

EXECUTIVE SUMMARY

IMPROVED RETENTION/UTILIZATION COMMITTEE REPORT

The primary purpose of this Committee was to work through the implementational issues which have been identified for the proposed alternatives, to identify any additional implementational issues which need to be considered, and to provide information and industry perspective to the analysts working on this project. Pervasive throughout our meetings was a recognition by Committee members of the necessity of addressing the waste and discard issue, and a hope that this can be accomplished in a way that the industry can live with. The Committee believes that this initiative, and the attendant analyses, need to be considered in a comprehensive manner, keeping all other major Council initiatives and regulations in mind as we develop the specifics of the IR/IU program. Examples of considerations include observer program requirements and VIP program.

For specific implementation issues, the following recommendations are made:

Bleeding or dumping of codends

The consensus of the Committee is that all 'dumping' or 'bleeding' of codends in IR/IU regulated fisheries should be prohibited. If bleeding is necessary to avoid placing a vessel in peril, due to safety or stability considerations, each occurrence must be logged in the vessel's permanent record, along with the extenuating circumstances necessitating the event. An estimate of the quantity and species composition of the groundfish should also be provided. Hook shaking and outright dumping of codends would be prohibited. No similar type of implementation issue can be envisioned for pot gear fisheries at this time.

Retention Options - target vs species based

The firm consensus of the Committee is that Retention Option 2 is the way to go, that the target based retention options should be eliminated from further consideration, and that the analysis should proceed with only Retention Option 2 - the 4 species would be retained regardless of target fishery. The Committee believes that the information provided to date allows for this decision to be made up front, prior to completion of the formal analyses of the overall program. In fact, making this decision up front will allow for timely completion of a more thorough analysis of the overall program.

Monitoring and Enforcement

The consensus of the Committee is that we have to accept the fact that only a base level enforcement program is likely to be doable, so that's what we will have to live with. Under this scenario, current observer requirements will be what is used for purposes of this program, and the Committee recommends that any additional observer requirements be analyzed not in the context of this program alone, but in the context of all other fisheries management programs and regulations. This is essentially the status quo in terms of observer coverage. Enforcement and monitoring would consist

of back-calculated PRRs and other secondary data for estimating catch and discards. This implies largely voluntary compliance, particularly for unobserved vessels, though this is not really any different from other regulations.

Interaction with Regulatory Discards

The Committee concurred with the conclusion that Directed Fishing Standards (DFS) shall always supersede "retention" requirements. When any of these four species is designated to be in a "bycatch only" status, as defined under DFS, then all catches of the designated species must be retained up to specified bycatch amounts. The balance of the catch of species so designated must be discarded in compliance with DFS requirements. When any of these four species is in "prohibited" status, under DFS, all catches of that (those) species must be discarded. Therefore, any apparent conflict between IR requirements to "retain" and DFS requirements to "discard" will be resolved by requiring retention to the maximum extent consistent with DFS discard requirements.

Contaminated or Damaged Fish

The Committee believes that an outright prohibition on discards, whether damaged or contaminated, is the only way to proceed. With respect to relatively minor "leakage", such as the occasional fish mangled by processing machinery, the apparent consensus was that, "no accounting was practical, nor needed". For larger losses, for example, if a hydraulic line were to break, spraying a load of fish with fluid, these fish might be discarded (perhaps subject to EPA or DEQ limits, due to the oiling). In such an instance, the discard event would have to be logged in the vessel's logbook, along with the quantity, species composition, and extenuating circumstances.

Defining Utilization

This was the single major issue with which the Committee grappled. Central to the discussions were the issues of: (1) where fish meal fits into the overall definition of utilization, (2) the appropriateness and benefits of requiring specific product forms for human consumption, (3) the ability of individual vessels/plants to conform to retention and utilization requirements, (4) ultimate disposition of fish and fish products, and (5) methods for determining compliance with whatever option is eventually chosen by the Council.

If vessels are strictly prohibited from discarding P.cod, pollock, rock sole, or yellowfin sole, then it follows logically that processors (e.g., motherships, shoreside plants) will be required to accept any deliveries of these four species offered to them. If this is not the case, then rejection of a delivery would be effectively "discarding". There has to be at least a "primary" point of delivery opportunity, otherwise the IR/IU proposal is potentially meaningless.

The Committee was divided on the fundamental policy question of whether utilization should be defined in terms of human consumption (Utilization Option 2), whether there should be limits on meal production (Option 3), or whether each operation should be allowed to define utilization in their own terms (Option 1). The detailed report contains a list of several points which the Committee feels need to be considered in arriving at that decision. The Committee spent much of its time developing

approaches to deal with whichever option is chosen by the Council. The following paragraphs summarize these approaches:

Relevant to Option 1, a basic 15% PRR would be applied to determine compliance. This number was chosen because it represents the PRR for pollock deep-skin fillets, and is one of the lowest of all primary product forms. Under Option 3, the same 15% could be applied to all product other than the allowable meal percentage, though the Committee's discussions assumed that this Option would simply place some limit on the amount of meal, and not mandate the 15% PRR for the remainder. For Option 2, which necessitates an explicit list of acceptable products, the primary product list from Dr. Queirolo's draft analysis would be used as the starting point for acceptable products. The associated (in regulation) PRRs for each product form would be used to backcast compliance for both the retention and utilization aspects of this program.

Further, the Committee discussed the issue of what must be done with that product once a vessel has satisfied the utilization requirement. For example, we cannot force someone to buy all of these products, nor can we force the product to be stored indefinitely. Enforcement representatives advised the Committee that tracking the utilization requirement would likely end at the point of the verification of utilization- they cannot track it all the way into households, for example. The recommendation of the Committee is that we go so far as to say that the product must be either transferred to another vessel for transshipment out of the EEZ, or delivered on-shore.

Potential Phase-in for Flatfish

Although the Council has identified four species for inclusion in this program, the Committee discussed at length some potential implementation problems for the flatfish species. While there are generic implementation problems which cut across all four species, there are additional, specific problems associated with the flatfish species. After lengthy discussions, which included enforcement considerations, the Committee recommends to the Council that we move as quickly as is feasible with Improved Retention/Utilization, that the Committee has identified factors which may impede effective implementation for some species (particularly flatfish), and we recommend that the Council weigh these factors in deciding how fast and fully to proceed with each of the four species in question. One approach could include a phase-in for the flatfish species over a period of 2-5 years, while implementation of 100% retention moves forward for pollock and cod. An alternate approach would be to simply delay implementation of the flatfish portion for some period of time, though the Committee did not necessarily endorse this approach.

Limited Processing Allowance for Catcher Vessels

Some Committee members feel that this issue should be dealt with as part of this package, not as a follow-up analysis, though the consensus of the Committee is that it could be dealt with separately, and should not hold up the basic IR/IU program implementation. As a Committee, we feel that the only really viable option is Option 3, which allows a very specific amount of processing.

Additional Issues Identified

One of the other primary objectives of the Committee was to identify any additional implementation concerns, or issues, which should be addressed in the analyses. These are detailed in the final section of the full report. Some of the major issues are summarized here:

1. Interaction with the moratorium/License limitation program, particularly regarding the ability to upgrade/expand vessel to accommodate meal plants or other processing/storage requirements. The analysts indicate that the upgrade provisions of the moratorium and License Limitation program will be assumed to be in place for purposes of evaluating this program.
2. Desire to look at underlying philosophy of DAP development - the concern here is that this program could encourage shipment of fish overseas, discard overseas, reduction in value added processing, and an employment transfer overseas.
3. Impacts to VIP program - VIP implications should be examined comprehensively; i.e., in terms of the IR/IU program and other management actions.
4. Potential unintended consequence related to PSC management - PSC monitoring is by target fishery, while this program will result in targets changing relative to what otherwise would have occurred (they are now forced to retain everything, thereby changing their target designation). The Committee feels that this is a significant issue, and requests that the NMFS in-season management division help the analysts in addressing this issue. We need some idea of how this issue might play out, and how we might adjust the program to accommodate this concern.
5. The issue of whether onshore processors are under federal jurisdiction in the context of IR/IU regulations was raised by the Committee. The Committee assumes that the State of Alaska will implement mirror regulations to accomplish the intent of this program.
6. Potential impacts to the GOA fisheries by making fishing in the BSAI relatively more expensive. It is possible that this program, if applied to only the BSAI, could result in substantial impacts to the GOA fisheries.
7. In terms of pollock fisheries, the most impacted sector is likely to be smaller (200') fillet CPs without meal plants. Generally speaking, the smaller H&G CPs will be the most adversely affected industry sector under this program - they do not have the capacity to meal their fish, and in the case of rock sole for example, they have no markets for small male rock sole. The relative disadvantage would be exacerbated if others are allowed to simply meal their additional fish.