraged the CPT to investigate this further.

Dr. Otto reviewed a new section on crab bycatch mortality. The SSC was pleased to receive this new information and noted that tables 3 – 6 should be modified to include a column of estimated bycatch.

SSC members commented on the use of varying natural mortality rates in the length based stock assessment model for Bristol Bay at the end of the time series. SSC members requested a rationale for the adjustments to natural mortality at the end of the time series. It is not clear that these relatively minor adjustments to natural mortality are necessary given the expected measurement error in the survey. The SSC recommends that the analysts consider a model with constant natural mortality at the end of the time series. Comparison of model runs with and without variable natural mortality rate should address the cost of added parameters relative to improved fit to the data.

The SSC offers a comment on the Plan Team meeting minutes. Regarding the plan team’s desire to equalize harvest rates on snow crabs north and south of 58.5° N, the SSC endorses the team’s desire to conduct further analysis of this issue but the SSC cautions that estimates of exploitation rate may be tenuous because of seasonal movement of crabs between the summer trawl survey and winter pot fishery. Nonetheless, a further analysis of clutch fullness, including the percentage of females with empty clutches, may be interesting. If the data lend themselves to such an analysis, the analysts should attempt to relate interannual and geographic changes in clutch fullness to mature male and female abundance, sex ratio, and harvest rate. Although the SSC realizes the stated motivation to equalize harvest rates, another approach may be to assure that regional harvest rates do not exceed levels that compromise female

reproductive potential regardless of whether the rates themselves are equal between areas. Given the prevailing direction of bottom currents, it may well be that larvae released from the south provide important contributions to overall recruitment, so concerns about female reproductive potential in the southern region may be well placed.

The SSC appreciates the progress made to date regarding the Crab Working Group. However, the SSC remains concerned about the amount of remaining work to be done, even if the review date is shifted from March 2005 (as proposed originally) to June 2005, as now proposed. The SSC requests a report from the Working Group at each Council meeting until completed, starting with the December 2004 meeting. In the meantime, the SSC noted Grant Thompson's alternative to the fixed buffer between ABC and OFL that appeared in Alternative 3B of the SEIS and requests that the Working Group consider this option.

Finally, the SSC wishes to acknowledge and commend Doug Pengilly (ADF&G) and Gretchen Harrington (NMFS) for their work as co-chairs of the Crab Plan Team for the past six years. Their time and efforts are very much appreciated.

D-3 Groundfish Management

D-3(a) Aleutian Islands Walleye Pollock ICA

Ben Muse (NMFS) gave the SSC a presentation on the determination of an incidental catch allowance of 2000 mt for the Aleutian Islands walleye pollock fishery.

D-3(b,c) Non-Target Species Committee Report and Rockfish Management Discussion Paper

Jane DiCosimo provided a report from the non-target species committee. The presentation included a problem statement developed by the Council's non-target committee. The SSC encourages the committee to continue to pursue efforts to identify management alternatives for species capture incidentally in target fisheries. The committee should strive to define thresholds for council action including a description of what protection measures would be imposed, and under what circumstances they would be required.

The SSC agrees with the Council's Non-Target Committee's assessment that proposed revisions to National Standard Guideline 1 (NSG1) and reauthorization of the MSFCMA would require management of non-target species as core species or as assemblages of species with similar life history characteristics. In the case of assemblage management, biological reference points (e.g. Flim, Blim, Ftarget, Btarget) would be required for the assemblage or a representative member of the assemblage. If the guidelines are approved, the SSC concurs with the Council's Non-Target Species Committee's assessment that the implementation of the ad-hoc working group proposal would require removal of non-target species from the FMPs. Members of the SSC and Council raised this concern in comments to NMFS regarding proposed revisions to NSG1. The SSC does not consider removal of non-target species from the FMP to be a preferred approach. To guard against the possibility that the guideline is not changed, the non-target committee might consider an alternative that would be consistent with the proposed guidelines.

D-3(d) Initial Groundfish Specifications

1. Management strategy evaluation

AFSC has established a working group to follow up on recommendations from the Goodman et al. review of NPFMC harvest strategies. The SSC strongly supports this work and agrees with the working group that management strategy evaluation has continually been a major activity of NPFMC over its history. The Working Group appears to have two major goals in its terms of reference: first to determine if the current management strategies suitably consider various components of the ecosystem, and second, to determine what alternative strategies should be considered if the current approach is deficient. Beyond the considerable work already done in the PSEIS and various amendment packages, new developments are likely to require a lot of effort over multiple year's time. The SSC urges that the working group be given the flexibility to proceed and that periodic updates be given to the Council family on future directions.

2. Aleutian Islands Walleye Pollock Assessment

The SSC reviewed the most recent stock assessment for Aleutian Island pollock and appreciates the authors' efforts to develop a detailed age-structured model and improved indices of abundance. Considering the large uncertainties in stock structure, the uncertainty in the catchability coefficient, the lack of a satisfactory biomass index, and unknown movements of pollock within and between seasons and regions, further development will be required before the model can be adopted to specify ABCs. Nevertheless, the current effort is a step in the right direction to improving our understanding of the stock.

In light of the uncertain stock structure, the SSC recommends that the analysts re-examine the rationale for the stock boundaries that were adopted for this analysis. We note that the justification for splitting off the NRA region west of 174°W was based on differences in length-frequency between this region and the eastern Bering Sea. However, as the stock assessment authors demonstrate (Figure 7 of the assessment) these difference likely relate to differences in the time of year the fishery was conducted rather than true differences in the length-frequency composition of the population. Therefore, the original justification for the geographical split may no longer be valid.

3. Pacific Cod Biomass Distribution

Grant Thompson, AFSC, presented different weighting schemes to estimate the distribution of Pacific cod biomass between the Aleutian Islands and the Bering Sea as requested by the SSC (December 2003 minutes). Although such weighting may no longer be necessary if a new, spatially disaggregated model is adopted for Pacific cod in the future, the SSC recommends using a weighting approach to estimate biomass distributions in the interim. Specifically, the SSC recommends the Kalman filter approach to estimate current biomass because it has a strong theoretical justification and appeared to result in sensible weights, with the most recent survey estimates receiving the highest weight. The SSC advises against an approach that uses relatively large weights on the initial survey year, such as those resulting from exponential weighting with a small p parameter.

4. Bering Sea Aleutian Islands Shortspine Thornyhead Assessment

The SSC received a preliminary groundfish SAFE section for BSAI shortspine thornyheads, which had been grouped in the "other rockfish" category and have not previously been assessed. The SSC commends the author for exploring possible methods for assessing this stock. The author attempted to model the available catch and survey biomass data using a surplus production approach, but the fit of the model to the survey biomass estimates was not reasonable. The SSC recommends dropping the surplus production model approach and instead suggest that a refined assessment should be developed using a delay-difference or age-based approach. Age composition data for this stock are expected to become available in two years.

5. Sharks

The SSC received a draft chapter on sharks in Council waters. The chapter, which will be included as an appendix to the GOA SAFE, will provide a compilation of available information.

6. *Gulf of Alaska Rex Sole Assessment*

The first age-structured assessment model for rex sole has been constructed and provided to the Plan Team and SSC for comments. The SSC endorses the new modeling effort and noted that most parameters are estimated with high precision. One main result from the model is that the fishery selectivity curve is centered toward old ages, whereas the age at maturity curve is centered toward lower ages. This creates the perception of a highly resilient stock, because individuals can reproduce several times before becoming vulnerable to the fishery. The SSC requests that the analysts provide further insight into whether this situation is really true and what changes might occur in the future in fishery selectivity if the ABC and/or TAC were increased. Furthermore the estimated biomass is larger than survey biomass, because survey selectivity is estimated. The SSC is interested in whether the analysts believe the survey selectivity curve is well estimated, so that ABC could be determined from biomass estimated from the model rather than from the survey.

7. *Dusky Rockfishes*

Based on new taxonomic findings, NMFS now recognizes dusky rockfish (*Sebastes variabilis*, formerly light dusky rockfish) and dark rockfish (*Sebastes ciliatus*, formerly dark dusky rockfish) as separate species. The SSC received GOA plan team recommendations to remove dark rockfish to state management, both in the Gulf of Alaska and Bering Sea / Aleutian Islands regions. The SSC encourages the Plan Teams to develop a sound rationale for this suggested FMP amendment.

8. *EA/IRFA Issues*

Public testimony was received by Paul McGregor (At Sea Processors), Donna Parker (Arctic Storm), and Ed Latrell (Groundfish Forum).

The SSC noted several significant beneficial or significant adverse ratings in the EA significance determinations that appeared non-intuitive. Two recommendations were made that could help clarify these and other determinations:

- The authors should clearly distinguish cases where significance is measured against an objective benchmark from cases where significance is determined relative to the status quo. The latter case implicitly assumes that harvest specifications under the preferred Alternative 2, which represents the status quo (or minor changes from it), have insignificant impacts. It should be made clear where these determinations are based on previously published findings and were not re-examined in the current EA.
- The determination of “significant beneficial” for effects on target species (Table 4.1-2) is based on the criterion that the “Action allows the stock to return to its unfished biomass”. It is unclear whether a “significant beneficial” rating requires the stock to fully return to unfished biomass. If so, the benchmark appears to be impossibly high considering the relatively short time frame used in the analysis. The SSC recommends that a significant beneficial rating use a less stringent criterion based on expected increases in abundance. As another example, the introduction of nonnative species gets an S- rating for Alternative 1 for using the F for maxABC but not for others with lower F. Yet there is no quantitative criteria to explain why the magnitude of catch increase has resulted in significance.

9. Skates

In the table of GOA Plan Team ABC and OFL recommendations (part 2 of 2, page 3 of agenda D-3(d)(1)), the Plan Team recommended setting skate ABC and OFL levels for 2005 and 2006 following procedures adopted in 2004. Lacking a new skate stock assessment, the SSC continues to support this interim approach, which is restated here for completeness (see minutes, SSC meeting, December 2003): "As an interim approach, the SSC recommends the establishment of two sets of ABCs and OFLs. The first group includes both big and longnose skates in the Central GOA. The second group would include big and longnose skates in the Eastern and Western GOA plus *Bathyraja* skates gulf-wide. The SSC believes that this breakout plus one other measure (described below) would be a practical, albeit imperfect, way to address immediate management concerns in the central GOA, given current data limitations. Though the SSC does not advise the Council on specific TAC levels, the SSC urges the Council to be precautionary in TAC setting for the Council GOA for reasons previously stated." Our minutes went on to state: "In addition to these ABC and OFL recommendations, the SSC strongly recommends that no directed fishery should be allowed for skates until a data collection plan is submitted by the industry and approved by the Council."

10. Biennial Assessments: Except for walleye pollock, Pacific cod, and sablefish, assessments for the Gulf of Alaska will now follow a 2-year cycle in synchrony with new survey information. The Plan Team will allow stock assessment authors to perform off-cycle assessments at their discretion. The SSC agrees with this approach but requests the Plan Team to establish a set of criteria to aid a stock assessment author in deciding whether the off-cycle assessment is desirable.

D-3(e)

The SSC received a report from Diana Evans on the FMP updates. The SSC thanks staff for completion of revisions to the FMPs. Ms. Evans sought input from the SSC regarding the future schedule for reviews of MSY and OY specifications. The SSC recommends that future reviews of MSY and OY specifications should occur as part of comprehensive reviews of the FMPs that will be conducted during preparation of future programmatic environmental impact statements.

Other Issues

Bering Sea Fisheries Research Foundation

The SSC received a presentation from Mark Maring, Gary Painter and Dr. Gary Stauffer that described the mission and goals of the newly created foundation. They also described work undertaken by the Foundation during 2004. The SSC looks forward to receiving research products produced by the Foundation.

Gulf Plan Team Membership

The SSC recommends that the Council appoint Mr. Nick Sagalkin to the Gulf of Alaska Groundfish Plan Team. Mr. Sagalkin will replace Mr. Mike Ruccio.

Cold Storage Holdings Data

The SSC was informed that NMFS discontinued the collection of the fishery cold storage holdings at the end of 2002. The SSC notes the seriousness of this loss of these data on the ability to perform cost/benefit analysis. The loss of inventory data presents a significant impediment to the development of models of supply and demand for fish products, thereby limiting the quality of cost-benefit analyses required under EO 12866.

Over the last two decades a great deal of work has been performed to increase the quality of fishery market models and significant advances have been made in the market modeling for Alaska salmon, halibut, pollock, crab and a variety of other species. These market models have been used to address important management policies such as the effects of total allowable catches on industry revenues and the price-revenue effects of transferable quota programs to both fishermen and processors. In these models inventory holdings are absolutely critical. Without inventory holdings the modeler cannot estimate domestic disappearance (hence demand equations cannot be estimated) and cannot estimate beginning available supplies (hence supply equations cannot be estimated). Next to harvest and production levels, and their associated prices, there are no more critical data to modeling markets (and therefore estimating benefits) than inventory levels.

The SSC notes that NMFS was concerned over the quality of the collected data. This is indeed a noteworthy concern. However, even though the voluntarily submitted data may have been inaccurate, the data were still valuable in estimating changes in total available supply and domestic disappearance. Even if the monthly data were somewhat suspect, modelers using the annual data found inventory levels to conform to economic theory indicating that at least the directional movements in the inventory were accurately reflected in the observations.

The discontinuation of the cold storage holdings data series could not come at a worse time for ongoing analyses of recent controversial changes in the regulatory structure of the Alaska crab fisheries. While there is presently a working model of the pre-rationalization fisheries for snow and king crab in Alaska, the model relies, in part, on inventory levels to model supply and demand. It was anticipated that the model would be used over the next few years to analyze the post-rationalization fishery, much as similar models have recently been used to assess changes in revenues accruing to harvesters and processors in the halibut fishery before and after implementation of the IFQ program. Without information about inventory levels, it is unlikely to be possible to discriminate between the effects of the two-pie rationalization scheme and the effects of changes in catches, demand, and substitute supplies. At a time that the North Pacific Fisheries Management Council has begun to implement a mandatory collection of cost data, it is difficult to reconcile the loss of inventory data.

The SSC strongly recommends that the Council encourage NMFS to continue to support the collection and reporting of estimates of cold-storage holdings and other inventories. If this data can no longer be collected at a national level, the SSC encourages the Council to request that the Alaska region office initiate a program of collecting and reporting inventory data for the Alaska and Pacific Northwest regions. Moreover, we recommend consideration of a mandatory reporting program for cold storage holdings.

While OMB guidelines acknowledge that it may be necessary to conduct qualitative analyses of costs and benefits when data are unavailable for the development of quantitative assessments, the onus is on regulatory agencies to address data limitations through improved data collection and scientific investigations. If there are problems with the quality of inventory data, the solution is to remediate the problems, not to discontinue data collection and reporting.

North Pacific Fishery Management Council

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Date: _____

Signed by: _____

North Pacific Fishery Management Council Advisory Panel Minutes Centennial Hall, Sitka Alaska October 4-8, 2004

The following members were present for all or part of the meeting:

John Bruce
Al Burch
Cora Crome
Craig Cross
Tom Enlow
Dan Falvey
Duncan Fields
Dave Fraser
Jan Jacobs

Bob Jacobson
Teresa Kandianis
Mitch Kilborn
Kent Leslie
Kris Norosz
Eric Olson
Jim Preston
Michelle Ridgway
Jeff Stephan

John Moller and Lance Farr were absent.

C-1 Gulf of Alaska Groundfish Rationalization

The AP recommends that the Community Purchase Program option currently in Alternative 2 be added to Alternative 3. Further, the AP recommends clarifying the intent of the community purchase option is to develop an alternative that is parallel to the halibut and sablefish purchase program adopted by the Council as Amendment 66.

The AP recommends that the Council appoint a Community Protection Committee to address issues related to the Community Fisheries Quota, CIFT and the Community Purchase program options. *Motion passed 18/0.*

If CFQs are created, the AP reaffirms its intent they only be leased to eligible community residents to fish. *Motion passes 17/0.* Additionally, we request the Council further define the purpose statement for the CFQ program prior to appointing a committee. *Motion passed 15/3.*

A motion to eliminate the CIFT program from the list of community programs for further analysis failed 10/8.

The AP recommends the Council adopt the following specific changes/additions/deletions by section: Community program changes apply to alternative 2 and alternative 3. (Noted page numbers are taken from Attachment C of the annotated GOA Groundfish Rationalization motion)

2.2.2 Qualifying periods and landing criteria (same for all gears in all areas) (Page 1)

(The analysis will assess AFA vessels as a group)

Option 1. 95-01 drop 1

Option 2. 95-02 drop 1

Option 3. 95-02 drop 2

Option 4. 98-02 drop 1

Suboption 1: For Pacific cod under all options consider only A season harvests for 2001 and 2002.

Suboption 2: For Pacific cod consider a sector allocation based on specified percentages prior to individual allocations.

2.2.3.2.5 (Page 3) If a processor limited entry alternative is chosen, CV harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor. Class B shares will be deliverable to any processor as authorized under this program.

Option 1. A shares be at the QS level and separable from B shares.

Suboption: Processor affiliated vessels would receive their entire allocation as A shares.

Add Suboption: Prohibit B share holdings by processors

(motion passed 17/0/1)

Option.2. Only the annual allocations will be subject to the Class A/Class B distinction.

All long term shares or history will be of a single class.

Add Suboption: Processor affiliated vessels to receive entire allocation as A shares. *Motion passed 17/0*

The AP recommends both choices be carried forward for analysis. *Motion passed 17/0.*

2.2.3.3.5 Leasing of QS (Page 6)

Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

Suboption 1: Applies in coops

Suboption 2: Would not apply in coops *Motion passed 16/0*

Option 2. Allow leasing of CV QS, but only to individuals **and entities** eligible to receive QS/IFQ by transfer.

Option 3. Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

Option 4. For individuals and ~~corporations~~ **entities** with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following ~~18 months~~ **calendar year** (*motion passed 18/0*) if the QS holder is on board or (*motion passed 13/6*) owns 20% or greater of a vessel on which 30% of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested. This provision would apply to independent lessees and within cooperatives.

Suboption 1: Does not apply within cooperatives *Motion passed 10/5/1.*

Minority Report: A minority of the AP opposed including suboptions under option 1 and 4 that would "opt out" participants in coops. It is our view that leasing restrictions be applied equally to all QS holders without regard to coop status. Signed, Duncan Fields, Eric Olson, Dan Falvey, and Michelle Ridgway.

Add a suboption to Options 1 and 4 that would add a grandfather provision for initial recipients. *Motion passed 16/0.*

2.2.3.3.6 Separate and distinct harvest share use caps (Page 7)

Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.

Suboption 1. Conversion of CP shares:

i. CP shares converted to CV shares

Option 1. will count toward CV caps

~~Option 2. will not count toward CV caps at the time of conversion.~~

Caps will be applied to prohibit acquisition of shares in excess of the cap.

Motion passed 13/1/4

2.2.3.3.7 Owner On Board Provisions (Page 8)

Provisions may vary depending on the sector or fishery under consideration (this provision may be applied differently pending data analysis)

- i. All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued harvest share units.

~~Option 1. No owner on board restrictions.~~

Option 2. A range of ~~0% 5-50%~~ for fixed gear CVs and ~~0% 5-40%~~ for trawl gear CVs, of the quota shares initially issued to fishers/harvesters would be designated as "owner on board." *Motion passed 10/6/2*

Suboption: Owner on board provision would not apply within a coop *Motion passed 17/0*

2.2.3.3.8 Overage Provisions (Page 8)

~~A 7 day grace period~~ After an overage occurs for the owner to ~~must~~ lease sufficient IFQ to cover the overage **prior to the end of the season.** Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- i. Trawl CV and CP:

~~Suboption 1. Overages up to 15% or 20% of the last trip will be allowed greater than a 15% or 20% overage result in forfeiture and civil penalties. An overage of 15% or 20% or less, results in the reduction of the subsequent year's annual allocation or IFQ. Underages up to 10% of harvest shares (or IFQ).~~

~~Suboption 2. Overage provisions would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be charged if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).~~

- ii. Longline and pot CV and CP:

~~Overages up to 10% of the last trip will be allowed with rollover provisions for underages up to 10% of harvest shares (or IFQ).~~

~~Suboption. Overages would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).~~

Motion passed 12/4

2.2.3.3.10 Limited processing for CVs (page 10)

~~Option 1. No limited processing~~ *Motion passed 15/0.*

Option 2. Limited processing of rockfish species by owners of CV harvest shares of rockfish species not subject to processor landing requirements are allowed up to 1 mt of round weight equivalent of rockfish per day on a vessel less than or equal to 60ft LOA. **The AP recommends the Council make the option consistent with LLPs** *Motion passed 16/0*

2.2.3.3.11 Processing Restrictions (Page 10)

Option 1. CPs may buy CV share fish not subject to processor landing requirements.

Suboption. 3 year sunset

Option 2. CPs would be prohibited from buying CV fish harvested with A shares.

Option 3. CPs may buy incentive fish and incidental catches of CV fish not subject to processor landing requirements.

Option 4. May buy delivery restricted CV fish if they hold a processing license.

A motion to strike options 1 and 3 failed 5/12

2.2.9.2.1 Administrative entity (page 15) and 3.7.2.2 (page 54)

~~A Gulf wide administrative entity will receive and hold CFQ on behalf of eligible communities. The administrative entity representing one or more eligible communities must be a non-profit entity qualified by NMFS.~~

The administrative entity representing one or more eligible communities must be a non-profit entity qualified by NMFS.

The administrative entity shall be:

- Option 1. A single Gulf-wide administrative entity
2. An administrative entity for each GOA groundfish management area
 3. An administrative entity representing a group of communities with common culture and history.

Motion passed 18/0

2.2.9.2.2 Eligible Communities (Page 15) and 2.2.9.3.2 (page 16) and 3.7.2.2 (page 54)

- Option 1. Population (based on 2000 Census):
- a. 1,500 but not less than 25
 - b. 2,500 but not less than 25
 - c. 5,000 but not less than 25
 - d. 7,500 but not less than 25

Motion passed 13/2/2

2.2.9.2.6 Allocation Basis (Page 16) and 3.7.2.7 (page 55)

~~The initial allocation (harvest shares) of CFQ would be made to the administrative entity representing eligible communities.~~

- ~~Option 1. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity would be distributed amongst qualified communities on an equal basis.~~
- ~~Option 2. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity would be distributed amongst qualified communities on a pro-rata basis based on population.~~
- ~~Option 3. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity from each GOA groundfish management area, by species, would be distributed amongst qualified communities located in the management area on an equal basis.~~

The AP recommends the Council delete this section. *Motion passed 18/0.*

2.2.10.2 Tanner Crab (page 18)

- Alternative 1: Status Quo (no bycatch controls)
- Alternative 2: Trigger bycatch limits for Tanner crab. Specific areas with high bycatch (or high bycatch rates) are closed to flatfish trawling for the remainder of the year if or when a trigger limit is reached by the flatfish fishery (and potentially additional areas for P. cod longline and pot gear).
- Alternative 3: Year round bottom trawl closure in areas with high bycatch or high bycatch rates of Tanner crab, *or areas of biological importance (and potentially additional areas for P. cod longline and pot gear)* *Motion failed 8/8/1.*
- Alternative 4: Voluntary bycatch co-op/pool for hotspot management

2.2.11.2 Review and Sunset (page 19)

~~Option 1. The program would sunset unless the Council decides to continue or amend the program. The decision of whether to continue or amend would be based on a written review and evaluation of the program's performance compared to its objectives.~~

~~Suboption 1. 5 years after fishing under the program~~

~~Suboption 2. 7 years after fishing under the program~~

~~Suboption 3. 10 year schedule after fishing under the program~~

~~Suboption 4. No sunset provision. Motion passed 18/0.~~

Option 2. **Preliminary Formal program review at the first Council Meeting in the 3rd year and formal review after Council meeting in the 5th year** ~~5th~~ (motion passed 18/0) year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities, by addressing concerns, goals and objectives identified in the problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

For alternative 2A apply provisions generally at the ~~company~~ facility level. Motion passed 13/4
For 2B, apply provisions generally at the facility (plant) level.

2.3.1.1.1 Harvester delivery requirements (page 21)

Option 1. 50-100% of CV harvest share allocation will be reserved for delivery to:
i. the linked licensed closed trawl or fixed class processor (Applies to 2B).
ii. Any licensed trawl or fixed or large or small processor (Applies to 2A)
The remaining (50% - 0%) CV harvest share allocation can be delivered to:
~~any processor excluding CPs~~ Motion passed 13/4
any processor including CPs

The AP recommends keeping the 50-100% option until data on catch history and delivery patterns are available. We believe it is important to maintain flexibility in setting this critical component for different gears and regions. Motion passed 16/0.
A motion to have a 90/10 split failed 5/12/1.

2.3.1.1.2 Linkage (Linkages apply by area) (Applies to 2B): (Page 23)

A harvester's processor linked shares are associated with the licensed fixed or trawl (large or small) processor to which the harvester delivered the most pounds of groundfish during the last ___ years of the harvester qualifying years.

- i. 1
- ii. 2
- iii. 3

Option 1: If the processing facility with whom the harvester is associated is no longer operating in the community the harvester is eligible to deliver to

- i. any licensed processor
- ii. any licensed processor in the community

Option 2: Fishermen that, during the qualifying years, delivered the majority of their harvest (all species combined) to a community with a single qualified processor are exempt from processor linkages. A motion to delete this option failed 3/11/2.

A motion to allow a processor in the same community who purchased the processing rights from the closed facility to receive the linkages failed 7/11.

2.3.1.1.4 Movement between linked processors (Applies to 2B) (Page 24)

Any vessel that is linked to a processor, may with the consent of that processor, deliver A shares to another plant.

Share reductions of 10% - 20% each time a harvester moves to a different linked processor (Motion passed 16/2) for:

- i. 1 year
- ii. 2 years
- iii. 4 years
- iv. **Penalty to be paid proportionally over 2 years**
- v. **Penalty to be paid proportionally over 4 years** (Motion passed 18/0)

The share reduction shall be redistributed to:

- i. The shareholders in association with that processor that the shareholder left (if it continues to exist).
- ~~ii. All cooperatives in the sector on a pro rata basis.~~
(Motion passed 18/0)

Suboptions:

- i. Penalty applies to A shares only.
- ~~ii. Penalty applies to both A and B shares. (Motion passed 15/2)~~
 - A. Full penalty applies to first move, subsequent moves are penalized at half of that rate.
 - B. Penalties apply only to the first transfer

2.3.1.2.1 To qualify for a processor license (Page 26), a processor must have purchased and processed a minimum amount of groundfish by region as described below in at least 4 of the following years:

- Option 1. 1995-99.
- Option 2. 1995-01
- Option 3. 1995-02

~~Option (Applies to 2B only since 2A is entity based).~~ If a processor meets the threshold for total purchased and processed groundfish for all their facilities combined, but does not meet the threshold for any one facility then the processor would be issued a license for the facility in which it processed most fish. Motion passed 14/1

- ~~Option 2. a. Large processor license~~
 - ~~Suboption 1. 2000 MT~~
 - ~~Suboption 2. 1000 MT~~
 - ~~Suboption 3. 500 MT~~
- ~~b. Small processor license~~
 - ~~Suboption 1. 500 MT~~
 - ~~Suboption 2. 200 MT~~
 - ~~Suboption 3. 50 MT~~ Motion passed 17/0

2.3.1.2.2 Processor history (page 27) would be credited to (and licenses would be issued to):

- Option 1. Operator – must hold a federal or state processor permit.
- ~~Option 2. Facility owner~~ Motion passed 18/0.
- Option 3. In circumstances where the facility operator was not affiliated with the facility owner during the processor license qualifying years, if the facility and/or entity met a license qualifying threshold, processing history would be credited to both the facility operator and facility owner for purposes of issuing the related processor limited entry licenses. Harvester associations and /or linkages would be accrued to the facility operator's license. Affiliation would be determined using the AFA common interest/control standard.

Custom processing history would be credited to:

- Option A. the processor that physically processes the fish
 - Option B. the processor that purchases the fish and pays for processing
- A motion to delete option A failed 8/8, a motion to delete option B failed 8/8.

2.3.1.2.3 Transferability of eligible processor licenses (Page 28)

Processor licenses can be sold, leased, or transferred.

- Option 1. Within the same community
If the license is transferred within the community of origin, then vessel linkages are broken and vessels are allowed to deliver to any licensed processor
- Option 2. Within the same region
If the license is transferred outside the community of origin, then vessel linkages are broken and vessels are allowed to deliver to any licensed processor.

The AP recommends the Council keep both options. Motion passed 17/0

2.3.1.2.6 License ownership restrictions on processors (page 30)

Option 1. ~~No restrictions~~

Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses.

Option 3. ~~Large processor license holders cannot hold small processor licenses.~~

Motion passed 12/5.

Option 2. An entity may own no more than ___ licenses in ___ (area, region, management unit)

Motion passed 18/0

2.3.2 Provisions affecting Allocation of Harvest Shares to Processors (Alternative 2C) (Page 30) (Correct numbering as shown)

1. Processors are eligible to receive an allocation of QS if they meet ~~allocation~~ **eligibility criteria** identified in 2.3.1.2.1 (*motion passed 17/0*)

Processors who do not meet eligibility criteria to document a vessel must transfer the QS to an entity meeting this criteria within 24 months. *Motion passed 17/0.*

2. Up to 30% of CV shares shall be designated as "CVP" shares and eligible to be held by processors **eligible to document a US vessel and/or** CV recipients. A portion of the CVP share allocation will be divided among eligible processors proportional to their history in the qualifying years as outlined in 2.3.1.2.1. Any balance of CVP not distributed initially to processors **shall be distributed** proportionally to CV recipients. *Motion passed 16/0*
3. CVP is transferable between eligible CV holders and /or processors. ~~The market place will determine whether a separate class of QS remains with processing entities.~~
4. CVP shares may be fished on any catcher vessel and subject to existing share designations and existing vessel use caps.
5. CVP shares may be transferred or leased to any entity eligible to receive CV QS by transfer in 2.2.3.3.
6. Caps of ~~CVP~~ **CVP** will apply at the company level by management area and will be a 10-30% of the total pool of CVP shares available in the management area. Recipients of CVP that exceed the cap will be grandfathered.
7. No processors (and processor affiliates ~~and vessels~~ using the 10% rule) may own or control CV quota shares. CV initially issued to processor **affiliates** ~~vessels~~ will be grandfathered.

Motion passed 17/0

2.4.2.2 Cooperatives are required to have at least: (Page 33)

Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)

Suboption: ~~trawl CP sector, all less 1 of distinct and separate harvesters, using the 10% threshold rule).~~ *Motion passed 16/0*

Option 2. 40 -100 percent of the harvest shares (or catch history) of its sector (may choose different percentages for different sectors)

Option 3. ~~40 -100% of separate and distinct shareholders (using the 10% threshold rule) belonging to its sector. Council may choose different percentages for different sector.~~ *Motion passed 16/0*

Option 4. 40 -75 percent of the harvest shares (or catch history) eligible for the cooperative.

Note: Requirements may differ across sectors (or for CV and CP cooperatives)

The AP believes it is important to maintain the range of options until data on catch history and sector allocation is available. *Motion passed 16/0.*

2.4.2.3 Duration of cooperative agreements: (Page 34)

Option 1. 1 year

Option 2. 3 years

Option 3. 5 years

Suboption 1: This duration is minimum

Suboption 2: This duration is maximum

Motion passed 17/0

The AP recommends Council accept staff's recommended housekeeping changes on pages 35-40.
Motion passed 18/0

2.4.3.1 Annual Allocations (Page 35)

Option 1. Annual allocations of cooperative members would be issued to the cooperative.

~~Option 2. Annual allocation of the sector would be issued to the sector cooperative (if "true" sector cooperative alternative is selected)–Motion passed 17/0~~

2.4.4.1 Set co-op use caps (Page 35) at 25 to 100% of total TAC by species (~~must choose 100 percent for a "true" sector cooperative~~)

2.4.5.2 License Transfers Among Processors (applies to processor limited entry *Alt 2B*) (Page 34)

Option 1. any ~~cooperative share~~ association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction on ~~severing the linkage departing the cooperative~~, as would have been made in the absence of the transfer.

Option 2. any ~~cooperative share~~ associated with the license will be free to associate with any licensed processor. Harvest share/history holders ~~in the cooperative~~ will be free to move among ~~cooperatives processors~~ without share/history reduction.

3.2 Sector definitions and allocations: (Page 39)

To be determined as a CP a vessel must have a CP LLP license and process no less than

- a) 90%
- b) 50%
- c) 25%

of its qualifying catch processed on-board on average over the qualifying period.

~~Option 1: determined on a species by species basis–Motion passed 17/0~~

Option 2: determined by the aggregate of all species

Low producing **catcher** vessel sector are

Option 1. fixed gear **catcher** vessels under 60 feet that are below the 75th percentile of primary species qualified harvest history by gear and area.

Option 2. fixed gear **catcher** vessels less than average qualified harvest history by gear and area

Option 3. fixed gear **catcher** vessels that are below the 75th percentile in qualified harvest history by gear and area

High producing **catcher** vessels are the remainder and are divided into a catcher vessel longline and catcher vessel pot sector. Sector definitions apply throughout Alternative 3.

Option for Fixed Gear **Catcher Vessel** Low Producers: (page 40)

Option 1. Apply same rules for initial co-op formation and general co-op operation as apply to other sectors.

Option 2. Exclude from co-op program, provide sector allocation and continue as an LLP/Open Access fishery.

Option 3. Apply all co-op rules except processor affiliation requirement for initial co-op formation (i.e. harvester co-op without processor association).

3.2.4 Sector Allocation: Secondary and PSC species: (Page 41)

Secondary species: Thornyhead, rougheye, shortraker, other slope rockfish, Atka mackerel, and trawl sablefish. Includes SEO shortraker, rougheye, and thornyhead rockfish.

- Option 1: Sector allocation based on
- 1) fleet average
 - 2) bycatch rate of 75th percentile
- for
- a) the sector
 - b) the gear

during sector allocation qualifying period by area and primary species target fishery.

The AP requests the Council recommend staff separate PSC and secondary species issues and bring back for further discussion. We further recommend section 3.3.3.2 on page 43:

Upon entering a cooperative, each recipient of primary species GH would receive an allocation of PSC GH, based on the primary species GH allocation. Each cooperative would receive an allocation of halibut mortality (harvest shares) based on the PSC holdings of its members. Secondary species would receive no halibut allocation.

be incorporated into the re-worked section. Motion passed 17/0

3.3.2.2 Qualifying periods and landing criteria (same for all gears in all areas) for determining GH
(The analysis will assess AFA vessels as a group). (Page 42)

- Option 1. 95-01 drop 1
- Option 2. 95-02 drop 1
- Option 3. 95-02 drop 2
- Option 4. 98-02 drop 1

Options to drop years would be to accommodate SSL restrictions or the inclusion of the state portion of the parallel fishery.

Individual GH will be based on retained catch for each species (includes weekly production report for Catcher/Processor sector). The denominator shall be total landed catch by species.

~~Option A: Include retained catch that is used for meal production~~ Motion passed 17/0

~~Option B: Exclude retained catch that is used for meal production~~

3.3.5 Catcher Vessel Co-ops. (Page 43)

Catcher vessel co-ops may be established within sectors between eligible harvesters in association with an eligible processor. A harvester is initially eligible to join a cooperative in association with the processor to which the harvester delivered the most pounds of primary species **by area by region** (*motion passed 14/0*) to during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.

Suboption 1. On a species by species basis

Suboption 2. In the aggregate

3.3.7 Cooperatives are required to have at least: (Page 44)

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-100 percent of the GH of its sector. Council may choose different percentages for different sectors.
- ~~Option 3. 50-100% of holders of GH belonging to its sector. Council may choose different percentages for different sector. Motion passed 14/0~~
- Option 4. 50-75 percent of the eligible GH for each co-op associated with its processor
- Option 5. Any number of eligible harvesters within the sector (allows single person co-op)

Note: Requirements may differ across sectors (or for CV and CP Cooperatives)

3.3.8 Duration of initial cooperative agreements: (Page 44)

- Option 1. 1 year
- Option 2. 2 years
- Option 3. 3 years

~~Option 4. Any length agreed between the co-op participants. Motion passed 14/0~~

3.3.11 Initial Cooperative Requirements (Page 46)

The following provision is required for the initial coop:

Catcher vessel coops may be formed by eligible harvesters (the coop) subject to the terms and conditions of a coop membership agreement. In order to receive an allocation of GH under this program, coops must enter into a duly executed contractual agreement (Contract) with the processor identified in Section 3.3.5.

Contracts established under this section shall specify the terms and conditions for transferring GQ or GH from the cooperative, including mechanisms whereby a member exiting the coop (or transferring GH from the coop) compensates the remaining coop members and/or the associated processor for exiting the coop (or transferring GH from the coop). Compensation can take on any form agreed to by the members and the associated processor, including permanent transfer of some or all GH generated by the existing participant to the remaining coop members and/or the associated processor.

Processors who do not meet eligibility criteria to document a vessel must transfer the GH to an entity meeting the criteria with the next 24 months

Following the initial coop period, new GH can be generated by eligible harvesters that have never been coop members only by joining a coop, **except as modified in section 3.6, option 2 (2), below** in association with the eligible processor pursuant to the terms of an agreement that meets the requirements for an initial coop.

For individuals and corporations entities with CV GH, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following 18 months calendar year (motion passed 18/0) if the GH holder is on board or (motion passed 13/6) owns 20% or greater of a vessel on which 30% of the primary species shares held by the GH holder in at least 2 of the most recent 4 years were harvested. This provision would apply to independent lessees and within cooperatives. Motion passed 17/0.

3.4.1 General Cooperative Requirements (Page 47)

- Coop membership agreements will specify that processor affiliated vessels cannot participate in price setting negotiations except as permitted by general antitrust law and negotiations concerning price setting, code of conduct, mechanisms for expelling members, or exit agreements

Option A: ~~price setting negotiations except as permitted by general antitrust law.~~

Option B: ~~negotiations concerning price setting, code of conduct, mechanisms for expelling members, or exit agreements.~~

Motion passed 16/0.

3.4.2.1 Qualified Persons. (Page 48)

Persons qualified to receive GH by transfer include processors that associate with initial cooperatives pursuant to 3.3.40 11. and (not mutually exclusive):

Option 1. US citizens who have had at least 150 days of sea time.

Option 2. ~~Entities~~ Persons that meet U.S. requirements to document a vessel.

Option 3. Initial recipients of CV of fixed gear low producers

Option 4. Communities would be eligible to receive GH by transfer (this provision would be applicable if certain provisions of 2.2.9 are adopted).

Option 5. U.S. citizens ~~eligible to document a vessel.~~ For fixed gear only.

Processors who do not meet eligibility criteria to document a vessel must transfer the GH to an entity meeting the criteria with the next 24 months. Motion passed 16/0.

3.4.3 Ownership caps. (Page 49)

In places where the options are by sector and species, (3.4.3 and 3.4.4) the AP recommends the Council use species groups as follows: cod, pollock, rockfish in the aggregate, flatfish in the aggregate, and other species in the aggregate. *Motion passed 17/0.*

Ownership of GH by a co-op member shall be capped at:

- Option 1. 1% of the GH by area, sector and species **group (cod, pollock, agg.rockfish, agg flatfish, agg. other species)**
- Option 2. 5% of the GH by area, sector and species **group (cod, pollock, agg.rockfish, agg flatfish, agg. other species)**
- Option 3. 20% of the GH by area, sector and species **group (cod, pollock, agg.rockfish, agg flatfish, agg. other species)**
- Option 3 30% of the GH by area, sector and species **group (cod, pollock, agg.rockfish, agg flatfish, agg. other species)**
- Option 4 no cap.

Allocations to original issues would be grandfathered at the original level of GH.

3.4.4 Co-op use caps. (page 49)

Control of GH or use of GQ by a co-op shall be capped at:

- Option 1. 15% by area, sector and species **group (cod, pollock, agg rockfish, agg. flatfish, agg. other species)**
- Option 2. 25% by area, sector and species **group (cod, pollock, agg rockfish, agg. flatfish, agg. other species)**
- Option 3. 45% by area, sector and species **group (cod, pollock, agg rockfish, agg. flatfish agg. other species)**
- Option 4. no cap

3.4.5 Vertical integration (Page 49)

~~Any processor holdings using initial recipients of GH with more than the 10% limited threshold rule ownership by any processor~~ are capped at: *Motion passed 17/0.*

- Option 1. initial allocation of harvest CV and CP shares.
- Option 2. 115%-150% of initial allocation of CV GH.
- Option 3. 115%-150% of initial allocation of CP GH.
- Option 4. no cap

3.4.6 Use caps of the original issues would be grandfathered in. (page 49)

The AP recommends the Council address cod, pollock, rockfish in the aggregate, and flatfish in the aggregate *Motion passed 14/0*

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species **group (cod, pollock, agg rockfish, agg flatfish)**
- Option 2. 50% of total harvest by area and primary species **group (cod, pollock, agg rockfish, agg flatfish)**
- Option 3. 75% of total harvest by area and primary species **group (cod, pollock, agg rockfish, agg flatfish)**
- Option 4. no cap

Processors eligible under 3.3.40 9 will be grandfathered.

3.4.7.1 Restrictions on transferability of CP harvest shares: (Page 50)

- ~~Option 1. CP GH may only be transferred to other CP GH holders.~~
- ~~Option 2. CP GH may be converted to CV GH. CP GH maintains its designation when transferred to persons who continue to catch and process the resulting CP GQ at sea pursuant to a CP co-op, if CP GQ is harvested by a CV and delivered to a processor, the underlying CP GH converts to CV GH.~~
- ~~Option 3. CP GH maintains its designation after transfer for 5 years following date of implementation, after which time any transfer of CP GH (or transfer of GQ outside of a cooperative) converts the underlying GH to CV GH.~~

~~Option 4.~~ CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access). *Motion passed 15/3*

~~3.4.7.2 Re-designate CP GH as CV GH upon transfer to a person who is not an initial issuee of CP shares: (Page 51)~~

~~Option 1. all CP shares~~

~~Option 2. trawl CP shares~~

~~Option 3. longline CP shares~~

Motion passed 13/3

3.4.7.3 Leases of CP annual harvest allocations (GQ): (Page 51)

Leasing would be allowed within a cooperative (motion passed 16/0)

Option 1. Allow leasing pursuant to an inter-Co-op agreement within CP sectors (no CP leases allowed across gear types).

~~Option 2. No leasing of CP GQ allowed~~

~~Suboption: Allow for the first 3 years after program implementation.~~

~~Option 3. Allow leasing within a cooperative~~

Option 2. Allow leasing pursuant to inter coop agreement from trawl to fixed gear and between fixed gear coops. Motion passed 17/0

3.4.7.4 Conversion of CP GH and GQ: (Page 51) (Same as Page 7, 2.2.3.3.6)

~~Option 1. CP GH and GQ converted to CV GH and GQ will count toward CV caps~~

~~Suboption 1. will count toward CV caps~~

~~Suboption 2. will not count toward CV caps at the time of conversion.~~

~~Option 2. Caps will be applied to prohibit acquisition of shares in excess of the cap. Conversion of CP GH or GQ to CV GH or GQ alone will not require a CP GH holder or cooperative to divest CP GH and GQ for exceeding CP caps Motion passed 17/0~~

3.5 Skipper/Crew Provisions (page 52)

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

Option 1. No skipper and/or crew provisions

Option 2. Establish license program for certified skippers. For initial allocation Certified Skippers are either:

i. Vessel owners receiving initial GH or harvest privileges; or

ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).

Suboption 1. include crew in the license program.

Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Similar to the Community Provisions, the AP recommends the Council flesh out the skipper and crew provisions in alternative 3 concurrent with further GOA Groundfish Rationalization development rather than as a trailing amendment. We recommend incorporating stakeholder input in developing the options. The AP further recommends considering:

- **Concept of transferable skipper licenses**
- **Nature of licenses – are they by area, gear, species, etc**
- **Minimum sea time qualification**

Motion passed 16/1

3.6 LLP/Open Access fishery provisions: (page 52)

Allocation for each sector of primary species, secondary species, and PSC to the LLP/Open Access fishery will be those amounts remaining after allocation of the co-ops Harvesters that choose not to participate in a co-op may continue to fish in the LLP/Open Access fishery

~~Option 1: Allow directed fishing for primary species only. The Manage LLP/Open Access fishery sector allocations for primary species only. Continue current MRA for secondary species and unallocated species and PSC management. Motion passed 17/0~~

Option 1: ~~Suboption:~~ PSC allocations to the LLP/Open Access fishery will be reduced by

- a. **0 percent** *Motion passed 17/0*
- a. b. 10 percent
- b. c. 20 percent
- e. d. 30 percent

Note: this reduction may differ by sector

Option 2: the following provision would apply to the LLP/Open Access fisheries:

1. PSC allocations to each sector will be reduced by:

0 percent *Motion passed 17/0*

- 5 percent beginning on the date of program implementation;
- an additional 5 percent beginning on the second year of program implementation;
- an additional 10 percent beginning on year 5 of program implementation; and

The AP recommends moving the following section into 3.3.11 on page 46

~~2. Beginning on year 3-5 of the program implementation any eligible CV harvester which has not entered into a co-op pursuant to section 3.3.10 may join an initial co-op in association with the processor that the harvester delivered the most pounds of primary species to in the previous~~

~~_____ a) 2 years~~

~~_____ b) 3 years~~

~~The contract for this initial co-op must otherwise satisfy the requirement of this program, including the terms and conditions of 3.3.10 (except for the provision specifying which processor the harvester must associate with).~~

Option 3: The LLP of any vessel that has entered a co-op and generated GH pursuant to this program may not be subsequently used, or transferred to another vessel, to fish in the LLP/Open Access fishery for any primary or secondary species identified under this program, **unless the LLP that entered the coop and generated GH exits the coop with the same amount of GH that the LLP brought into the coop initially.** *Motion passed 17/0.*

3.7.2.2 Administrative entity (page 54)

~~A Gulf-wide administrative entity will receive and hold CFQ on behalf of eligible communities. The administrative entity representing one or more eligible communities must be a non-profit entity qualified by NMFS.~~

The administrative entity representing one or more eligible communities must be a non-profit entity qualified by NMFS.

The administrative entity shall be:

Option 1. A single Gulf-wide administrative entity

- 2. An administrative entity for each GOA groundfish management area
- 3. An administrative entity representing a group of communities with common culture and history.

Motion passed 18/0

Eligible Communities 3.7.2.2 Eligible Communities (page 54)

Option 1. Population (based on 2000 Census):

- a. 1,500 but not less than 25
- b. 2,500 but not less than 25
- c. 5,000 but not less than 25
- d. 7,500 but not less than 25

Motion passed 13/2/2

3.7.2.7 Allocation Basis (page 55)

~~The initial allocation (harvest shares) of CFQ would be made to the administrative entity representing eligible communities.~~

~~Option 1. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity would be distributed amongst qualified communities on an equal basis.~~

~~Option 2. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity would be distributed amongst qualified communities on a pro rata basis based on population.~~

~~Option 3. 0%—100% of the annual harvest rights from the CFQ owned by the administrative entity from each GOA groundfish management area, by species, would be distributed amongst qualified communities located in the management area on an equal basis.~~

The AP recommends the Council delete this section. *Motion passed 18/0.*

3.7.2.10 CFQ Management (Page 56)

The CFQ Program will be managed in a manner similar to the halibut/sablefish community purchase program. The Council shall establish a CFQ implementation committee to implement this program ~~as a trailing amendment~~. The committee will advise on the provisions of the program. (Motion passed 16/0)

C-2 Central GOA Rockfish Demonstration Pilot Program

The AP recommends not including the non-trawl sector from the primary program.

1. Delete "Option 3. Non trawl catcher vessel" from section 3.1
2. Delete the words "by any gear type" from the third bullet in section 3.3

Motion passed 14/0

Sideboard Provisions

General Provisions:

There are no exemptions from sideboards, except for CP vessels which opt out of the pilot program.

a. For fisheries that close on TAC in the GOA, the qualified vessels in each sector (trawl CV and trawl CP) would be limited, in aggregate, in the month of July to the historic average total catch of those vessels in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish.

b. For flatfish fisheries in the GOA that close because of halibut bycatch, the qualified vessels in each sector (trawl CV and trawl CP) would be limited, in the aggregate, in the month of July to the historic average halibut mortality taken by those vessels in the target flatfish fisheries in the month of July by deep and shallow complex.

c. In the event that one or more target rockfish fisheries are not open, sideboard restrictions will not apply for those target allocations.

- IFQ halibut and sablefish are exempt from sideboard provisions

CP Specific Sideboard Provisions:

Vessels may decide to opt out of the CGOA pilot program on an annual basis. These vessels may not target POP, Northern rockfish or Pelagic Shelf rockfish in the CGOA in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries. They will be sideboarded at the sector level in the GOA as referenced in a and b above, but will not be subject to other sideboard restrictions within their sector.

Option 1 -The history of vessels which opt out will remain with the sector.

Option 2 -The history of vessels which opt out will be distributed pro-rata between sectors.

Opting out is an annual decision. Vessels which choose to opt out must so notify NMFS. The decision to opt out should not in any way alter the status of their catch history for future rationalization programs.

For the CP sector, the pilot program fishery will start at the same time as the open access fisheries (in July). CPs which qualify for the CGOA rockfish pilot program, and which do not choose to opt out, are required to harvest 90% of their CGOA rockfish allocation, or to participate in the target rockfish fishery in the CGOA for two weeks (whichever is shorter) before participating in any other BSAI or GOA groundfish fishery. A vessel which has met this requirement can then move into the BSAI or GOA open access fisheries without limitation or restriction, except at the sector level in the GOA as referenced in the CV/CP inter-sector sideboards.

History may be consolidated between vessels, however each individual vessel that transfers its history to another CP or CV must still refrain from operating in any other BSAI or GOA groundfish fishery until 90% of all of the rockfish allocation on the stacked vessel is harvested in the CGOA, or for two weeks (whichever is shorter).

Option: three week stand-down

CV Specific Sideboard Provisions:

- The qualifying vessels in the trawl CV sector cannot participate in the directed yellowfin sole, other flatfish (flathead, etc) or Pacific Ocean perch fisheries in the BSAI in the month of July.
- Qualifying vessels in the trawl CV sector would be limited, in aggregate, in the month of July, to the historic average total catch of those vessels in the BSAI Pacific cod fishery in July during the qualification years 1996 to 2002.
- AFA CVs qualified under this program are subject to the restraints of AFA sideboards and their coop agreement, and not subject to additional sideboards under this program.

Motion passed 16/1

Set Asides

1.2 Entry level fishery: A percentage of POP, Northern rockfish and pelagic shelf rockfish for catcher vessels not eligible to participate in the program, as mandated in the congressional language. For the first year of this program, this set aside will be 5% of each of these target rockfish species.

- Allocations shall be apportioned between trawl and non-trawl gear:
 - Option 1. 50/50
 - Option 2. proportional to the number of applications received
 - Option 3. Increase fixed gear portion of the fixed gear set aside each year by 0.5%/year each year the fixed gear sector catches their full allocation.

Motion passed 11/4

- The Council will develop a method for rolling over an allocation to the other entry level sector, in the event a sector is unable to harvest its allocation.
Suboption: the rollover from any sector will occur at the end of the third quarter, and if the non-qualified vessel quota is not taken by November 1, it will be rolled over to the class of eligible vessels. *Motion passed 15/0*

The AP notes that estimates of thornyhead and shortraker/rockfish incidental requirements in the sablefish halibut and p.cod longline fisheries have been repeatedly requested yet still not provided. We wish to highlight the importance of having this data available at initial review to allow refinement of the alternatives prior to final action. *Motion passed 15/0*

2.4 NMFS will determine:

- Whether limits need to be imposed on vessel participation
 - If limits need to be imposed, determine the appropriate number of vessels that would be allowed to fish in the entry level fishery
 - Suboption: Equal share distributions to the vessel applicants **by sector**
 - Suboption: Limited access competitive fishery **by sector**
 - Entry permits are non-transferable and must be fished by the named vessel
- Motion passed 16/0*

5.4 CV sector

The AP requests the Council modify the last two bullets for alternative 2 as follows:

- Catcher vessel cooperatives are required to have at least 5-10 eligible LLPs
- ~~Coops may engage in inter cooperative transfers of annual allocations to other cooperatives with agreement of the associated qualified processor~~
- No processor associations required by coops.

Motion passed 16/0

C-3 (a) Habitat Areas of Particular Concern

The AP recommends adding an option to action 2, alternative 3 GOA Corals in SE as follows: Prohibit bottom trawling in subareas and designate remainder of HAPC as a research priority for longline gear impacts. *Motion passed 11/2*

Additionally, the AP recommends information on Canadian bottom contact fisheries in the proposed Dixon Entrance HAPC be included in the analysis. *Motion passed 17/0.*

C-3 (d) Alternative 5B The AP endorses the Aleutian Island trawl industry's attempt to provide data to modify alternative 5B boundaries based on the 200 MT approach. We request the council provide an opportunity and timeframe for this data to be analyzed prior to the December council meeting. *Motion passed 15/1.*

C-7 Halibut Subsistence

The AP recommends the following actions and alternatives:

Action 1. Revise the subsistence halibut regulations for gear and harvest to address local area issues.

Alternative 1. No action.

(a) - (c): 30 hooks
three times the individual gear limit

(d): 30 hooks per vessel

Alternative 2. Change gear and annual limits in local areas.

(a) in Kodiak road zone and Chiniak Bay:

Issue 1. Gear limit, annual limit, and community harvest permit program:

Option 1. 5 hooks and 20 fish annual limit

Option 2. 10 hooks and 20 fish annual limit

Issue 2. Limit stacking on a single unit of gear per trip provided the subsistence user(s) are on board the vessel to:

Option 1. one hook limit (no stacking)

Option 2. two times the hook limit

(b) in Prince William Sound:

Issue 1. Gear limit and community harvest permit program:

Option 1. 5 hooks

Option 2. 10 hooks

Issue 2. Limit stacking on a single unit of gear per trip provided the subsistence user(s) are on board the vessel to:

Option 1. one hook limit (no stacking)

Option 2. two times the hook limit

(c) in Cook Inlet:

Issue 1. Gear limit and community harvest permit program:

Option 1. 5 hooks

Option 2. 10 hooks

Issue 2. Limit stacking on a single unit of gear per trip provided the subsistence user(s) are on board the vessel to:

Option 1. one hook limit (no stacking)

Option 2. two times the hook limit

(d) in Sitka Sound LAMP:

Seasonal gear and vessel limits:

June 1 to August 31

15 hooks per vessel

no power hauling

5 halibut per day/vessel

September 1 to May 31

(30 hooks per vessel)

(power hauling allowed)

10 halibut per day/vessel

Option: Apply Sitka Sound LAMP restrictions to all of Area 2C Motion passed 15/1

Option for areas (a) - (d): Require mandatory retention of rockfish. A fisherman would be required to stop subsistence halibut fishing for that day if the legal limit of rockfish allowed under State regulations were caught. This applies to the current State limits for rockfish only. Subsistence users would not be restricted below current bag limits.

Action 2. Revise the list of eligible subsistence halibut communities.

Alternative 1. No action.

Alternative 2. Add to list of eligible communities:

Option 1. Naukati

Option 2. Port Tongass Village

Action 3. Create a subsistence halibut possession limit for areas 2C and/or 3A and/or 3B.

Alternative 1. No action.

Alternative 2. Possession limit equal to two daily bag limits

Alternative 3. A limit of one daily bag limit Motion passed 17/0

Alternative 4. Possession limit equal to two daily vessel limits

Alternative 5. Possession limit equal to one daily vessel limit Motion passed 13/1

Action 4. Revise the definition of charter vessels.

Alternative 1. No action.

Alternative 2. Allow the use of charterboats for subsistence halibut fishing

Alternative 3. Adopt the State of Alaska definition of charter vessels to redefine a charterboat vessel as State-licensed and restrict their use in the subsistence fishery to the owner and identified immediate family members (father, mother, brother, sister, children, legally adopted children), registered. **Restrict the use of charter vessel to the owner of record and immediate family (owner must be a qualified subsistence user). Prohibit the use of a charter vessel for subsistence fishing while clients are on board. Prohibit the transfer of subsistence halibut to clients. Motion passed 14/0.**

Suboption: Prohibit use of a charter vessel June 1-August 30 for subsistence fishing for halibut. Motion failed 7/7.
Minority Report: *The minority voted to limit use of a charter vessel by the owner and their immediate family to the season September 1 – May 31. We feel this may help resolve abuses of subsistence provisions by charter vessels while providing for traditional halibut subsistence harvest practices outside the primary charter season. Signed: Duncan Fields, Michelle Ridgway, Eric Olson.*

Action 5. Revise the \$400 customary trade limit for subsistence halibut by IPHC regulatory area.

Alternative 1. No action.

Alternative 2. Revise the customary trade limit to \$100.

Alternative 3. Eliminate the customary trade limit (\$0)

Alternative 4. Allow the customary and traditional practice of sharing halibut expenses between:

Option 1: Between members of an Alaskan Tribe

Option 2: Between any recognized Alaska tribes

Option 3: Between Alaska rural residents

Option 4: With any qualified halibut subsistence user eligible under this program

Option 5: Under the terms of a community harvest permit *Motion passed 16/0*

Alternative 5. Develop recordkeeping requirements for trade involving cash *Motion passed 16/0*

Action 6. Allow subsistence halibut fishing in non-subsistence areas under special permits.

Alternative 1. No action.

Alternative 2. Allow the use of community harvest permits, educational permits, and ceremonial permits in non-traditional use areas by tribes whose traditional fishing grounds are located within these areas, with a 20-fish per day bag limit.

The AP wishes to note its concern over the accuracy of the subsistence survey for SHARC card members. Reporting on the survey is entirely voluntary. The AP believes survey results need to be verified through dockside sampling or other appropriate independent verification methods. The magnitude of the subsistence harvest increases in some areas dictate increased verification for conservation reasons. Motion passed 15/0.

C-6 Halibut Sablefish IFQ Program

IFQ/CDQ 4C/4D

The AP recommends the Council move the regulatory package for IFQ/CDQ area 4C/4D forward for public review, with following changes:

Alternative 1. No action.

Alternative 2. Allow holders of Area 4C IFQ and CDQ to harvest such IFQ/CDQ in Area 4D.

~~Option: Allow holders of Area 4D IFQ and CDQ to harvest such IFQ/CDQ in Area 4C.~~

At the end of the 3rd year after implementation, the program will be evaluated. Motion passed 17/0

Halibut and Sablefish IFQ program

The AP recommends the release regulatory amendment package for IFQ amendments for public review, with the following changes:

Action 1. Allow the use of medical transfers.

Alternative 1. No action.

Alternative 2. Allow medical transfers.

Add options for evidence of qualifying medical conditions

Option 1: State certified medical professional

Option 2: Licensed medical doctor or their representative

Add a section "Limits to medical transfer"

1. 3 out of 6 years

2. 2 out of 5 years

Action 2. Tighten the criteria allowing the use of hired skippers.

Alternative 1. No action.

Alternative 2. To use the hired skipper exception, a QS holder must demonstrate at least a 20% vessel owner interest in the vessel to be used and have continuously owned the vessel as documented by the contemporary abstract of title for the previous:

- a. 6 months
- b. 12 months
- c. 24 months
- d. year to date plus previous calendar year

Add option to allow for replacement vessel in the event of a loss

Action 3. Add vessel clearance requirements to the Bering Sea and Aleutian Islands sablefish fisheries.

Alternative 1. No action.

Alternative 2. Add vessel clearance requirements to the BS and AI sablefish regulations.

Option 1. Add check-in/check-out for the Aleutian Islands and Bering Sea sablefish fishery (e.g., in Dutch Harbor, Adak, St Paul, St George) **The AP recommends the list of communities mirror the list of communities from IPHC for the Halibut Sablefish Check-in Check-out.**

Option 2. Require VMS when fishing in the Aleutian Islands and Bering Sea sablefish fishery

Action 4. Amend the sablefish product recovery rate for bled sablefish.

Alternative 1. No action.

Alternative 2. Change product recovery rate from 0.98 to 1.0.

Expand the discussion on the amount of additional blood loss realized from bled fish (gear code 03) vs. round fish (gear code 01) landed using normal handling practices such as gaffing. The discussion should focus on the role of this difference in determining an appropriate PPR for bled sablefish.

Expand the discussion of the impact of changing the PRR on the stock assessment model.

Action 5. Amend the halibut block program in Areas 2C, 3A, 3B, 4A, 4B, 4C, and 4D

Alternative 1. No action.

Alternative 2. Increase block limits to 3 or 4 blocks

Alternative 3. Unblock all QS blocks that yield more than 20,000 lb

Alternative 4. Allow blocked QS greater than 20,000 lb to be divided into smaller blocks

Alternative 5. Increase the Areas 2C and 3A halibut sweep-up level to the 5,000 lb equivalent in 1996 QS units.

Request staff add a table that shows consolidation of quota share over time by size of holdings

Request staff add a table that provides CEY projections for next 3 years in Area 3B and 4ABC

Action 6. Amend Area 3B, 4A, 4B, 4C, and 4D halibut quota share categories

Alternative 1. No action.

Alternative 2. Allow IFQ derived from D category QS to be fished on C category vessels

Alternative 3. Allow IFQ derived from D category QS to be fished on C or B category vessels

Alternative 4. Combine C and D category QS

Action 7. Amend fish down regulations for Area 2C halibut and Southeast Outside District sablefish

Alternative 1. No action.

Alternative 2. Eliminate the exception to the fish down regulations for Area 2C halibut and Southeast area sablefish

Motion passed 16/0

Additionally, the AP requests the Council staff task with developing a discussion paper that reviews 3 proposals

1. Alaskan Leader Fisheries: Allowing frozen other species on board while fishing IFQ

2. Hubbard: Fish A and/or B, C, D shares any time any order

3. Thompson: Allow use of pot gear in the sablefish fishery during June. *Motion passed 16/0*

Further, the AP requests the Council schedule Halibut Sablefish IFQ agenda item as the first item on the agenda for the December 04 meeting. *Motion passed 16/0.*