

# DRAFT BSAI Pacific Cod Allocation Review: Workplan December 2018<sup>1</sup>

1	Introduction .....	1
2	Background on the Allocation Review Policy .....	1
3	What is Involved in an Allocation Review Process (Step Two) .....	2
4	Stated Program Objectives .....	3
4.1	BSAI Pacific cod Allocation Objectives .....	3
4.2	BSAI FMP Objectives .....	4
5	Proposed Approach .....	5
6	References.....	6

## 1 Introduction

The Council is required to conduct a periodic review of Bering Sea and Aleutian Island (BSAI) Pacific cod allocations to ensure that the optimal yield (OY) is being achieved under current conditions. This review is scheduled for 2019. At the October 2017 meeting, the Council requested an advance review of a workplan for the scheduled allocation review. Additionally, in October 2017 and June 2018, the Council requested that the allocation review outline steps necessary to remove obstacles that impede achieving, on a continuing basis, the complete harvest of BSAI Pacific cod allocations. The allocation review should outline the process for reallocating Pacific cod earlier in the season to maximize catcher vessel A-season cod fishery allocations, and options for National Marine Fisheries Service (NMFS) and the Alaska Department of Fish and Game (ADFG) to facilitate the harvest by state and federal fishery participants of stranded allocation of Pacific cod.

This workplan provides background on the allocation review requirements, the program objectives of the Amendment 85 and applicable objectives from the Fishery Management Plan for the Groundfish of the Bering Sea and Aleutian Island Area, and the proposed approach for the allocation review.

## 2 Background on the Allocation Review Policy

In July 2016, National Marine Fisheries Service (NMFS) issued a Fisheries Allocation Policy Directive, which describes a mechanism to ensure fisheries allocation are periodically evaluated to ensure that optimum yield (OY) is being achieved under current conditions. The policy and directives establish three steps in an allocation review process (see Figure 1). Step one identifies which trigger will be met (NPFMC, 2018). At its June 2017 meeting, the Council established a 10-year timeframe as the primary criterion for triggering review of the North Pacific allocations<sup>2</sup>, although the public can request an allocation prior to the established 10-year frequency. Step two is the fisheries allocation review, and step three is an evaluation of the fisheries allocation options for a Fisheries Management Plan (FMP) amendment. Step two in the review process is designed to assist the Council in determining whether the development and evaluation of allocation options (step three) is warranted.

During the May 2018 Council Coordination Committee (CCC) meeting, there was a discussion on what constitutes an allocation review (step two) because there was an apparent ambiguity in the directive. Following the CCC meeting, NMFS provided further guidance that the allocation review is not meant to

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<sup>2</sup> North Pacific allocation reviews are the BSAI Pacific cod in 2019, GOA Pacific cod in 2020, and Halibut Catch Sharing Plan in 2021.

include in-depth analyses. It should assess if the FMP objectives are being met (assuming they are relevant and current) and discuss if other relevant factors (ecological, economic, social, catch, status, etc.) have changed enough to warrant an in-depth formal analysis of the allocation. If the objectives have been met and an initial analysis, which can be qualitative, suggests no major changes have occurred, then the allocation review is complete, and the time trigger under step 1 is reset for that fishery allocation. If the objectives are not being met and/or an initial analysis suggests major changes may have occurred, then the standard Council process for FMP amendments (i.e., a reallocation action) is initiated. It is during step 3 that the in-depth analysis is required.

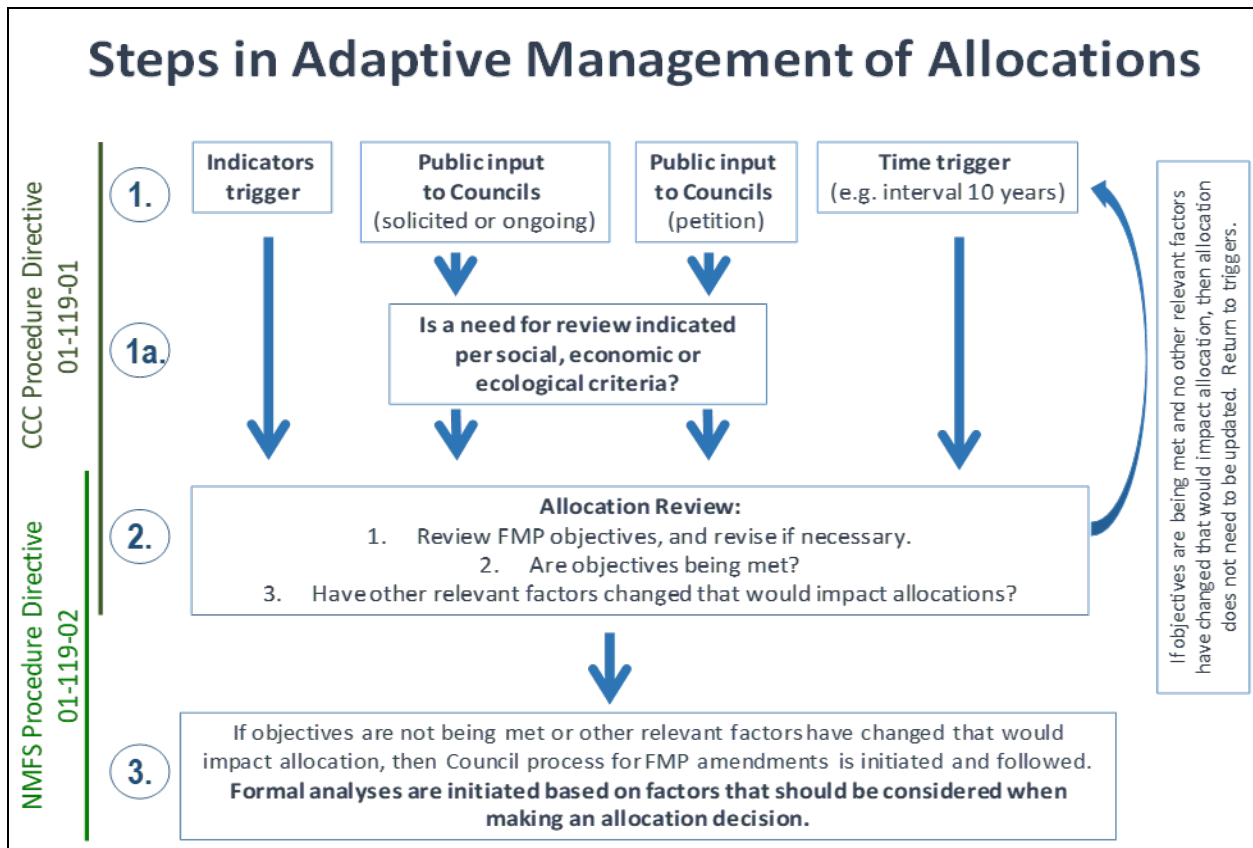


Figure 1 Steps for Fisheries Allocation Review.

### 3 What is Involved in an Allocation Review Process (Step Two)

The allocation review process is designed to assist the Council in determining whether or not the development and evaluation of allocation options is warranted. Guidance for the information that should be included in the allocation review is discussed in more detail in the NMFS recommended practices and fisheries allocation factors document ([Procedural Directive 01-119-02](#)).

The guidance includes a list of recommended practices that could improve the allocation process by increasing transparency and minimizing conflict. These practices include: 1) evaluate and update the Council and FMP’s objectives, 2) identify user needs, 3) minimize speculative behavior in anticipation of potential future action, and 4) plan for future conditions. In general, the Council routinely utilizes these practices in all FMP amendments relative to allocation actions. This list of recommended practices should not be considered comprehensive and may not be applicable to all circumstances.

The list of factors included in the directive and that will be utilized in the BSAI Pacific cod allocation review include ecological, economic, social, and indicators of performance and change. These factors are not all-inclusive, as there may be other appropriate factors to consider. The factors do not prescribe any particular outcome with respect to allocations, but rather, are intended to provide a framework for the allocation analysis. Factors should be compared between groups for which an allocation decision is relevant. The priority and weight afforded each factor will vary depending on the time horizon of the decision,<sup>3</sup> the objectives of the allocation decision, the objectives of the FMP, and the overarching Council goals. An analysis of an allocation decision under these factors is not a substitute for documenting compliance with MSA mandates, although there may be overlap between certain factors and MSA mandates.

## 4 Stated Program Objectives

This fishery allocation review will consider the BSAI Pacific cod allocation objectives stated by the Council during the most recent BSAI Pacific cod sector allocation, Amendment 85 in 2008. The review will also evaluate the BSAI FMP objectives. These two sets of objectives are provided in the sections that follow.

### 4.1 BSAI Pacific cod Allocation Objectives

Over the better part of two decades the Council has established and modified an allocation system for BSAI Pacific cod through a series of FMP amendments. Currently, Federal regulations at 50 CFR 679.20(a)(7) authorize distinct BSAI Pacific cod allocations of the initial total allowable catch (ITAC) for the following sectors:

- Hook-and-line CPs – 48.7 percent
- Trawl CVs – 22.1 percent
- Amendment 80 trawl CPs – 13.4 percent
- Pot CVs greater than or equal to 60 feet LOA – 8.4 percent
- AFA trawl CPs – 2.3 percent
- Hook-and-line and pot CVs less than 60 feet LOA – 2 percent
- Pot CPs – 1.5 percent
- Jig vessels – 1.4 percent
- Hook-and-line CVs greater than or equal 60 feet LOA - 0.2 percent

The current allocations were the result of Amendment 85 to the FMP for Groundfish of the BSAI Management Area which were effective January 1, 2008. The following is the Amendment 85 problem statement:

*The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors with gear groups. The current allocation among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors resulting in annual inseason reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.*

*Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be*

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<sup>3</sup> For example, factors may be weighed differently when considering in-season allocation changes versus longer term changes such as decisions that last years.

*adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history as well as consideration of socio-economic and community factors.*

*As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.*

The Council's problem statement for Amendment 85 focused on revising the BSAI Pacific cod allocations to all sectors (trawl, jig, hook-and-line, pot) to better reflect current harvest patterns which had varied significantly among the sectors since previous allocation actions. Participants in the BSAI Pacific cod fishery with significant investments and long-term dependence on the resource needed stability in the sector allocation. Under Amendment 85, allocations were adjusted to better reflect historic harvest by the sectors. The basis for determining the sector allocations was catch history, although the Council also considered socio-economic and community factors. It was also noted in the Amendment 85 problem statement that as other fisheries in the BSAI and GOA were incrementally rationalized, historical participants in the BSAI Pacific cod fishery may have been put at a disadvantage, and sector allocations were a necessary step on the path towards comprehensive rationalization. In general, based on the final rule for Amendment 85 (which draws on the Council's problem statement for Amendment 85), the implicit objectives of the action were:

1. Establish allocations that more closely reflect historical use by the sectors than previously
2. Consider catch history, socioeconomic, and community factors
3. Reduce the need for inseason reallocations during the fishing year
4. Reduce uncertainty about the availability of yearly harvests within sectors caused by reallocations
5. Provide stability among sectors in the BSAI Pacific cod fishery

#### **4.2 BSAI FMP Objectives**

The Council has developed a management policy and objectives for the BSAI groundfish fisheries to guide its development of management recommendations to the Secretary of Commerce, which can be accessed at <https://www.npfmc.org/wp-content/PDFdocuments/fmp/BSAI/BSAIfmp.pdf>. From the comprehensive list of BSAI FMP objectives, below are those objectives that, according to staff judgement, apply to the BSAI Pacific cod allocation review.

##### ***Promote Sustainable Fisheries and Communities:***

- Promote management measures that, while meeting conservation objectives, are also designed to avoid significant disruption of existing social and economic structures.
- Promote fair and equitable allocation of identified available resources in a manner such that no particular sector, group or entity acquires an excessive share of the privileges.

##### ***Promote Equitable and Efficient Use of Fishery Resources:***

- Provide economic and community stability to harvesting and processing sectors through fair allocation of fishery resources.
- Develop management measures that, when practicable, consider the efficient use of fishery resources taking into account the interest of harvesters, processors, and communities.

## 5 Proposed Approach

In this section we take the issues raised in the previous sections and develop a proposed table of content for the BSAI Pacific cod sector allocation review. The scope and amount of detail that will be presented in this review will be limited to an overview of the current BSAI Pacific cod fishery conditions to include ecological, economic, indicators of performance and change, and social to assess if the FMP objectives are being met. In addition, the Council highlighted during their October 2017 and June 2018 meetings that the allocation review should outline steps necessary to remove obstacles that impede achieving, on a continuing basis, the complete harvest of BSAI Pacific cod allocations. The allocation review should outline the process for reallocating Pacific cod earlier to maximize catcher vessel A-season cod fishery allocations, and options for NMFS and the ADFG to facilitate the harvest by state and federal fishery participants of stranded allocation of Pacific cod in State fisheries, also known as Guideline Harvest Level (GHL) fisheries, with a focus on the AI GHL fishery. Impediments that should be reviewed in the BSAI Pacific cod allocation review should include ICA on fixed gear vessels and the Amendment 80 allocation.

Provided below is a projected table of contents for the BSAI Pacific cod sector allocation review.

1. Introduction
  - What is involved in an allocation review, and required elements
  - BSAI Pacific cod sector allocation objectives from previous Council actions
  - BSAI Groundfish FMP objectives
2. Changes to the BSAI Pacific cod environment since 2003
  - Brief summary of Pacific cod stock
    - Changes in Pacific cod stock abundance and distribution
  - Ecological environment (i.e., predator – prey relationships, habitat, protected species interactions, ecosystem)
3. Changes in the BSAI Pacific cod fishery since 2003
  - Management of BSAI Pacific cod
    - Sector allocations (including Amendment 85 action)
    - History of BS and AI TAC split and rationale for maintaining sector allocations at the BSAI level
    - Seasonal apportionments
    - Reallocations among gear types
    - Overview of State water fisheries (BS and AI GHL)
    - Amendment 113 summary
    - Summary of BSAI Pacific cod mothership limitation/trawl CV allocation action
  - Participation in the harvesting sectors, and at-sea processing gear and shoreside processor sectors
    - Eligibility requirements by sector
    - Cooperative management
    - Catch history, participant patterns, harvest distribution, and processing distribution for BSAI Pacific cod by each harvest and processor sector
      - Hook-and-line CPs
      - Trawl CVs
      - Amendment 80 trawl CPs
      - Pot CVs greater than or equal to 60 feet LOA
      - AFA trawl CPs – 2.3 percent
      - Hook-and-line and pot CVs less than 60 feet LOA

- Pot CPs
  - Jig vessels
  - Hook-and-line CVs greater than or equal 60 feet LOA
  - Other offshore processor sectors (motherships and floaters)
  - Shoreside processors
  - Seasonal closures by gear types
  - Reallocations among gear types
  - Prohibited species catch by sector in the directed Pacific cod fishery
  - Ex-vessel prices and revenues by sector
  - Products produced from Pacific cod
  - First wholesale prices and revenues
    - Percent of sector estimated revenues attributed to BSAI Pacific cod
  - Description of the BSAI Pacific cod fishery communities
4. Evaluation of the current BSAI Pacific cod sector allocation conditions and whether these allocations still meet the objectives outlined in Amendment 85 and the BSAI
  5. Discussion of maximizing catcher vessel A-season allocation on a continual basis
    - Options for NMFS and ADFG to facilitate harvest of stranded GHV, fixed gear ICAs, and Amendment 80 allocations

## 6 References

National Marine Fisheries Service. 2017. Policy Directive – Fisheries Allocation Review Policy. February 23, 2017 (revised policy). <http://www.nmfs.noaa.gov/op/pds/documents/01/01-119.pdf>

National Marine Fisheries Service. 2016. Procedural Directive - Criteria for Initiating Fisheries Allocation Reviews. Council Coordinating Committee Allocation Workgroup Guidance Document. July 27, 2016. <http://www.nmfs.noaa.gov/op/pds/documents/01/119/01-119-01.pdf>

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