The North Pacific Fishery Management Council met June 6-12, 2007 at the Centennial Building in Sitka, Alaska. The Scientific and Statistical Committee met June 4-7, and the Advisory Panel met June 4-8, at the same location. The following Council, staff, SSC and AP members attended the meetings.

**Council Members**

Stephanie Madsen, Chair  
Sue Salveson for Jim Balsiger  
Dave Benson  
John Bundy, Vice Chair  
Lenny Corin  
Dave Hanson  
Doug Hoedel  
Roy Hyder  
Denby Lloyd/Earl Krygier  
Gerry Merrigan  
Bill Tweit for Jeff Koenings  
Eric Olson  
LCDR Lisa Ragone for ADM Brooks  
Ed Rasmuson  

Note: A State Dept. representative was not in attendance.

**NPFMC Staff**

Gail Bendixen  
Cathy Coon  
Jane DiCosimo  
Diana Evans  
Mark Fina  
Jeannie Heltzel  
Nicole Kimball  
Jon McCracken  
Chris Oliver  
Jim Richardson  
Maria Shawback  
Diana Stram  
Bill Wilson  
Dave Witherell
A. CALL TO ORDER

Stephanie Madsen, Council Chair, called the meeting to order at approximately 8:07 a.m. on Wednesday, June 6, 2007.

Agenda. The agenda was approved as published.

Minutes. The minutes of the March 2007 meeting were approved as submitted.

[NOTE: Mr. Tweit participated in the entire meeting in place of Dr. Koenings.]

B. REPORTS

The Council received the following reports: Executive Director’s Report (B-1); NMFS Management Report (B-2); NMFS Enforcement Report (B-3); USCG Report (B-4); ADF&G Report (B-5); USF&W Report (B-6); and Protected Species Report (B-7). Following are brief recaps of discussion or action taken during reports.

Executive Director’s Report

Chris Oliver reported briefly on the recent Council Coordination Committee meeting in New Orleans and the status of the NEPA streamlining process. Revisions to the Statement of Standard Operating Policy and Procedures for Councils were also discussed during the CCC meeting. The Council met in Executive Session during this meeting to review proposed to changes to the NPFMC SOPPs. Those changes were approved and are available on the Council’s website.
Mr. Oliver also reviewed changes relative to financial disclosure requirements for Council members and advised that NMFS-HQ is contemplating another national conference and workshop, tentatively set for September 25-27 in the Washington, DC area.

Additionally, new requirements in the MSA reauthorization will require all newly-appointed Council members to attend a training session. The training session is scheduled for the week of October 15, for two or three days.

Plan Team Nominations
The Council was asked to review the nomination of Cleo Brylinsky (ADF&G) to the Gulf of Alaska Plan Team, replacing Tory O'Connell. After receiving affirmative comments from the Scientific and Statistical Committee, the Council approved the appointment.

NMFS Management Report
Tom Pearson, NMFS, reviewed the in-season management report and Jay Ginter (NMFS) reviewed the status of FMP amendments in progress.

MRA Adjustments. Sally Bibb (NMFS) reviewed a June 5th letter to the Council from NMFS-Alaska Regional Office which outlined several concerns NMFS has with regard to the amendment to extend the accounting interval for calculating the MRAs for selected groundfish species by non-AFA trawl CPs (approved in December 2006). The letter requested that the Council revisit its action on that amendment based on concerns about (1) potential increased harvest of Atka mackerel in SSL protection areas in the Bering Sea; (2) lack of justification for less conservative mgmt of harvest in these areas compared to the Aleutian Islands; and (3) the Council's explicit direction to not bifurcate parts of its original motion into a trailing amendment. NMFS recommended that the Atka mackerel MRA restrictions in the SSL protection areas in the Bering Sea be the same as those implemented for Atka mackerel in the Aleutian Islands and Pacific cod in the BSAI in order to proceed with the MRA amendment as expeditiously as possible.

Dave Hansen (Council Parliamentarian) advised the Council that in order to change a previous action, the Council would need to move to reconsider an action previously taken. Because this issue was not on the current meeting agenda, notice of this action will need to be published for a future meeting. During Staff Tasking (Agenda Item D-6) the Council asked the Executive Director to put this issue on the agenda for the special August meeting.

Amendment 80 Update. Glenn Merrill, NMFS staff, advised the Council that NMFS is endeavoring to have the amendment in place for 2008. NMFS held a public meeting on the proposed rule in May and based on industry comments a second public workshop is planned for June in Seattle.

Community Protection Measures – Crab Rationalization Program. Mr. Merrill provided a review of NMFS comments on proposed options for community protection measures under the crab rationalization program. He advised that NMFS has concluded that an FMP amendment would be required to extend the cooling-off period, recommend that NMFS enforce and monitor the Right of First Refusal (ROFR) contract, to require ROFR contracts to include specific lengths or time, or to modify existing contract terms. During Staff Tasking (Agenda Item D-6), a motion was made and approved on this issue.

Electronic Permit Transfers. Mr. Merrill also reviewed a discussion paper prepared by the RAM Division on permit transfers, including on-line transfers. The Council requested the discussion paper as a
result of comments from crab quota holders during the April 2007 meeting. The paper outlined measures that could potentially facilitate permit transfers, including allowing post-delivery transfers. The RAM Division continues to work on a system that will allow electronic transfers, however staff advised that the process may take up to two years. Stephanie Madsen suggested that real-time transfers may be beneficial in several Council programs and requested that the Council be kept apprised of progress in developing a system.

Bill Tweit recommended that Table 1 of the discussion paper provide a measure of how the current transfer system could be improved in the absence of an electronic system. **Sue Salveson advised that NMFS staff will provide an annual report to the Council on the permit transfer process, using Table 1 as a format to compare processing times.**

**2008-09 Harvest Specifications Process.** Gretchen Harrington, NMFS Staff, reviewed the new harvest specifications process, noting that NEPA requires a new SEIS if substantial changes are made in the proposed action relative to environmental concerns or if significant new circumstances or information exist bearing on the proposed action or impacts. Concurrently with developing the harvest specifications this fall, the Agency will be reviewing new information from surveys and information in the SAFE documents to determine whether either of those two triggers are met and whether a new environmental analysis will be required, and provide a Supplemental Information Report (SIR) to the Council in December when final action is taken on harvest specifications. Ms. Madsen expressed concern that the Council won't have the SIR until shortly before taking final action. Ms. Harrington explained that if a new SEIS is required, the current 2008 harvest specifications would remain in effect until a new SEIS is prepared. That analysis would focus on the information that required the SEIS only.

**Revisions to SSL Measures.** Ms. Harrington also outlined the timeline and scoping process for revisions to SSL protection measures. Because of the potential need for an EIS, NMFS plans to publish a Notice of Intent to start the process and will provide a draft notice for Council discussion at the October meeting, with a plan to publish it as soon after the meeting as possible.

**Charter Halibut Moratorium Permit Appeals.** John Lepore briefed the Council on the issue of interim permits during the appeal process. The practice of issuing non-transferable permits when the initial determination of ineligibility is made began with the license limitation program, mainly because permits had already been issued under a moratorium, and those permits could not be revoked without due process. The same process was followed in the groundfish, crab and scallop programs. Regulations talk about the issuance of the non-transferable permits on acceptance of an appeal. In order for an appeal to be accepted, there are several standards to be met. Those standards were fairly easy to meet and the Council has expressed concern over frivolous appeals simply to get an interim permit. Appellate Officer Ed Hines has suggested the possibility of developing some type of filter, or heightened scrutiny, before accepting an appeal and issuing a permit. Mr. Lepore advised that when regulations are crafted for the charter halibut moratorium it needs to be made clear that no non-transferable permit will be issued on the IAD, but only on the acceptance of the appeal after the appellate officer determines whether the appeal has merit and is not frivolous.

**Protected Species Report**

Bill Wilson and Kaja Brix provided an update on the FMP consultation and the Steller sea lion recovery plan. A revised draft recovery plan was scheduled to be completed in early May and released for a 90-day public review period. In early August the Council and SSC will each meet to review the plan and provide comments to NMFS.
FORMAT FOR COUNCIL MEETING MINUTES FOR ‘C’ AND ‘D’ AGENDA ITEMS

Each agenda item will begin with a copy of the original “Action Memo” from the Council meeting notebook. This will provide an “historical” background leading to any discussion and/or action. This section will be set in a different typeface and size than the actual minutes. Any attachments referred to in the Action Memo will not be included in the minutes, but will be part of the meeting record and available from the Council office on request. Following the Action Memo will be reports of the Scientific and Statistical Committee and Advisory Panel on the subject. Last will be a section describing Council Discussion and Action, if any.

C. NEW OR CONTINUING BUSINESS

C-1 Charter Halibut Management

C-1(a) Stakeholder Committee Report

ACTION REQUIRED

Receive Charter Halibut Stakeholder Committee report and take action as necessary.

BACKGROUND

At its April 2007 meeting, the Council initiated development of two potential actions to regulate the charter halibut catch in Areas 2C and 3A. The first action was to develop alternatives and options for an explicit allocation to the charter sector. The second action was to forward the compensated reallocation program to the Charter Halibut Stakeholder Committee for further development (Item C-1(a)(1)), and to link it with the explicit allocation. The committee convened on April 12-13 with this task as its sole agenda item. Committee minutes are attached under Item C-1(a)(2). Initial review is tentatively scheduled for October, depending on Council actions (or refinement of alternatives) at this meeting.

The committee is scheduled to meet again on October 30-November 1 to complete its recommendations on permanent solution alternatives.

The Scientific and Statistical Committee did not address this issue.

Report of the Advisory Panel

The AP provided the Council with recommendations for revised elements and options for the compensated reallocation analysis. Please see the AP Minutes, Appendix II to these minutes.

COUNCIL DISCUSSION/ACTION

Jane DiCosimo, Council Staff, provided a review of the current analysis of elements and options for the proposed compensated reallocation between the commercial and charter sectors in Area 2C and 3A. John Lepore, NOAA General Counsel, noted that there are still concerns over management and confidentiality issues between State and Federal entities that need to be addressed. Commissioner Lloyd brought up the issue of 'stairstepping' based on changes to the CEY, particularly with regard to stairstepping back up. Also of concern is the ability to implement changes in a timely manner under the Federal regulatory process.
In addition to receiving the Advisory Panel report and public comment, the Council also received a letter from the International Pacific Halibut Commission offering comments on halibut charter issues before the Council. That letter is attached as Appendix III to these minutes.

Denby Lloyd moved the following, using the AP recommendations as a basis, with changes noted by strikeouts and additions underlined:

**Problem Statement**
The absence of a hard allocation between the longline and the charter halibut sectors has resulted in conflicts between sectors and tensions in coastal communities dependent on the halibut resource. Unless a mechanism for transfer between sectors is established, the existing environment of instability and conflict will continue. The Council seeks to address this instability while balancing the needs of all who depend on the halibut resource for food, sport, or livelihood.

**Action 2. Implement measures to allow compensated reallocation between the commercial sector and the charter sector**

**Element 1: Holder of Quota Share, Method of Funding and Revenue Stream**

**Element 1.1: Federal – common pool**
A. Method of Funding  
   option 1. loan  
   option 2. buyout program  
B. Revenue Stream  
   option 1. halibut charter stamp  
   option 2. moratorium permit fee  
   option 3. self-assessment fee  
   suboption 1. fee is based on number of clients  
   suboption 2. fee is based on number of fish

**Element 1.2: State of Alaska – common pool**
A. Method of Funding  
   option 1. loan  
   option 2. bonding  
B. Revenue Stream  
   option 1. charter stamp  
   option 2. sportfishing license surcharge  
   option 3. business license fee/surcharge  
   suboption 1. fee is based on number of clients  
   suboption 2. fee is based on number of fish

**Element 1.3: Regional private non-profit associations – common pool**
A. Method of Funding  
   option 1. loan  
B. Revenue Stream  
   option 1. self-assessment  
   Suboption 1. fee is based on number of clients  
   Suboption 2. fee is based on number of fish

**Element 1.4: Individual - private (A moratorium permit would be required unless the moratorium is not in place, in which case a Guided Sportfish Business License would be required instead.)**
A. Method of Funding
Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 2.1: Limits on transferability

The percentages are based on the combined commercial and charter catch limit. These are intended to establish a minimum amount that will always be available to each sector.

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

- **Option 1**: 10 percent
- **Option 2**: 15 percent
- **Option 3**: 20 percent
- **Option 4**: 25 percent

Element 2.2: Limits on purchase

A. Entities purchasing for a common pool:
   - **Option 1**: limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.

B. Individual: subject to the current ownership cap and block restrictions associated with commercial quota share

Element 2.3: Limits on leasing

A. Common Pool:
   - The common pool may only lease 0-15% of holdings back to the commercial sector.

B. Individual charter operators:
   - **Option 1**: an individual may not hold or control more than the amount equal to the current setline ownership cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A)
   - **Option 2**: an individual may not hold or control more than 2,000, 5,000, or 10,000 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)
   - **Option 3**: charter operators may lease up to 10% of their QS back to commercial sector
C. Individual commercial fishermen:
   i. Commercial fishermen who do not hold a sport fishing guide business license and/or moratorium permit may lease up to 10% of their annual IFQs for use as GAF1.

   ii. Commercial fishermen who hold QS and a sport fishing guide business license and/or a halibut moratorium license may convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it themselves on their own vessel. Commercial and charter fishing may not be conducted from the same vessel during the same day.

Element 3: Implementation Issues

1. These qualifying entities may purchase commercial QS and request NMFS to issue annual IFQs generated by these shares as Guided Angler Fish (GAF*).

2. Qualified entities harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.

3. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).

4. Subleasing of GAF would be prohibited.

5. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.

6. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.

7. All compensated reallocation would be voluntary based using willing seller and willing buyer.

   Option: A pro rata reduction with compensation. A pro rata reduction would not decrease the number of quota shares held by an individual; rather, it would decrease the size of the total commercial pool from which IFQs are annually calculated. The effect would be similar to how a decrease in abundance affects annual calculation of IFQs, except that quota share holders would be compensated for the resultant poundage reduction of their IFQs.

8. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.

9. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided recreational bag limit on any given day.

10. There needs to be a link between the charter business operators and the cost of increasing the charter pool. If the charter business operators do not experience the cost of increasing the charter pool, there will not be a feedback loop to balance the market system.

The motion was seconded by Ed Rasmuson.

1 * GAF = Guided Angler Fish (This is used only as a charter unit of measurement for commercial quota share converted to charter use and is not indicative of a particular long term solution.)
Mr. Lloyd said that he thinks that there has been some misunderstanding about pro rata reduction and compensation. His intent is that a pro rata reduction would not be a transfer of any particular shares; it would simply be a reduction in the commercial pool of the CEY that would be prorated and distributed among all commercial share holders, and the compensation in that regard would be paid based on the poundage calculation of what that percentage decrease would be during the year in which it was recurring, and the respective price per pound for quota share applicable to those types of shares during that year. This would be a simple way to calculate without having to follow shares from original purchase and liens, etc. It also recognizes the fact that commercial IFQs are not property rights and affirms the Council's authority to allocate and reallocate between various gear types and fisheries.

Mr. Merrigan asked for a legal interpretation on whether pro rata reduction and compensation is a feasible option. Mr. Lepore responded that QS is not a property right and no compensation is required by law. However, a funding mechanism for pro rata compensation would require Congressional action. The issue could be included for analysis at this time, understanding that the Council does not have authority to implement such a provision without Congressional action. Additionally, such a program may set a precedent for compensation in other quota share programs.

Eric Olson moved to add another option under Element 3, #7, which would exempt 'D' class quota share from compensated reallocation on a voluntary basis or a pro rata basis. The motion was seconded by Gerry Merrigan and carried without objection. Mr. Olson noted that there was considerable public testimony indicating the need to protect entry-level options.

Staff was asked to place this option in the proper place in the analysis.

Gerry Merrigan moved to delete the option for pro rata reduction with compensation. The motion was seconded by Dave Benson. Mr. Merrigan noted that there was no support for this option in public comments. The motion failed, 8 to 3, with Benson, Hoedel, and Merrigan voting in favor.

The amended main motion carried without objection.

**C-1(b) Area 2C GHL Measures**

**ACTION REQUIRED**

Final action on Area 2C Guideline Harvest Level Measures

**BACKGROUND**

In December 2006, the Council rescinded its April 2006 preferred alternative for a 5-fish annual charter halibut limit in Area 2C to reduce harvests to the guideline harvest level of (GHL) of 1.432 million pounds, after receiving a recommendation from NMFS to rescind its action based on high implementation costs. In 2006, harvests exceeded the Area 2C GHL by more than 40 percent. Since then, the State of Alaska has implemented a prohibition on the retention of halibut by crew and amended state law to remove data sharing restrictions, and NMFS has proposed a regulation for 2007 for a 2-fish bag limit with one of the two fish required to be 32 inches or less.

The Council requested that its earlier analysis be augmented by adding several proposed management measures. The intent is that one or more of the measures listed below would achieve the needed level of harvest reduction.

1. No more than one trip per vessel per day
2. No harvest by skipper and crew and line limits
3. Annual limits of four, five, or six fish per angler
4. Reduced bag limits of one fish per day in May, June, July, August, September, or for
the entire season
5. A one-fish bag limit with the option to harvest a second fish larger than 45 inches or 50 inches
6. A two-fish bag limit with one fish of any size and one fish 32 inches or less in length
7. A two-fish bag limit with one fish of any size and one fish 32 inches or less in length or larger than 45 inches or 50 inches
8. Combination of Options 1, 2, and 5
9. Combination of Options 1, 2, and 6
10. Combination of Options 1, 2, and 7
11. Combination of Options 1, 2, 3, and 5
12. Combination of Options 1, 2, 3, and 6
13. Combination of Options 1, 2, 3, and 7

The analysis was mailed to the Council on May 4, 2007. The executive summary is attached as Item C-1(b). At this meeting, the Council will select a preferred alternative.

The Scientific and Statistical Committee did not address this agenda issue.

Report of the Enforcement Committee

The Committee discussed the State of Alaska's HB 186 which allows the State to share information collected from the sport charter industry with NOAA Enforcement. This bill will likely satisfy NMFS concerns about access to information and allow it to be used in Federal courts. NMFS Enforcement noted that access to the records is a good baseline, however utilizing the information in an efficient manner may be a challenge. Specifically, the format of the data is important and whether the data remains in logbooks or in a database will define the ease at which enforcement can use the information to look for violations.

The Committee noted that the complexity of the GHL program will likely result in increased management and enforcement costs. The Committee noted that continued cooperation between NMFS and ADF&G for information exchange will be the cornerstone in the development of a successful program.

Report of the Advisory Panel

The AP recognizes the immediate need for action regarding the implementation of measures that keep charter harvest within the GHL. The AP strongly recommends the Council implement Option 12, with a four fish annual limit. However, the AP recommends the proposed rule also notice the public that if the GHL is reduced to 1.217 million pounds due to CEY reduction, or because one or more elements of option 12 are not implementable, then the preferred alternative would be a one fish daily bag limit for the entire season.

COUNCIL DISCUSSION/ACTION

The Council received staff reports, public comment, a report from the Enforcement Committee, and the Advisory Panel recommendations before taking final action on Area 2C guideline harvest level measures.

Gerry Merrigan moved the following:

For IPHC Areas 2C, the Council adopts the following management measures to restrict halibut charter harvest:
A.) Current GHL

Alternative 2:
Option 2: No harvest by skipper and crew; and line limits (number of lines fished cannot exceed the number of paying clients).

Option 3: Annual Limit of four fish per angler.

Option 6: A two-fish bag limit with one fish of any size and one fish 32” or less in length.

The motion was seconded. In support of the motion, Mr. Merrigan stated that the motion fulfills the Council's original intent with regard to the GHL – to add incremental management measures as needed when overages occur. The analysis shows that savings should occur with the combination of the measures in the motion without causing upheaval to charter halibut operations. The motion also conforms with the Council's intent to manage the fishery within the GHL.

Bill Tweit moved to amend to set the annual limit at 5 fish per angler. The motion was seconded by Ed Rasmuson and failed, 7-4, with Benson, Tweit, Rasmuson, and Madsen voting in favor.

The main motion carried unanimously.

Gerry Merrigan moved a follow-up motion to Part A, previously approved:

B.) Reduced GHL: If the annual total CEY (Constant Exploitation Yield) for halibut in Area 2C in 2008 results in a reduced GHL, the management measures would be:

Alternative 2:

Option 2: No harvest by skipper and crew; and line limits (number of lines fished cannot exceed the number of paying clients).

Option 4: A one fish bag limit for the entire season.

The motion was seconded and carried, 6 to 5, with Lloyd, Olson, Rasmuson, Salveson and Madsen voting no.

Council members discussed the stairstepping-up option, which would require regulatory action, including initiation of a proposed rule in October in order to have regulations in place for the charter season. Ms. Salveson noted that there are concerns over the detrimental effects of a one-fish bag limit on the charter industry and suggested that it would be helpful to wait until the results of the current regulations and to continue work on long-term solutions without creating a negative impact on the charter industry in the meantime.

C-2 Halibut Subsistence

ACTION REQUIRED

Review discussion paper and take action as necessary.
BACKGROUND

At its February 2007 meeting, the Council asked staff to prepare a discussion paper on how the subsistence halibut rural definition may be inadvertently excluding individuals who otherwise may be deemed eligible for participation in the program. Immediately after regulations were implemented to authorize a subsistence halibut fishery, the Council and NMFS offices began receiving letters and calls from individuals who: 1) lived in rural places of less than 30 individuals (the minimum population to be deemed a “rural place;” 2) lived in a rural place (both above and below the minimum of 30 people) adjacent to closed waters; and 3) do not live within the boundaries of designated communities, but may live in close proximity to and/or have a post office box in that community. Item C-2(a) contains a review of this issue and potential regulatory solutions. Item C-2(b) contains correspondence from individuals who seek inclusion in the program.

Additionally, Item C-2(c) contains a request by the Kanatak Tribal Council to revise Federal regulations to correctly reflect its location and fishing area. Regulations incorrectly list the tribe with the Native Tribe of Egegik in Area 4E. The Kanatak Tribe is a landless tribe whose traditional lands are near Shelikof Strait and headquarters are in Wasilla. The tribe reports that 11 subsistence halibut permit holders have been issued permits for Area 4E, but none of them have fished. If the regulations were revised, tribal members could fish in lower Cook Inlet or other open waters in IPHC Regulatory Area 3A. Mr. Tony Olivera, Kanatak Tribal Administrator, plans to speak on the tribe’s behalf during the Council meeting.

The Scientific and Statistical Committee did not address this agenda issue.

Report of the Advisory Panel

The AP recommends the Council request staff work with State and Federal staff to further research the rural definition issue and report back at a future meeting.

Additionally, the AP recommends the Council initiate an analysis for a regulatory amendment to list the Kanatak tribe fishing area as an Area 3A fishing community.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received a report from Jane DiCosimo (Council staff), recommendations from the Advisory Panel, and public comment.

Earl Krygier moved to approve the recommendation of the Advisory Panel to further research the rural definition issue and report back to the Council at a future meeting. The motion was seconded by Eric Olson and carried without objection.

Mr. Krygier noted that he will work with staff as noted in the motion.

Earl Krygier moved to initiate an analysis to classify the Kanatak tribe as an Area 3A fishing community. The motion was seconded by Eric Olson and carried without objection.
C-3  GOA & BSAI Trawl LLP Recency

ACTION REQUIRED

Review discussion paper on implementation issues, and take action as necessary.

BACKGROUND

Staff has been proceeding with analyses of a possible amendment to address latent capacity by trawl catcher vessels and trawl catcher processor vessels in the BSAI and GOA.

In February, the Council requested a discussion paper to provide new information regarding the alternatives and components associated with the proposed amendment. Specifically, the discussion paper was to evaluate how elimination of endorsements will impact access to allocations and sideboards established under the American Fisheries Act (AFA) and under two new programs that are currently being implemented, Amendment 80 (head & gut trawl catcher processors) and the Rockfish Demonstration Project.

A discussion paper which was mailed to the Council and posted on the Council website is attached as Item C-3(1). Staff will present the results of this analysis and will provide a number of recommendations for choices dealing with aspects of the proposed amendment that relate to the three dedicated access privilege programs noted above.

The paper includes an updated version of the alternatives, components and options of the proposed amendment, as revised by Council action at the March/April meeting. It sequentially addresses the potential impacts from exempting or not exempting licenses in each of the three programs (AFA, Amendment 80 and Rockfish Demonstration Program). Finally, the paper addresses potential impacts to sideboard groundfish allocations that could occur under the proposed amendment for licenses qualified under each of the dedicated access privilege programs.

Staff recommendations are made for Council consideration on a number of issues, including recommended language for potential exemptions for the AFA/Amendment 80/Rockfish Demonstration Program licenses. Utilizing decisions and new information provided by the Council at this meeting, the staff will continue with the RIR/EA/IRFA analysis of this proposed amendment which is scheduled for initial review in October.

The Scientific and Statistical Committee did not address this agenda issue.

The SSC received a progress report on the development of the amendment and looks forward to reviewing the analyses as they are being developed.

Report of the Advisory Panel

The AP recommends Council establish an “Exemption Statements” section in the Description of Alternatives, Components, and Options. This section would directly follow the description of the three alternatives.

Further, the AP recommends the Council delete Component 3 and Option 1 and add the following to the Exemption Statement section: Exclude LLPs originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license from LLP qualification in the BSAI.
The AP recommends adding a statement under the “exemption statements” that would exempt the CGOA rockfish pilot program participants adding the staff’s language: exclude central GOA or GOA (as appropriate) area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment.

The AP recommends the Council delete Component 4 and Option 1 and add the following to the Exemption Statement section: Exempt LLPs assigned to the vessels qualified under Amendment 80 and other LLPs assigned to the qualifying vessels at the time of implementation.

The AP recommends the Council delete Component 1 – Option 3 and add the following to the Exemption Statement section: Exempt trawl LLPs in the BSAI or GOA assigned to vessels having a maximum mean length overall designation of 60 feet with landings of Pacific cod in the Bering Sea with any gear from application of the threshold criteria.

The AP recommends the Council delete Component 1 – Option 1 requiring at least one landing of groundfish during the qualification period of 1995 – 2005 and delete Component 1 – Option 2 – Suboption 1 requiring at least two landings of groundfish during the qualification period of 1995 – 2005.

The AP recommends that the Council include application of the harvest thresholds for LLPs to CP BSAI LLPs that are non-AFA licenses and also are not LLPs qualified for Amendment 80.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

Earl Krygier moved the Advisory Panel recommendations, with the following changes (additions are underlined and deletions are shown with strikethrough):

Establish an “Exemption Statements” section in the Description of Alternatives, Components, and Options. This section would directly follow the description of the three alternatives.

Delete Component 3 and Option 1 and add the following to the Exemption Statement section: Exclude BSAI LLPs endorsements originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license from LLP qualification in the BSAI.

Add a statement under the “exemption statements” that would exempt the CGOA rockfish pilot program participants, adding the staff’s language: exclude central GOA or GOA (as appropriate) area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment.

Delete Component 4 and Option 1. and add the following to the Exemption Statement section: Exempt LLPs assigned to the vessels qualified under Amendment 80 and other LLPs assigned to the qualifying vessels at the time of implementation.

Delete Component 1 — Option 3 and add the following to the Exemption Statement section: Exempt trawl LLPs in the BSAI or GOA assigned to vessels having a maximum mean length overall designation of 60 feet with landings of Pacific cod in the Bering Sea with any gear from application of the threshold criteria.
Replace Component 1 – Option 3 with the following: Provide a choice to exempt trawl LLPs with a maximum mean length overall designation of less than or equal to 60 feet in the BSAI with trawl or non-trawl minimum participation levels of

- Suboption 1 – one landing,
- Suboption 2 – two landings, or
- Suboption 3 – 200 metric tons in any one year from the Bering Sea

(on a groundfish ticket) in the qualifying period, 2000-2005, from the trawl landing threshold requirement.

Delete Component 1 – Option 1 requiring at least one landing of groundfish during the qualification period of 1995 – 2005 and delete Component 1 – Option 2 – Suboption 1 requiring at least two landings of groundfish during the qualification period of 1995 – 2005.

Include application of the harvest thresholds for LLPs to CP BSAI LLPs that are non-AFA licenses and also are not LLPs qualified for Amendment 80 (LLPs assigned to vessels eligible for Amendment 80).

When applying catch threshold criteria to CP LLPs

- Option 1 – only CP activity shall be considered,
- Option 2 – CV or CP activity shall be considered.

The motion was seconded.

Sue Salveson moved to add Option 5 to Component 1 – extend qualifying time period through 2006. The motion was seconded and carried without objection.

Bill Tweit moved to re-insert the strike-outs in the 5th paragraph. The motion was seconded by Dave Benson.

John Bundy moved to amend the amendment to include as decision points both the exemption and the non-exemption of the Amendment 80 LLPs.” The motion was seconded by Bill Tweit, and carried 6 to 5, with Hoedel, Krygier, Merrigan, Olson and Rasmuson voting against. This carried Mr. Tweit's original amendment.

Gerry Merrigan moved to amend to specify that under Component 1, "threshold of landings," is specific to BSAI directed Pacific cod landings. The motion was seconded by Dave Benson and carried without objection.

Dave Benson moved to amend the last paragraph of the original motion, as follows: Delete the language under Option 1, and delete Option 2, making it into a statement instead: "When applying catch threshold criteria, to CP LLPS, CP and/or CV activity shall be considered." The motion was seconded and carried without objection.

The amended main motion carried without objection. The final result of the Council's motion and amendments can be found in Appendix IV to these minutes.

Sue Salveson moved to clarify the problem to be addressed, based on Council discussion. The following clarifications were made under Section 4.2 of the discussion paper in the Council notebook (clarifications underlined):
Alternative 2: would implement trawl CV LLP threshold criteria in the BSAI and trawl LLP threshold criteria in the GOA based upon BSAI and GOA management areas. [The rest of the alternative remains the same.]

Alternative 3: would implement trawl CV in the BS&AI and trawl LLP threshold criteria in the Western Gulf and Central Gulf. [The rest of the alternative remains the same.]

The motion was seconded and carried without objection.

C-4 BSAI Crab Management
C-4(a,b) Reports/Overfishing Definitions Analysis

ACTION REQUIRED
a) Receive reports from Crab Plan Team and PNCIAC
b) Initial review of crab overfishing definitions analysis

BACKGROUND
a) Crab Plan Team and PNCIAC Reports.

The Crab Plan Team met at the Alaska Fisheries Science Center in Seattle, WA from May 22-24, 2007. The majority of the meeting involved a technical review of the initial review draft of the crab overfishing definitions analysis (proposed Amendment 24 to the BSAI Crab FMP). The report from the Crab Plan Team is attached as Item C-4(a)(1).

The Pacific Northwest Crab Industry Advisory Committee held a meeting on April 17th in Seattle, WA. The focus of this meeting was to discuss the analysis of the revised crab overfishing definitions. The report from PNCIAC is attached as Item C-4(a)(2). The chair of PNCIAC will be available to give this report.

b) Initial review of crab overfishing definitions analysis.

At this meeting, the Council will make an initial review of an analysis which evaluates proposed changes to the current overfishing definitions for BSAI crab stocks. The proposed action is to establish a set of overfishing levels (OFLs) that provide objective and measurable criteria for identifying when a BSAI crab fishery is overfished or when overfishing is occurring, in compliance with the Magnuson-Stevens Act. The BSAI crab FMP establishes a State/Federal cooperative management regime that defers crab fisheries management to the State of Alaska with Federal oversight. The Magnuson-Stevens Act requires that FMPs specify objective and measurable criteria for identifying when the fishery is overfished (with an analysis of how the criteria were determined and the relationship of the criteria to the reproductive potential of stock). The OFLs are a Category 1 measure in the FMP, and as such revisions to the OFLs require an FMP amendment.

Determinations of total allowable catches (TACs) and guideline harvest levels (GHLs) are a Category 2 management measure and are deferred to the State following the criteria in the FMP. Catch levels established by the State must be in compliance with OFLs established in the FMP to prevent overfishing. NMFS annually determines if catch levels exceed OFLs or if stocks are overfished or are undergoing overfishing. If either of these occurs, NMFS notifies the North Pacific Fishery Management Council (Council) and the Council has one year to develop an FMP amendment to end overfishing and the rebuild the stock.
The purpose of the proposed action is to establish status determination criteria in compliance with the Magnuson-Stevens Act and the national standard guidelines. The Council first took initial review of this analysis in February 2007. At that time, given extensive comments by the SSC, the Council requested that the analysis be revised for another initial review June 2007. Accordingly, the analysts have substantially revised the analysis. The structure of the alternatives has also been modified in response to comments and clarifications requested in February. There are now three alternatives with two different sets of options.

The three alternatives are summarized as follows:
Alternative 1: (Status Quo) Amendment 7 provided fixed values in the FMP for the status determination criteria: minimum stock size threshold (MSST), maximum sustainable yield (MSY), optimum yield (OY), and maximum fishing mortality threshold (MFMT) for the BSAI king and Tanner crab stocks.

Alternative 2: Tier system with five Tiers. The FMP amendment would specify the Tier system and a framework for annually assigning each crab stock to a Tier and for setting the OFLs (see Options 1 and 2). The Tier system with five Tiers would provide an OFL for all FMP stocks (see Options A and B).

Alternative 3: Tier system with six Tiers. The FMP amendment would specify the Tier system and a framework for annually assigning each crab stock to a Tier and for setting the OFLs (see Options 1 and 2). The Tier system with six Tiers would provide an OFL for stocks with sufficient catch history and, in Tier 6, set a default OFL of zero for those stocks with insufficient information from which to set an OFL, unless the SSC establishes an OFL based on the best available scientific information.

The two sets of options are summarized as follows:
Options 1 and 2 provide options for the OFL setting and review process by which stocks would be annually assigned to Tier levels, the OFLs would be set, and the timing of the annual review process by the Crab Plan Team, Scientific and Statistical Committee, and Council.

Option 1: Council annually adopts OFLs. In June, the Council would adopt the final Tier level assignments and OFLs for each stock. OFLs would be determined based upon model estimates prior to the summer survey because the Council would adopt the OFLs before the survey.

Option 2: Council annually reviews OFLs. OFLs would be calculated after the survey data are available in late August. The Council would review the status of the stocks, the OFLs, and the TACs in the Fall.

Options A and B provide options for the stocks managed under the FMP, and therefore, determine the stocks for which OFLs are required.

Option A: This option would remove eleven stocks from the FMP for which the State is interested in the conservation of management of the stock and there is no need for additional Federal management.

Option B: Status quo FMP species.

The analysis reviews the impacts on crab stocks, groundfish incidental catch limits for crab species, seabirds, marine mammals, threatened and endangered species and the economic impacts on participants in the crab fisheries. The executive summary of the EA is attached as Item C-4(b)(1). The full analysis was mailed to you on May 4th. An errata sheet for the analysis is attached as Item C-4(b)(2). This analysis is scheduled for initial review at this meeting.
Report of the Scientific and Statistical Committee

The SSC recommends that the document be revised to address concerns expressed to staff and noted in the SSC Minutes (see Appendix V to these minutes) and then reviewed by the Crab Plan Team in September 2007 and the Council family in October 2007 before it is released for public review.

Report of the Advisory Panel

The AP received a presentation of this agenda item and given the comments of the SSC, has no additional recommendations at this time.

Report of the Pacific Northwest Crab Industry Advisory Committee (PNCIAC)

The Committee provided several comments and recommendations concerning new stock assessment models and overfishing definitions under development. Please see those comments and recommendations in Appendix ?? to these minutes.

COUNCIL DISCUSSION/ACTION

The Council received a staff report from Diana Stram on the Crab Plan Team's meeting and the overfishing definition analysis. The Council also received a report from Steve Minor for the PNCIAC, the Advisory Panel report, and heard public comment on crab issues.

Denby Lloyd recommended the Council return the overfishing analysis to the Crab Plan Team to address concerns expressed by the SSC and the PNCIAC and provide a revised analysis to the Council in October. The Council concurred with this recommendation.

Mr. Lloyd also encouraged the SSC and the Plan Team to make models and data being used in this regard available for review by interested parties.

C-4(c-e) Review of Crab Discussion Papers

ACTION REQUIRED

(c) Exemption of custom processing from processing share use caps
(d) “Active participation” requirements for C shares
(e) Post-delivery transfers of quota for crab and rockfish

BACKGROUND

(c) Exemption of custom processing from processing share use caps.

The recent reauthorization of the Magnuson Stevens Act (MSA) included a provision to exempt custom processing in the North region of the Bering Sea C. opilio fishery from processing use caps established under the BSAI crab rationalization program. The exemption is believed to be intended primarily to improve efficiency in processing in that fishery. At its February 2007 meeting, the Council received a staff discussion paper concerning the implementation of this amendment and the potential for the Council extending the exemption to other fisheries included in the crab rationalization program. After receiving the discussion paper, input from the Advisory Panel, and hearing public testimony, the Council elected to consider whether this exemption should be extended to include all of the traditionally small crab fisheries governed by the rationalization program:
the Western Aleutian Islands golden king crab fishery,
the Western Aleutian Islands red king crab fishery,
the Eastern Aleutian Islands golden king crab fishery,
the St. Matthews blue king crab fishery, and
the Pribilof red and blue king crab fishery.

The attached discussion paper (Item C-4(c)(1)) includes a draft purpose and need statement and elements and options for Council consideration. Provided the Council elects to continue with this action, it is anticipated that the development of regulatory analyses and specific regulatory provisions to implement the exemption for the North region of the *C. opilio* fishery will be combined with the analysis and development of the amendment package used by the Council to consider extending the exemption to these other fisheries.

The paper also includes a brief discussion of an issue related to the use of transferred shares in their community of origin, and the application of the use cap to custom processing of those shares. This issue arises because of the possible divestiture of shares by an entity to comply with the use cap. Under the current rules, on divestiture those shares could not be custom processed at the plant of origin, effectively forcing either a new processor (either shore plant or floater) to be opened in the community or the shares to be moved from the community. The Council may wish to consider whether it is appropriate to develop a provision that would permit continued processing of these shares at the plant of their origin.

(d) “Active participation” requirements for C shares.

Based on public testimony and a recommendation from the Advisory Panel, the Council initiated consideration of an amendment to the criteria used to determine a person’s eligibility to acquire captain and crew shares (C shares) in the Bering Sea and Aleutian Islands crab fisheries governed by the rationalization program. Currently, to purchase C shares a person must be an ‘active participant’ in the fisheries, defined as having participated in a landing during the 365 days preceding the C share purchase. Testimony suggested that this requirement is overly burdensome to some former participants wishing to secure a position in the fisheries, who were unable to participate in the first year of the program because of fleet consolidation. Relaxing participation criteria could facilitate share purchase by persons wishing to re-enter the fisheries. The attached paper (Item C-4(d)(1)) discusses potential concepts to incorporate in a purpose and need statement and reviews possible elements and options that could be incorporated into an amendment package, if the Council wishes to amend the current regulations concerning active participation requirements pertaining to C shares.

Under current regulations, C shares will become subject to the 90/10 A share/B share split at the beginning of the 2008-2009 season. At its March/April 2007 meeting, the Council initiated an amendment to maintain the current status as shares unrestricted by processor share and regional landing requirements. The discussion paper concludes with a draft purpose and need statement for that amendment for Council consideration.

(e) Post-delivery transfers of quota for crab and rockfish.

At its February 2007 meeting, in response to public testimony, the Council requested staff to prepare a discussion paper concerning a potential amendment to the crab rationalization program that would permit the transfer of IFQ to cover overages after the time of landing. The provision would be intended to reduce the potential for enforcement actions related to unintended overages, in the event the fisherman can acquire shares to cover the overage within a reasonable time. At that time, the Council also directed staff to include discussion of the application of an equivalent provision to the Central Gulf of Alaska rockfish pilot program. The attached paper (Item C-4(e)(1)) responds to the Council request. The paper begins with a brief description of the rationale and use for post delivery transfers, including a brief discussion of the use of systems of post-delivery transfers in fisheries outside of the North Pacific. Since the underlying management
programs in the Bering Sea and Aleutian Island crab fisheries and Central Gulf rockfish fisheries differ substantially, the discussion of the possible amendments is separated. For each fishery, the paper includes a discussion of pertinent issues, a draft purpose and need statement, and draft elements and options for Council consideration.

Report of the Scientific and Statistical Committee

The discussion papers indicate that the contemplated actions could lead to fundamental and potentially conflicting structural changes to the crab rationalization (and rockfish QS) programs. The SSC recommends that the Council articulate the problem being addressed and the purpose and need for the actions, to provide context for changes in management objectives.

Report of the Advisory Panel

The AP provided recommendations for purpose and needs statements and elements and options for analysis of the three issues: Custom Processing Exemptions; Active Participation for C Shares; and Post-delivery Transfers (for crab AND rockfish). Please see the AP Minutes (Appendix II to these minutes) for the entire set of recommendations.

COUNCIL DISCUSSION/ACTION

(c) Custom Processing Exemptions

Denby Lloyd moved the AP recommendations, with changes noted: additions are underlined and deletions are shown with strikethrough):

Council adopts the following purpose and needs statement:

In remote areas and small TAC fisheries, the extended fishing seasons under rationalization may cause processing activity to be extended over a longer period of time. This temporal extension of processing activity, together with the lower throughput levels, limits the ability of processors to achieve production efficiencies. Allowing concentration of processing in fewer facilities, by exempting custom processing at a plant from the use cap of the plant owners, could increase processing efficiency. This efficiency increase could improve competition in processing. In some cases, exemption of custom processing at a facility from use caps of the owner could provide for contingencies in the event of a facility breakdown, assist in allowing full harvest of the TAC, and contribute to community sustainability.

In remote areas (e.g. the western region) with small TAC fisheries for crab species (e.g. WAI brown golden king crab) and extended fishing season, the goals of sustaining communities in the region and allowing the full harvest of the TAC could be better achieved by exempting custom processing beyond the processing use cap by processors.

Two of the objectives of the proposed action are to protect the economic base of remote communities dependent on crab processing, and to allow for the efficient prosecution of quota held by fishermen.

The AP Council adopts the following elements and options:

Fisheries and Regions:
Custom processing will be exempt from use caps in the following regions and fisheries:
The North region of the Bering Sea *C. opilio* fishery (analyzed here for regulation change from MSA reauthorization – not optional)

Option 1) the Western Aleutian Islands golden king crab fishery,  
Suboption: West region only

Option 2) the Western Aleutian Islands red king crab fishery,

Option 3) the Eastern Aleutian Islands golden king crab fishery,

Option 4) the St. Matthews Island blue king crab fishery, and  
Suboption: North region only

Option 5) the Pribilof Island red and blue king crab fishery  
Suboption: North region only

**Definition of custom processing exemption:**

Option 1) Physical processing of crab at a facility owned by an entity does not count toward the cap of the entity (only processor share holdings count toward an entity’s cap).

Option 2) Custom processing is the processing of crab received with IPQ that has 50 percent or less common ownership with the processing plant.

**Locations qualified for the exemption:**

Custom processing will qualify for the exemption provided that processing is undertaken in the applicable fishery and region at:

Option 1) a shore plant

Option 2) a shore plant or a floating processor that is moored in a harbor

A floating processor moored within a harbor, if it is moored at a dock or docking facilities (e.g. dolphins, permanent mooring buoy) in a harbor in a community that is a first or second class city.

Suboption 1) “Floating processor” includes catcher processors that have owned or fished IFQ crab in the same fishery during the same year.

Option 2) any shore plant or floating processor

Suboption 1) “Floating processor” includes catcher processors that have owned or fishing IFQ crab in the same fishery during the same year.

[Note: the above two suboptions were stricken by Mr. Lloyd when presenting motion – it was determined that these options are not necessary as the ability for CPs to process under these situations already exists.]

**Plant Facility cap**

Outside of the West region, no plant facility may process more than 60% of

a) EAI golden king crab

b) WAI red king crab

Additionally, the AP recommends Council adopts the following options and purpose and needs statement regarding community interests:

Option 1) in the event that processing shares are transferred to the community entity holding the right of first refusal for those shares, the processing of those shares in the community of origin will not count toward the cap of the processing plant

Option 2) in the event that processing shares subject to a right of first refusal are transferred from the initial recipient, custom processing of shares in the community of origin will not be counted toward cap of processing plant (the shares would only count toward the cap of the share holder)
Under the rationalization program, community interests in historic processing are protected by granting communities a right of first refusal on the transfer of shares from the community of origin. In some instances, the combination of consolidation of processing share holdings and the counting of processing at a plant against the plant owner’s cap on the use of processing shares could complicate the retention of processing in the community of origin. Exempting processing of shares in the plant of origin from the use cap of the plant owner could facilitate retention of historical processing in communities.

The motion was seconded by Ed Rasmuson.

In support of the motion, Mr. Lloyd noted that the exemption from custom processing from the processing share cap is intended primarily to improve efficiency which is one of the underlying components of the Crab Rationalization program. Applying this exemption can address processing inefficiencies, provide benefits to remote communities, or be used as contingencies in the case of unexpected processing constraints such as those encountered this season as well ice conditions or weather.

The motion carried without objection.

(d) Active Participation Requirements for C Shares

Denby Lloyd moved the AP recommendations, with changes noted by underlined additions and strikethrough for deletions:

The AP recommends the Council adopts the following purpose and need statement, elements and options:

Owner on board requirements and leasing prohibitions on C shares are scheduled to go into effect after the third year of fishing under the program. Those rules may be overly burdensome to active captains and crew given the current fleet fishing patterns in which vessels may not be active in all fisheries some years. Also, under the current rules in the program, C share holders that are cooperative members are exempt from owner on board requirements and leasing prohibitions. Revisions to the current participation requirements are necessary to establish reasonable participation requirements for C share holders and to ensure that all C share holders remain active in the fisheries.

Elements and options

Status quo

Options for revision of active participation requirements for C share holders
To receive an annual allocation of IFQ, a C share holder must have participated in at least one delivery in a fishery subject to the crab rationalization program in the 365 days preceding the application for IFQ.

If a C share holder has not demonstrated active participation in a rationalized fishery for a period of 3 consecutive seasons, that C share holder will be required to divest of all C share holdings. This provision will not require individuals to divest of QS until a) 5 b) 7 years after implementation of the crab program.
Options to address current transition

For a period of 3, 5, or 7 years from the implementation of the program, C shares can also be acquired by an individual who:

1) is a U.S. citizen,
2) has at least 150 days of sea time as part of a harvesting crew in any U.S. commercial fishery (historic participation), and

Option 1: received an initial allocation of C shares
Option 2: demonstrates participation in a rationalized crab fishery during
   a. 3 of the 5 seasons or
   b. 2 of the 3 seasons

immediately preceding implementation of the crab rationalization program

Initial allocation of quota to C share owners will be:

Option—grandfathered and exempt from active participation requirement. Any purchased quota will not be exempt.

Demonstration of recent participation in the North Pacific fishery will qualify for active participation.

Option 1: Acquisition of shares
Option 2: To maintain holdings and annual allocations

Additionally, the AP recommends the Council direct staff to work with financial services to determine possible means of limiting new entrants along with minimum and maximum quota share holding requirements to determine eligibility in the loan program. requests staff to write a letter to NMFS financial services expressing its intent that the funds dedicated to the loan program be made available on a priority basis to entry level crew.

Further, the AP recommends the Council adopt the Purpose and Need Statement concerning Processing Share and Regional Landing Requirements

The motion was seconded by Ed Rasmuson.

Sue Salveson asked for clarification of the wording in the second paragraph under options for revision of active participation that states, "If a C share holder has not demonstrated active participation in a rationalized fishery. . . ." With respect to the portion that specifies a 'rationalized fishery,' Ms. Salveson asked whether that would mean any rationalized fishery, or is meant to be specific to the rationalized crab fishery. Mr. Lloyd responded that his intent is that it applies to rationalized crab fisheries.

Ms. Salveson pointed out questions and concerns with this option that would have to be addressed by the Agency, including situations where the share holder may refuse, or can't, divest for some reason. Revoking the shares would likely require an appeals process. She wanted the Council to be aware that the Agency will have to look into how this provision could be implemented. Mr. Lloyd suggested that if the Agency can't revoke the shares, perhaps it could refuse to issue the annual IFQ.

During discussion of the motion, Lauren Smoker, NOAA-GC, advised the Council that the statement regarding 'after implementation' can mean different things to different people and asked that the next iteration of the document provide more specificity.

Mr. Merrigan noted that the paragraph tasking staff to write a letter to NMFS Financial Services does not include any kind of a threshold for funds to be made available, and moved to add the following at end
of the last sentence: "to establish a maximum threshold aggregate QS holding similar to the halibut and sablefish IFQ program." The motion was seconded by Bill Tweit and carried without objection.

Sue Salveson moved to include a suboption: Establish a mechanism for an annual allocation of C share IFQ to ensure that 3% of the TAC is available to active share holders. The motion was seconded by Denby Lloyd and carried without objection.

Bill Tweit moved to add the following to the end of the Purpose and Needs Statement:

"This requirement has the effect of preventing some displaced long-time captains and crew from acquiring share holdings that would be useful for securing or maintaining position in the fisheries. A revision to the current requirements for active participation could address this problem by providing long-term participants with the opportunity to acquire shares."

The motion was seconded and carried without objection.

(e) Post Delivery Transfers

Denby Lloyd moved the AP recommendations, with changes noted by underlined additions and strikethrough for deletions:

The AP recommends the Council adopts the purpose and needs statement as written. Further, the AP recommends Council adoptions of the following Alternatives and options – (striking Alternative 4)

Alternative 1 – Status Quo (no post-delivery transfers)

Alternative 2 – Unlimited post-delivery transfers
Purpose of post-delivery transfers
Post-delivery transfers would be allowed exclusively to cover overages.

Shares used for post-delivery transfers
Post-delivery transfers of the following shares are permitted:
B share IFQ
A share IFQ (provided a processor simultaneously commits matching IPQ)
C share IFQ
catcher processor IFQ
IPQ
Limits on the magnitude of a post-delivery transfer
None

Limits on the number of post-delivery transfers
None
No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ.

Limits on the time to undertake a post-delivery transfer
A post-delivery transfer will be permitted after a landing for a catcher vessel (or weekending date for a catcher processor) for a period of 30 days.

Eligibility for post-delivery transfers:
1. All harvesters
2. Inter-cooperative members
   The intercooperative must
   — a. Represent 30%, 50%, or 65% of the IFQ for the fishery
   — b. Have established reserve pool mechanisms
   — c. Have an authorized representative to manage transfers with RAM

Alternative 3 – Moderate limited post-delivery transfers
Purpose of post-delivery transfers
Post-delivery transfers would be allowed exclusively to cover overages.

Shares used for post-delivery transfers
Post-delivery transfers of the following shares are permitted:
B share IFQ
A share IFQ (provided a processor simultaneously commits matching IPQ)
C share IFQ
catcher processor IFQ
IPQ

Limits on the magnitude of a post-delivery transfer
Each post-delivery transfer shall be limited to 10,000 pounds of IFQ (or IPQ).

Limits on the number of post-delivery transfers
Possible options
For each species, an IFQ (or IPQ) holder is limited to receiving post-delivery transfers to cover two overages.
No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ.

Limits on the time to undertake a post-delivery transfer
Post-delivery transfers will be permitted after a landing for a catcher vessel (or weekending date for a catcher processor) for a period of 15 days.

Eligibility for post-delivery transfers:
1. All harvesters
2. Inter-cooperative members
   The intercooperative must
   — a. Represent 30%, 50%, or 65% of the IFQ for the fishery
   — b. Have established reserve pool mechanisms
   — c. Have an authorized representative to manage transfers with RAM

Post delivery transfers for rockfish
The AP recommends the Council creates separate crab and rockfish post-delivery transfer amendment packages for analysis on a parallel basis.

The AP recommends the Council deletes Alternative 4, and changes the limits on the time to undertake a post-delivery transfer from 15 to 30 days.

Further, the AP recommends Council adopts the purpose and needs statement as written.

The motion was seconded by Eric Olson.
Dave Benson moved to re-insert the deleted portion under Eligibility for Post-delivery Transfers (2. Intercooperative members, including suboptions) under Alternatives 2 and 3. The motion was seconded by Bill Tweit.

Mr. Benson indicated that he thinks this should be included for preliminary analysis to give Council information in order to decide whether or not to proceed with the options. Ms. Salveson asked if the intention would be to include both affiliated and non-affiliated entities. Mr. Benson responded that he would prefer both. Mr. Lloyd said that further discussion of the issue is warranted, but he does not think it should be linked with this particular amendment, and suggested a separate discussion paper would be more appropriate.

The motion carried, 7 to 4, with Hyder, Lloyd, Merrigan and Olson voting against.

Gerry Merrigan moved to amend Option 2, Eligibility for post-delivery transfers, to include both inter-coop and non inter-coop members. Mr. Merrigan said that the intent is try to get voluntary co-ops. Ms. Madsen pointed out that this amendment would essentially negate Mr. Benson's earlier motion.

The motion was seconded by Roy Hyder and failed, 8 to 3, with Merrigan, Hyder and Madsen voting in favor.

Gerry Merrigan moved to add a suboption under Alternatives 2 and 3: Post-Delivery transfers will be permitted for a period of: (30), (15) days after the closure of that season of the species associated with the IFQ. The motion was seconded by Roy Hyder.

Sue Salveson moved to amend the amendment: All post-delivery transfers must be completed by the end of the crab fishing year (under both Alternatives 2 and 3). The motion was seconded by Denby Lloyd and carried without objection, carrying Mr. Merrigan's amendment.

Sue Salveson moved to include the same option for rockfish post-delivery transfers (end of calendar year). The motion was seconded and carried without objection. Ms. Salveson noted that having a date certain for settling the season's books will facilitate administration and enforcement.

The main motion, as amended, carried without objection.

Regarding the timing of the three amendments initiated under this agenda item, the Executive Director advised that the 'C' Share analysis will most likely be scheduled for preliminary review in October. The others may be tentatively scheduled for October, depending on staff schedules.

C-5 Observer Program

**ACTION REQUIRED**

Review discussion paper on proposed regulatory changes; review Observer Advisory Committee report; and provide direction on regulatory amendment package

**BACKGROUND**

The existing North Pacific Groundfish Observer Program (Observer Program), in place since 1990, establishes coverage levels for most vessels and processors based on vessel length and amount of groundfish processed, respectively. Vessels and processors contract directly with observer providers to procure observer services to meet the coverage levels in regulation. In the past
several years, the Council, NMFS, and the Observer Advisory Committee (OAC) have been working to develop a new system for observer funding and deployment in the Observer Program. The concept previously proposed was often called ‘observer restructuring.’ In general, the program would be restructured such that NMFS would contract directly with observer providers for observer coverage, and this would be supported by a broad-based user fee and/or direct Federal funding. Concerns with the existing program arise from the inability of NMFS to determine when and where observers should be deployed, inflexible coverage levels established in regulation, disproportionate cost issues among the various fishing fleets, and the difficulty to respond to evolving data and management needs in individual fisheries.

The Council thus reviewed an amendment package in 2006, with alternatives intended to address a variety of longstanding issues associated with the existing system of observer procurement and deployment. As part of initial review in February 2006, NMFS presented a letter (Item C-5(a)) regarding observer compensation issues and the status of observers with regard to the requirements for overtime pay under the Fair Labor Standards Act (FLSA) and the Service Contract Act (SCA). This issue was brought to the forefront in a memo from Dr. Bill Hogarth in November 2003, which stated that NMFS maintains that fisheries observers are biological technicians and therefore eligible for overtime compensation under the FLSA. NMFS subsequently reaffirmed its position that observers employed by companies which contract directly with the agency or use Federal funds for provision of observer services must apply FLSA and SCA criteria to determine observer compensation requirements.  

The NMFS letter reviewed in February 2006 outlines ongoing concerns with not being able to provide a definitive assessment of observer costs under a new service delivery model at the time, due to uncertainty about the applicability of the SCA and FLSA. Costs may not be possible to assess until actual contracts between NMFS and observer providers are finalized. In addition, NMFS has not received a response from the Department of Labor on its request for clarification of the applicability of several FLSA provisions. The NMFS letter also outlined the type of increased costs expected under any alternative other than status quo, as well as the need to ensure that funds are available to cover costs associated with oversight and management of a flexible, effective observer program.

Also at the time of final action in June 2006, NOAA General Counsel, Alaska Region (GCAK) provided a preliminary determination that the Research Plan authority provided in the MSA (Section 313) to assess a fee for observer coverage could not be applied to only a subset of the vessels in the fisheries for which the Council and NMFS have the authority to establish a fee program. Therefore, all of the restructuring alternatives, which assessed different fees against different fisheries or sectors, were likely to require new statutory authorization.

Given the cost and statutory issues described above, at the time of final action in June 2006, the Council approved an extension of the current program, by removing the December 31, 2007 sunset date in existing regulations. This action was also recommended to the Council by NMFS and the OAC, given the need for continuing the program in the short-term and the lack of control over Congressional authority and cost issues. The proposed rule for this action was published on February 22, 2007 (72 FR 7948), and the public comment period ended March 23, 2007.

Also in June 2006, the Council recommended that a new amendment proposing restructuring alternatives for the Observer Program should be considered by the Council at such time that: (1) legislative authority is established for fee-based alternatives; (2) the FLSA issues are clarified (by statute, regulation, or guidance) such that it is possible to estimate costs associated with the fee-

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2Memo from Dr. William Hogarth to industry groups, November 29, 2005. At the same time, Dr. Hogarth also sent a letter to the DOL requesting an interpretation of the applicability of the SCA and FLSA to fisheries observers employed by observer service providers that are either under contract with or permitted by NMFS. This letter requests guidance in computing hours worked, geographical applicability, and the associated rules governing compensation of fisheries observers. Both letters are included in Appendix II of the analysis for Amendments 86/76.
Based alternatives; and/or (3) the Council requests reconsideration in response to changes in conditions that cannot be anticipated at this time. Thus, the previous analysis of the restructuring alternatives was intended as a starting point for a future amendment. The Council’s problem statement from the June 2006 action is provided below for reference.

<table>
<thead>
<tr>
<th>BSAI Amendment 86/GOA Amendment 76 Problem Statement (June 2006)</th>
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<td>The North Pacific Groundfish Observer Program (Observer Program) is widely recognized as a successful and essential program for management of the North Pacific groundfish fisheries. However, the Observer Program faces a number of longstanding problems that result primarily from its current structure. The existing program design is driven by coverage levels based on vessel size that, for the most part, have been established in regulation since 1990. The quality and utility of observer data suffer because coverage levels and deployment patterns cannot be effectively tailored to respond to current and future management needs and circumstances of individual fisheries. In addition, the existing program does not allow fishery managers to control when and where observers are deployed. This results in potential sources of bias that could jeopardize the statistical reliability of catch and bycatch data. The current program is also one in which many smaller vessels face observer costs that are disproportionately high relative to their gross earnings. Furthermore, the complicated and rigid coverage rules have led to observer availability and coverage compliance problems. The current funding mechanism and program structure do not provide the flexibility to solve many of these problems, nor do they allow the program to effectively respond to evolving and dynamic fisheries management objectives.</td>
</tr>
<tr>
<td>While the Council continues to recognize the issues in the problem statement above, existing obstacles prevent a comprehensive analysis of potential costs. Immediate Council action on a restructured program is not possible until information is forthcoming that includes clarification of cost issues that arise from Fair Labor Standards Act and Service Contract Act requirements and statutory authority for a comprehensive cost recovery program. During the interim period, the Council must take action to prevent the expiration of the existing program on December 31, 2007.</td>
</tr>
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</table>

Since final action in June 2006, the Magnuson-Stevens Act (MSA) was reauthorized (January 12, 2007). These amendments include changes to Section 313 which allow the Council and Secretary to prepare a fisheries research plan which establishes a system of fees which may vary by fishery, management area, or observer coverage level, to pay for the cost of implementing the plan. The MSA amendments also allow for a fee system to provide for the cost of electronic monitoring systems, as well as human observers. The revisions to Section 313 of the MSA are provided as Item C-5(b).

Thus, while one of the criteria (statutory authority) the Council stated was necessary to meet in order to reconsider an amendment to restructure the Observer Program was provided through MSA reauthorization, the FLSA and cost issues remain unresolved. NMFS has not yet received a response from the Department of Labor on its request for clarification of the applicability of several FLSA provisions, nor have these issues been clarified by statute or regulation, significantly affecting staff’s ability to estimate costs associated with a fee-based system. In April, the Council approved a motion to send another letter to Dr. Bill Hogarth, requesting a response from the Department of Labor on the FLSA issues, in order to make further progress on observer restructuring. This letter is provided as Item C-5(c).

Given that the cost issues remain, in March, NMFS recommended that the Council continue to set the restructuring amendment package aside, and focus its efforts on necessary changes to the existing Observer Program (Item C-5(d)). There are several relatively short-term type actions that NMFS has proposed be developed in one regulatory package; these are changes to the existing Observer Program that NMFS believes need to occur regardless of observer restructuring. A discussion paper outlining these proposed regulatory changes is attached as Item C-5(e).
In April, the Council requested that the Observer Advisory Committee meet to review and provide recommendations on the proposed changes and alternatives outlined in the discussion paper prior to the June Council meeting. The OAC convened May 21–22 in Seattle, and its report is provided as Item C-5(f).

Council action at this meeting is to review the staff discussion paper on proposed regulatory changes to the Observer Program and the OAC report and take action as necessary. Dr. Bill Karp, Director of the Fisheries Monitoring and Analysis Division at the Alaska Fisheries Science Center, and NMFS and Council staff will be available to review and discuss the proposed changes with the Council. The Council could potentially initiate and approve alternatives for a regulatory amendment package to make changes to the existing Observer Program at this meeting. If this approach is desired, initial review of a draft analysis could be tentatively scheduled for the October 2007 Council meeting.

The Scientific and Statistical Committee did not address this agenda item.

Report of the Advisory Panel

The AP recommends the Council incorporate the OAC committee recommendations on Issues 1-7 in the alternatives for regulatory revisions of the North Pacific Groundfish Observer program, and further recommends the Council move forward on the additional three committee recommendations.

COUNCIL DISCUSSION/ACTION

The Council received staff reports from Nicole Kimball, Council staff, and Jason Anderson, NMFS on the discussion paper for regulatory changes to the Observer Program, and a review of the OAC report, as well as the Advisory Panel report and public comment.

Sue Salveson moved to incorporate the OAC recommendations on Issues 1-4 and Issue 7. The OAC recommendation for Issue 5 would be incorporated as a new Alternative 3 under the current Issue 5. The OAC recommendation on Issue 6 is addressed under the status quo alternative, which would remain as an alternative. The motion was seconded by Dave Benson and carried without objection. The suite of alternatives resulting from the Council's motion, as well as the OAC report, are included as Appendix VII to these minutes.

Ms. Salveson said that her intent is not to take issues off the table at this time, but to embody the OAC recommendations within the construct of the current alternatives. The recommendations of the OAC include a number of requests of the Agency and those are incorporated in the motion. Those include exploring a longer time period for observer providers under Issue 2 to report issues associated with conduct, and the data request to look at percentage of harvests observed. Two other recommendations made by the OAC outside of the construct of the issues are not included in her motion.

Gerry Merrigan moved to approve the OAC recommendation to send a letter to NMFS to request Council review of the national bycatch report before its release. The motion was seconded and carried without objection.
C-6  CDQ

ACTION REQUIRED

a) Review of legal opinion on the roles and responsibilities of the Council, CDQ Panel, and NMFS, resulting from MSA amendments; action as necessary (T)
b) Initial Review/Final Action on regulation of harvest regulatory amendment

BACKGROUND

a) Review of legal opinion related to MSA amendments; action as necessary

Staff previously provided the Council with a status report of recent Congressional legislation that made significant changes to the western Alaska Community Development Quota (CDQ) Program. On July 11, 2006, the President signed the Coast Guard and Maritime Transportation Act of 2006 (the Coast Guard Act). Section 416(a) of the Coast Guard Act revises section 305(i)(1) of the Magnuson-Stevens Fishery Conservation and Management Act (MSA) by replacing all of the existing language in this section with new language. Subsequent to this action, the MSA was reauthorized on January 12, 2007, and included several more changes to Section 305(i). Section 305(i)(1) of the MSA, as recently revised, is attached as Item C-6(a).

The MSA amendments address fisheries management, allocations, and oversight of the CDQ Program. At its October 2006 meeting, the Council was provided with an outline of the various MSA amendments to the CDQ Program and the intended regulatory vehicles for implementing these provisions. Several of the provisions of the Act are already included in the appropriate analyses, and these are expected to be implemented in Federal regulations in 2007 and 2008. Those provisions currently underway include:

- **BSAI Amendment 85.** The MSA reauthorization increased the CDQ Pacific cod allocation from 7.5% to 10.7% of the BSAI Pacific cod TAC, effective January 1, 2008. This increase will be implemented in Federal regulation through Am. 85, which pertains to BSAI Pacific cod allocations for all sectors and is scheduled to be implemented January 1, 2008. Language was also included in HR 5946 to trigger the CDQ increase in 2007, if a sector of the BSAI Pacific cod fishery forms a fishing cooperative in 2007. The proposed rule for Am. 85 was published in early February (72 FR 5654, 2/7/07), and the comment period closed March 26.

- **BSAI Amendment 80.** The proposed rule for Amendment 80 was published to be consistent with the MSA requirement that 10.7% of the TAC of each directed fishery in the BSAI (except pollock, sablefish, halibut, and crab) be allocated to the CDQ Program starting on January 1, 2008. Revisions to the list of species that will be allocated to the CDQ Program and the 10.7% allocations starting in 2008 also were included in the 2007 and 2008 final specifications for the BSAI groundfish fisheries. The proposed rule for Amendment 80 was published in the Federal Register on May 30, 2007 (72 FR 30052). Comments must be received by June 29, 2007.

- **Regulatory amendment for CDQ transfers after overages.** NMFS is preparing a proposed rule that would implement the new MSA requirement that “Voluntary transfers by and among eligible entities shall be allowed, whether before or after harvesting.” The Council’s December 2005 recommendation to allow transfers after overages for halibut PSQ also will be included in this proposed rule. NMFS is currently allowing transfers after overages for groundfish and halibut CDQ under the authority of the MSA. Regulatory amendments will revise NMFS regulations by the end of 2007 to be consistent with the MSA. The State of Alaska has been notified that the MSA requirement to allow transfers after overages also applies to the crab CDQ allocations.
Regulatory amendment for regulation of harvest. (Also see part b of this action memo below.) NMFS is preparing a regulatory amendment to revise observer coverage, catch retention, and LLP requirements to comply with the new MSA requirement that the “harvest of allocations under the program for fisheries with individual quotas or fishing cooperatives shall be regulated...in a manner no more restrictive than for other participants in the applicable sector, including with respect to the harvest of nontarget species.” Council initial review and final action are both scheduled for this June 2007 Council meeting. The proposed action would make revisions in the regulations governing the harvest of pollock, halibut, and sablefish CDQ. NMFS’s goal is to publish a final rule implementing these revisions for the 2008 CDQ fisheries.

The above provisions of the MSA relate primarily to CDQ allocations and fisheries management issues. There are also several additional administrative and oversight issues that may require changes in Federal regulations and possibly amendments to the BSAI Groundfish FMP and BSAI King and Tanner Crab FMP. Some of these are relatively complicated and require significant analysis and/or legal interpretation from NOAA GC. NOAA GC has been in the process of developing a legal opinion related to the roles and responsibilities of the Council, CDQ Panel, and NMFS, resulting from the MSA amendments. At this time, the opinion is undergoing internal review. If released during the week of the June Council meeting, the opinion will be provided to the Council.

Note that several months ago, the Western Alaska Community Development Association (CDQ Panel) sent a letter to the Acting Administrator of the NMFS, Alaska Region, providing the CDQ Panel’s interpretation of the authority given to the CDQ Panel under the MSA amendments. This letter (11/28/06), and NMFS’s response (12/1/06), are provided as Item C-6(b). A subsequent letter from the CDQ Panel, providing additional legal analysis about the CDQ Panel’s authority under the MSA, was received by NMFS in January. This letter (1/16/07), and NMFS’s response (1/24/07), are provided as Item C-6(c). Senator Murkowski also recently provided a letter to the Secretary of Commerce regarding MSA amendments affecting the CDQ Program and the authority of the CDQ Panel (2/15/07). This letter and the Secretary’s response are provided as Item C-6(d).

The Council’s action at this meeting is to review the legal opinion, if available, and take action as necessary. It may be necessary for staff to prepare a discussion paper for a subsequent meeting assessing the legal opinion, making recommendations about FMP or regulatory amendments that still need to be implemented, and identifying the Council’s role in that process.

b) Initial Review/Final Action on regulation of harvest regulatory amendment

NMFS has prepared an Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis evaluating three alternatives to modify fishery management regulations for the halibut, sablefish, and pollock CDQ fisheries conducted in the BSAI. Proposed changes to 50 CFR 679 include revising CDQ regulations associated with fisheries observer coverage requirements, bycatch retention, vessel licensing, and reporting requirements to ensure that they are no more restrictive than the regulations in effect for comparable individual fishing quota fisheries and fisheries managed with cooperatives. These proposed regulatory amendments are necessary to comply with the requirements of the MSA, as amended by the Coast Guard Act of 2006.  

In general, the three alternatives under consideration are as follows:

Alternative 1. No action (status quo). Do not amend CDQ fisheries management regulations. This alternative would maintain the existing regulatory requirements for the sablefish, halibut, and crab CDQ fisheries of the BSAI. No changes to regulations would be made to revise CDQ-specific regulations so that they are equivalent to regulations in effect for comparable IFQ fisheries or

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3The regulation of harvest section is in Section 305(i)(1)(B)(iv) of the MSA.
fisheries managed with cooperatives. There currently are three IFQ fisheries (fixed gear sablefish, halibut, and crab) and one fishery operating under cooperatives (the BS pollock fishery). Maintaining existing CDQ fishery management regulations would not comply with the new requirements of the Magnuson-Stevens Act.

Alternative 2. Revise regulations associated with the halibut, sablefish, and pollock CDQ fisheries so that they are not more restrictive than regulations governing IFQ fisheries or fisheries managed with cooperatives. The sablefish CDQ fishery would continue to be managed with other groundfish CDQ fisheries. Alternative 2 would amend specific sections in 50 CFR 679 related to the regulation of harvest of the CDQ fisheries.

Alternative 3. Revise regulations associated with the halibut, sablefish, and pollock CDQ fisheries so that they are not more restrictive than regulations governing IFQ fisheries or fisheries managed with cooperatives. Alternative 3 would amend the same regulations in 50 CFR 679 that are described under Alternative 2. In addition, the management of the fixed gear sablefish CDQ fisheries would be integrated into the regulations governing the IFQ fisheries.

NMFS recommends Alternative 2 as its preliminary preferred alternative for this action. In brief, the selection of Alternative 2 is primarily based on an evaluation of the potential changes that each alternative would have on the sablefish CDQ fishery. NMFS contends that Alternative 2 would result in the least disruptive change to the CDQ groups and CDQ fisheries, while meeting the regulation of harvest requirements in the Magnuson-Stevens Act. Under Alternative 2, CDQ groups would not be subject to sablefish CDQ permits and additional IFQ-related reporting requirements, nor would NMFS need to implement such requirements. Furthermore, retaining fixed gear sablefish under the comprehensive groundfish CDQ accounting and management system makes it easier for NMFS to monitor the catch and transfer of the multiple categories of sablefish CDQ allocated to the CDQ Program and CDQ groups.

Note that in the analysis for this action, NMFS proposed extending a prohibition against discarding rockfish and cod if IFQ is on board to the halibut and sablefish CDQ fisheries as part of both Alternative 2 and 3. This proposal was intended to add consistency across similar fisheries, given that IFQ and CDQ may be fished concurrently. However, NMFS now realizes that this change could require many vessels in the halibut CDQ fishery to acquire a Federal fisheries permit. This effect is not addressed in the analysis, nor is it NMFS’ intent to introduce additional permitting requirements for the halibut CDQ fishery. Thus, contrary to the language in the analysis, NMFS does not support including this particular element as part of the preferred alternative.

The analysis was mailed to you on May 15, and the executive summary is attached as Item C-6(e). The Council has scheduled both initial review of the draft analysis and final action at this June Council meeting.

The Scientific and the Statistical Committee did not address this agenda item.

Report of the Advisory Panel

The AP recommends the Council select Alternative 2 for final action, removing the option to prohibit discarding rockfish and Pacific cod when halibut or sablefish are onboard a vessel.
COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received reports from Nicole Kimball (Council staff); and Sally Bibb and Obren Davis (NMFS staff). Lauren Smoker, NOAA GC, reviewed legal issues regarding direction to the CDQ Panel provided in legislation.

(a) **CDQ Program/MSA Amendments**

Eric Olson moved the following with regard to Council policy relating to the CDQ program.

If a proposed action related to the CDQ program is directly related to fishery management or conservation, the Council is fully engaged through the normal process.

If a proposed CDQ action is not directly related to fishery management or conservation, the Council’s role is to receive agency reports on the proposed action.

The motion was seconded and carried without objection.

Mr. Olson explained that his motion clarifies the Council's role with regard to CDQ issues, as follows: If an action that’s proposed deals with fisheries management or vessels that operate in the federal fisheries, then the Council will be fully engaged in through the normal process of initial and final review, crafting of alternatives, etc. However, on some of the administrative functions of the CDQ program that were outlined in public testimony, the role of the Council would be to receive reports from NMFS and not necessarily be engaged to the point where the Council selects a preferred alternative.

The Council clarified that Mr. Olson's motion does not abdicate any of its current authority under the MSA; it is only intended as a policy statement that guides the process to be undertaken to implement various aspects of the CDQ program.

(b) **Regulatory Amendment**

Eric Olson moved to approve the recommendations of the Advisory Panel to approve Alternative 2 for final action, removing the option to prohibit discarding rockfish and Pacific cod when halibut or sablefish are on board a vessel. The motion was seconded by Dave Benson and carried 10-0 (Rasmuson was out of the room).

D. **FISHERY MANAGEMENT PLANS**

D-1 **Research Priorities**

ACTION REQUIRED

BACKGROUND

The revised Magnuson-Stevens Act added a new function for the Councils, pertaining to research priorities. The new language, in Section 302(h)(7), reads as follows:

"Each Council shall, in accordance with the provisions of this Act....

(7) develop, in conjunction with the scientific and statistical committee, multi-year research priorities for fisheries, fisheries interactions, habitats, and other areas of research that are necessary for management purposes, that shall—

(A) establish priorities for 5-year periods;
(B) be updated as necessary; and
(C) be submitted to the Secretary and the regional science centers of the National Marine Fisheries Service for their consideration in developing research priorities and budgets for the region of the Council."

The SSC last provided a comprehensive review of research priorities in April 2006, and these priorities were adopted by the Council at that meeting (Item D-1(a)). At this meeting, the SSC and the Council will review and adopt research priorities for dissemination to the Secretary and NMFS, as well as to the North Pacific Research Board, universities, USCG, ADF&G and other entities.

Research priority recommendations from the Crab Plan Team are attached as Item D-1(b). The Scallop Plan Team also included some research items in their February 2007 minutes, as excerpted in Item D-1(c). The Groundfish Plan Teams did not address the issue of research priorities at their 2006 meetings, however the Council’s groundfish policy workplan does identify some specific research issues (Item D-1(d)). Also, the Aleutian Islands Fishery Ecosystem Plan, which was mailed to the SSC, AP, and Council in preparation for Item D-4 at this meeting, also contains recommendations about research priorities (Item D-1(e)).

The SSC will also receive presentations regarding current research issues. Dr Jeff Short (AFSC, Auke Bay Lab) will speak about ocean acidification, and Greg Balogh (USFWS, Endangered Species Office) will discuss seabird issues.

Report of the Scientific and Statistical Committee

To meet the new MSFCMA requirements, the SSC developed a list of research priorities for the next 5 years, plus a more comprehensive list of research needs. Please see the SSC Minutes, Appendix V to these minutes for those recommendations.

The Advisory Panel did not address this agenda item.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received a staff report from Diana Evans, Council staff, the SSC report, and public comments on this agenda item.

Earl Krygier moved a written list of priorities based on the SSC’s 'short list' of recommendations. The motion was seconded, and after considerable discussion, the motion was tabled until the next day.
At that time, Ed Rasmuson moved to remove the motion from the table for discussion. That motion carried without objection.

Mr. Krygier's written motion follows:

**Research Priorities for 2007**

1. **Fisheries**
   
   A. **Stock Assessments**
   
   1. The expansion of routine surveys into the northern Bering Sea and baseline surveys of the Arctic Ocean will become increasingly important under ongoing warming ocean temperatures and range expansions of harvested fishery resources. In particular, increase the annual survey to include the NBSRA "wedge". The Council recognizes that funding is tight for stock assessment and surveys. Therefore, the Council urges NMFS to fund Bering Sea surveys and assessments first, and then funds be identified for the NBSRA and Arctic Ocean Baseline surveys. If additional funds are not available, NMFS should consider a SRP that provides a baseline in this relatively untrawled NBSRA as well as "Cost Recovery" in the "Wedge".
   
   2. Conduct appropriate survey and analyses to aid the Council in developing mechanisms to assess rockfish species that are locally clumped in their distribution and are thus not adequately represented (either over or under estimated) in the annual or biannual groundfish surveys.

   B. **Fishery Management**
   
   1. Evaluate the effectiveness (e.g., potential for overharvest or unnecessarily limiting other fisheries) of setting ABC and OFL levels using Tier 5 and 6 approaches for rockfishes and other poorly assessed species (e.g., squid, octopus, skates, non-target crab).

2. **Fisheries Interactions**

   A. **Bycatch and Observer Issues**
   
   1. Improved estimation of total bycatch including tier 2 marine mammals and seabirds. At present, it is clear that observer coverage in some fisheries is insufficient for estimation of total bycatch. Further, observer coverage must be expanded to research and evaluate the total catch, bycatch and fishing behavior between observed and unobserved fishing vessels. Examples include the sablefish longline fishery, skate fishery, Pacific cod pot and longline fishery, halibut longline fishery, and sport fisheries. Improved accuracy of identifications and enumerations of bycatch species is necessary. The current program results in imprecise bycatch estimates, particularly between observed and unobserved vessels, for species, such as skates, sharks, yelloweye rockfish, and sablefish in halibut longline fisheries and discards in sport fisheries. Improved methods may include direct and alternative monitoring options (e.g., electronic logbooks, video monitoring) on smaller groundfish and halibut vessels.

   2. Gear technology. Further research is needed on gear modifications and fishing practices for reducing bycatch, particularly for PSC species (e.g. salmon).

   B. **Expanded Ecosystem Studies**
   
   1. Climate change and fish communities. Changes in ocean temperature and acidity may affect managed species and lower trophic levels. For instance, if recent changes in ice cover and temperatures in the Bering Sea persist, they may have profound effects on marine communities. Apparent declines in zooplankton wet weight over the shelf measured by the Oshoro Maru could imply the loss of critical copepod and euphausiid prey of important species, such as pollock. Existing data sets (bottom trawl surveys, BASIS surveys) can be used to quantify changes in relative species composition of commercial and non-commercial species, identify and map assemblages, and monitor changes in the distribution of individual species and assemblages. Additional monitoring may be necessary in the Aleutian Islands and other areas of the Gulf of Alaska.
2. Ecosystem structure studies. Studies are needed on the implications of food web interactions and global warming, ocean acidification, and selective fishing. For instance, studies are needed to fully evaluate selective removal of some components of the ecosystem (e.g., Pacific cod, pollock) relative to others (e.g., arrowtooth flounder).

C. Protected Species Interactions
1. Population dynamics, life history and assessment of protected species including Steller sea lions, northern fur seals, spectacled eider, short-tailed albatross
2. Local fishery interaction studies. Whereas global fishery control rules may generally prevent overfishing on a broad regional basis, non-random patterns of fishing may cause high rates of removals in local areas important to apex predators such as Steller sea lions and northern fur seals, spectacled eider, short-tailed albatross. More studies are needed to fully evaluate potential local effects of fishing on other components of the ecosystem (e.g., marine mammals and seabirds and the impact on benthic habitat by bottom contact gear).

3. Habitat
A. Habitat mapping
1. Improved habitat maps are required to identify essential fish habitat and distributions of various substrates and habitat types, including habitat-forming living substrates.
2. Evaluate BS canyons and skate nursery areas. In particular an assessment of the extent, distribution and abundance of important skate nursery areas in support of future HAPC.

4. Other Areas of Research Necessary for Management Purposes
A. Social and economic research
1. Kodiak is at the center of controversy associated with the recently adopted crab rationalization program. What were the direct and indirect impacts and how were the impacts distributed throughout the community? How do these costs and benefits compare to other affected communities? As Kodiak is also likely to be at the center of controversy over the likely consequences of Gulf rationalization, it would be particularly advantageous if research could be designed to use Kodiak or other Gulf communities as case studies in analyses of the potential effects of Gulf rationalization options.

The motion was seconded.

There were several motions to revise the motion:

- Gerry Merrigan moved to substitute the SSC's Stock Assessment recommendations for those in the motion, retaining a portion of Mr. Krygier's motion:

1. Continuation of annual and biennial surveys in the GOA, AI and EBS are a critical aspect of fishery management in Alaska. It is important to prioritize these surveys in light of recent proposed federal budgets in which funding may not be sufficient to conduct these surveys. These surveys provide baseline distribution and abundance data that form the foundation for stock assessments and the development of ecosystem approaches to management. These surveys are considered the highest priority research activity contributing to assessment of Alaskan groundfish fisheries. Moreover, the expansion of routine surveys into the northern Bering Sea and baseline surveys of the Arctic Ocean will become increasingly important under ongoing warming ocean temperatures and range expansions of harvested fishery resources. In particular, increase the annual survey to include the NBSRA "wedge". The Council recognizes that funding is tight for stock assessment and surveys. Therefore, the Council urges NMFS to fund Bering Sea surveys and assessments first, and then funds be identified for the NBSRA and Arctic Ocean Baseline surveys. If additional funds are not
available, NMFS should consider a SRP that provides a baseline in this relatively untrawled NBSRA as well as "Cost Recovery" in the "Wedge".

2. Conduct appropriate survey and analyses to aid the Council in developing mechanisms to assess rockfish species that are locally clumped in their distribution and are thus not adequately represented (either over or under estimated) in the annual or biannual groundfish surveys.

3. Improved stock assessment of “other species” and non-target crab. Highest priority research tasks include: (1) alternative indices of abundance (and biomass) and fishing mortality are necessary for species for which standard surveys are inadequate, and (2) life history information (specifically, natural mortality, size at maturity, and other basic indicators of stock production) for “other species” and non-target crab to allow application of Tier 5 or Tier 4 assessment criteria. Little information is available especially for sculpins, skates, octopuses, squids, grenadiers and some sharks.

The motion was seconded by Doug Hoedel.

- Bill Tweit moved to amend Stock Assessments, #3 in SSC recommendations, as follows:

  Improved stock assessment of “other species,” and non-target crab, and rockfish and rockfish. Highest priority research tasks include: (1) alternative indices of abundance (and biomass) and fishing mortality are necessary for species for which standard surveys are inadequate, and (2) life history information (specifically, natural mortality, size at maturity, and other basic indicators of stock production) for “other species” and non-target crab to allow application of Tier 5 or Tier 4 assessment criteria. Little information is available especially for sculpins, skates, octopuses, squids, grenadiers and some sharks. Conduct appropriate survey and analysis to aid the Council in developing mechanisms to assess rockfish species that are locally clumped in their distribution and are thus not adequately represented (either over or under estimated) in the annual or biannual groundfish surveys.

  **Conduct appropriate survey and analyses to aid the Council in developing mechanisms to assess rockfish species that are locally clumped in their distribution and are thus not adequately represented (either over or under estimated) in the annual or biannual groundfish surveys.**

The motion was seconded by Gerry Merrigan and carried without objection. Mr. Merrigan's motion carried, as amended, without objection.

- Gerry Merrigan moved to revise Section 2, Fisheries Interactions, Section A: Bycatch and Observer Issues, as follows:

  **1. Improved estimation of total bycatch including tier 2 marine mammals and seabirds. At present, it is clear that observer coverage in some fisheries is insufficient for estimation of total bycatch. Further, observer coverage must be expanded to research and evaluate the total catch, bycatch and fishing behavior between observed and unobserved fishing vessels.**
Examples include the CV TRAWL FISHERIES, sablefish longline fishery, skate fishery, Pacific cod pot and longline fishery, . . . [REST OF PARAGRAPH REMAINS THE SAME]. . . halibut longline fishery, and sport fisheries. Improved accuracy of identifications and enumerations of bycatch species is necessary. The current program results in imprecise bycatch estimates, particularly between observed and unobserved vessels, for species, such as skates, sharks, yelloweye rockfish, and sablefish in halibut longline fisheries and discards in sport fisheries. Improved methods may include direct and alternative monitoring options (e.g., electronic logbooks, video monitoring) on smaller groundfish and halibut vessels.

The motion was seconded and carried without objection.

Sue Salveson moved to amend the same section to revise the following sentence.

- Further, observer coverage must be expanded to research and evaluate ANALYZE TO COMPARE TO THE EXTENT POSSIBLE the total catch, bycatch and fishing behavior between observed and unobserved fishing vessels.

The motion was seconded and carried without objection.

- Sue Salveson moved to delete the following sentence in the same paragraph:
  'particularly between observed and unobserved vessels,'

The motion was seconded and carried without objection.

- Bill Tweit moved to re-name the document (motion) "Research Priorities for 2007-08". The motion was seconded by Gerry Merrigan and carried without objection. The intent was to make it clear that the SSC's list contains the 5-year research plan required by the MSFCMA, and this motion addresses more immediate research needs.

The main motion, as amended, carried without objection. The final motion is found in Appendix VIII to these minutes.

D-2 Groundfish Management

D-2(a) GOA Arrowtooth MRA Adjustment

ACTION REQUIRED

Initial review of the EA/RIR/IRFA for GOA Arrowtooth MRA adjustment

BACKGROUND

In October 2005, the Council received a proposal from industry to revise the MRAs of groundfish in the arrowtooth flounder fishery in the GOA. Currently, the MRAs for the directed GOA arrowtooth flounder fishery are set at zero percent (0%), except for pollock (5%), Pacific cod (5%), other species (20%), and forage fish (2%). In 1997, the Council set most of the groundfish MRAs at zero percent in the directed GOA arrowtooth flounder fishery to prevent vessels from using arrowtooth as a base species for retention. Since that time, markets for arrowtooth flounder have developed and the species now supports a viable target fishery. The action under consideration
would evaluate raising the MRAs for some species in the directed GOA arrowtooth flounder fishery to provide increased opportunity for retention of species harvested by the trawl sectors and reduced overall discards. The proposed action includes three alternatives under consideration. Alternative 1 is the no action alternative. Alternative 2 would set the MRAs for incidental catch species relative to arrowtooth based on the industry proposal. Alternative 3 would set the MRAs for incidental catch species closer to recent catch levels in the arrowtooth target fishery. The executive summary of the EA/RIR/IRFA is attached as Item D-2(a)(1). At this meeting, the Council is scheduled to review the initial review draft EA/RIR/IRFA and to take action as necessary. The Council is scheduled to take final action at its October 2007 meeting.

Report of the Scientific and Statistical Committee

The analysis should provide additional information showing the potential economic impacts attributable to changes in MRAs for each alternative, assuming no change in fishing behavior, acknowledging that some different species may be targeted through a “topping off” process. The staff agreed to undertake the addition of those figures, tables, and the interpretive text to the analysis. With that addition, the SSC recommends the analysis be released for public review.

Report of the Advisory Panel

The AP concurs with the SSC’s recommendations, and recommends the Council release the document for public review.

COUNCIL DISCUSSION/ACTION

The Council received reports from Jon McCracken (Council staff) and Tom Pearson (NMFS Staff), the SSC and AP reports, and public comment on this subject.

Gerry Merrigan moved to release the document for public review after the SSC's comments have been addressed. The motion was seconded by Ed Rasmuson and carried without objection.

D-2(b) Salmon Bycatch

ACTION REQUIRED

Salmon Bycatch Workgroup Report; refine alternatives for analysis

BACKGROUND

Since approval of Amendment 84(A) in 2005, the Council has been working to refine alternatives for an analysis of additional salmon bycatch reduction measures in the BSAI pollock fishery. In conjunction with continuing efforts to refine alternatives for this analysis (referred to as Amendment 84B), a workgroup was appointed to work with staff in examining the appropriate methodology for establishing trigger caps and hard caps for analysis. The workgroup was appointed in April 2007, and has convened two meetings since that time. A report from the workgroup, including their specific recommendations for the Council, is attached as Item D-2(b)(1). The current suite of alternatives for the Amendment 84B analysis are attached as Item D-2(b)(2). At this meeting, the Council will receive the report of recommendations from the workgroup and may revise the alternatives for the forthcoming analysis.
Report of the Scientific and Statistical Committee

The SSC endorses the workgroup recommendations and encourages additional consideration of the cap/closure accounting system based on salmon biological year (B season plus A season of the following year) and specific caps/triggers for A and B seasons.

Report of the Advisory Panel

The AP recommends the Council adopt the Salmon Bycatch Workgroups recommendations and consider including the cap/closure accounting system recommendations in the analysis.

COUNCIL DISCUSSION/ACTION

The Council received a staff report from Diana Stram (Council staff), the SSC and AP reports, and public comment on this subject.

Denby Lloyd moved:  With regard to the Amendment 84B package, the Council adopts the Salmon Bycatch Workgroup recommendations for analysis. The Council also requests additional consideration in the analysis of the cap/closure accounting system based on the salmon biological year (B season plus A season of the following year) and specific caps/triggers for A and B seasons. The motion was seconded and carried without objection.

The Council discussed the workgroup's request to continue work as outlined in its report. The Council expressed its intent that the Salmon Bycatch Workgroup continue to look at closure areas and caps when analysts complete their work. With regard to the request of the Yukon River Panel to be involved in the workgroup's activities, Ms. Madsen suggested that the Panel could be notified of future meetings of the workgroup.

D-2(c) Guidelines for External Review

ACTION REQUIRED

Review and approve guidelines for External Review.

BACKGROUND

Stock assessment review guidelines have been drafted in order to provide clear guidance to the public on the appropriate timing and expected results of any external review of a stock assessment. The Council's plan teams (BSAI groundfish, GOA groundfish, BSAI crab and Scallop) have provided comments on these guidelines and suggested modifications to suit their specific timing and information requirements. Draft guidelines from each team are attached as follows: BSAI and GOA groundfish plan teams are attached as Item D-2(c)(1), BSAI crab as Item D-2(c)(2) and Scallop as Item D-2(c)(3). Scallop guidelines were modified based upon minutes from the Scallop Plan team meeting in February 2007, thus the guidelines for this team include both the minutes as well as suggested revisions. External review guidelines for all groundfish, crab and scallop stock assessments are to be revised as necessary and approved at this meeting. A workshop was recently convened per SSC recommendation at the Alaska Fisheries Science Center as a follow up to an external review of the Pacific cod model. The report from this workshop is attached as Item D-2(c)(4), the SSC may provide comments on this workshop during the meeting.
Report of the Scientific and Statistical Committee

The SSC endorses the revised guidelines and recommends use of these procedures in current and future stock assessment cycles.

The Advisory Panel did not address this agenda issue.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received a staff report from Diana Stram, and the SSC report. There was no oral public comment on this issue.

Bill Tweit moved to approve the revised guidelines for Groundfish, Scallop and Crab Plan Team reviews and recommend the use of those procedures for current and future stock assessment documents. The motion was seconded and carried without objection.

D-2(d) EFP for Electronic Monitoring

ACTION REQUIRED

Review EFP for electronic monitoring of CGOA rockfish fisheries

BACKGROUND

An Exempted Fishing Permit (EFP) application has been received by NMFS for the Central GOA rockfish fishery. This EFP would allow for testing of an electronic monitoring (EM) system as a tool for monitoring and estimating amounts of discarded halibut. The project is specifically intended to assess whether NMFS can relax recently increased observer coverage implemented under the rockfish pilot program on catcher vessels that employ EM. The EFP would exempt the applicant from GOA rockfish fishery closures in order to allow the project to be conducted without disruption and without impacting other GOA trawl fisheries. The application, letter of acceptance from NMFS Regional Office and the Alaska Fisheries Science Center together with an environmental assessment of the potential impacts of the EFP were mailed to you on May 18th. The executive summary of the EA is attached as Item D-2(d)(1). The Council needs to review this EFP and recommend to NMFS whether to approve it.

Report of the Scientific and Statistical Committee

The SSC supports the proposed project and encourages work to provide better tools for estimating discards and PSC. The SSC also provided comments and suggestions on design aspects of the program as well as on other aspects of the proposed project. Please see the SSC Minutes, Appendix V to these minutes for those comments.

Report of the Advisory Panel

The AP recommends the Council approve the EFP to explore electronics monitoring in the CGOA rockfish program.
COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received reports from Diana Stram (Council staff), Julie Bonney (Alaska Groundfish Data Bank), and Jason Anderson (NMFS) on the EFP application. There were no oral public comments on this issue.

Earl Krygier moved to approve the AP recommendation to approve the request, addressing the SSC comments to the extent possible. The motion was seconded by Eric Olson.

Gerry Merrigan moved to reduce the allocation of sablefish to 20 metric tons. The motion was seconded, but withdrawn after it was noted that the EFP is for a total of 400 mt of groundfish and is not broken out by species.

Mr. Krygier's motion carried, 10 to 1, with Merrigan voting against.

D-3 Habitat Conservation

D-3(a,b) BS Habitat Conservation Measures/HAPC Priorities

ACTION REQUIRED:

a) Final action on Bering Sea habitat conservation measures.

b) Review HAPC priorities and timing, and take action as necessary.

BACKGROUND:

The Council took action in February 2005 to conserve essential fish habitat (EFH) from potential adverse effects of fishing. The EIS prepared for the action concluded that while fisheries do have long term effects on benthic habitat, these impacts were minimal and had no detrimental effects on fish populations. The Council adopted several new measures to minimize the effects of fishing on EFH in the Aleutian Islands and Gulf of Alaska. In evaluating alternative measures for the Eastern Bering Sea area, the Council determined that additional habitat protection measures were not required, and that an expanded analysis should be conducted prior to taking action.

In December 2005, the Council began the process of developing alternatives and a problem statement to conserve fish habitat in the Bering Sea. Alternatives for the analysis were developed over the course of several meetings in 2006. Although the draft problem statement did not specifically mention a particular gear type, Council discussion and deliberation of alternatives focused on reducing impacts of bottom trawling on benthic habitat. Thus, staff added the term 'non-pelagic trawl' in the draft problem statement to make it clear to the public that the Council's intent with this analysis was to consider only alternatives to address impacts of bottom trawl gear.

In March 2007, the Council reviewed an initial draft of the analysis, and refined the alternatives and options (motion attached as Item D-3(a)(i)). A revised draft analysis was mailed to you three weeks ago; the executive summary is attached as Item D-3(a)(ii). Final action on Amendment 89 is scheduled for this meeting.
Habitat Areas of Particular Concern (HAPC)

HAPCs are site-specific areas of EFH for managed species. Identification of HAPCs provides focus for additional conservation efforts for those habitat sites that are ecologically important, sensitive to disturbance, exposed to development activities, or rare.

In December 2006, the Council received a staff report on the HAPC identification process. At that meeting, the Council decided that skate nurseries would be considered as a priority in the next HAPC cycle, as recommended by the SSC. Additionally, the Council scheduled for the March meeting a discussion of possible HAPC priorities and a schedule for solicitation of HAPC proposals. Due to scheduling constraints in March, the Council deferred this item until this meeting.

The HAPC identification process is defined in Appendix J of the EFH EIS (attached as Item D-3(b)(i)). The HAPC cycle begins with a call for HAPC nominations, with a focus on specific sites consistent with HAPC priorities designated by the Council. Appendix J specifies that HAPC proposals may be solicited every 3 years or on a schedule established by the Council. For the 2004 cycle, the Council designated as priorities named seamounts in the EEZ and areas with coral associated with rockfish. The Council received 23 HAPC proposals from six different organizations. After an initial screening by staff, the proposals were reviewed by the Plan Teams and underwent an initial review to consider management, enforcement, and socioeconomic issues. Ultimately, the Council identified a range of alternatives, staff completed an analysis, and the Council established several new HAPCs. Management measures for these HAPCs were implemented in July 2006. The timeline for the 2004 process is captured in the table below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 03</td>
<td>Council Identifies HAPC Priorities</td>
</tr>
<tr>
<td></td>
<td>FR Notice to Initiate Call for HAPC Proposals</td>
</tr>
<tr>
<td>January 04</td>
<td>Comment Period Closes</td>
</tr>
<tr>
<td>February 04</td>
<td>Council review and decision as to which ideas should be forwarded for Plan Team review.</td>
</tr>
<tr>
<td>March 04</td>
<td>Plan Team Review- Special Meeting</td>
</tr>
<tr>
<td></td>
<td>Preliminary Enforcement and Socioeconomic Reviews</td>
</tr>
<tr>
<td>April/June 04</td>
<td>Council Identifies HAPC Alternatives for Analysis</td>
</tr>
<tr>
<td>December 04</td>
<td>Initial Review</td>
</tr>
<tr>
<td>February 05</td>
<td>Final Review</td>
</tr>
</tbody>
</table>

At this meeting, the Council may wish to discuss HAPC priorities and a timeline for the next HAPC identification process. Council options include the following:

a. Initiate a call for HAPC proposals with priority only for skate nursery areas.

b. Initiate a broader call for HAPC proposals, identifying skate nursery areas and other habitat types as priorities.

c. Initiate a call for the public to suggest potential HAPC priorities for consideration by the Council at a future meeting, and defer a decision on whether to solicit specific HAPC proposals.

d. Take no action.

If the Council initiates a call for proposals, the Council would be under no obligation to establish new HAPCs. The Council could decide at a future meeting whether to proceed with an analysis. Likewise, if the Council proceeds with the identification of HAPCs, the Council could choose either to establish management measures for any new HAPCs or to designate the areas as HAPCs with no new management measures.
Note that a new language has been added to the MSA (Section 318) directing the Secretary (in consultation with the Council) to establish a cooperative research program and provide funding based on regional fishery management needs, with priority consideration given to, among other things, “Projects for the identification of habitat areas of particular concern and for habitat conservation.”

The Scientific and Statistical Committee did not address this agenda subject.

Report of the Enforcement Committee

The Committee addressed potential changes to the status quo in terms of enforceability. The Committee noted that the analysis adequately addressed enforcement and monitoring needs and issues as previously requested. The Committee supports the use of VMS as the monitoring tool for any of the proposed closure areas, as iterated during its last meeting.

The Committee additionally discussed the gear modification alternative which would apply to all non-pelagic trawl fisheries targeting flatfish species and supports the continued development of this concept. The Committee referred to previous comments on this issue and acknowledged that the gear modification currently is not ready for adoption into regulations at this time.

Report of the Advisory Panel

The AP recommends the Council adopt Alternative 3 with Option 1, Option 3, Option 4 with the suboption (wedge), and Option 5. The Council review in Option 4 should occur 36 months following the FR publication of the final rule.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received reports from Cathy Coon (Council staff) and Melanie Brown and Scott Miller (NMFS staff), the Advisory Panel report, and public comment on this agenda subject.

(a) Bering Sea Habitat Conservation Amendment

Earl Krygier moved the following:

The Council adopts the following alternatives and options for Bering Sea Habitat Conservation:

1. Alternative 2 including the western boundary as described under Fig. 1. Fishing with nonpelagic trawl gear outside of a designated open area would be prohibited. This area includes all non-pollock, historic nonpelagic trawl fishing grounds and is intended to accommodate the developing arrowtooth flounder fishery.

2. The wedge area described under the suboption of Alternative 2 may be opened if the Secretary has approved, and NMFS has implemented, a gear modification for nonpelagic trawl gear for the Bering Sea flatfish fishery to reduce bottom habitat impacts (see item 3 below). Further, the Council encourages NMFS to include this area within the annual trawl survey design.

3. The Council endorses trawl sweep modifications that reduce the potential impacts on benthic habitat from gear contact with the seafloor, per Alternative 3. The Council will provide recommendations to NMFS for the specific gear modifications in June 2008, following additional gear testing by the
flatfish trawl industry, so the agency can undertake rulemaking after that date. The Council understands that depending on the final gear modifications, such a regulatory amendment may require supplementing the EA/RIR/IRFA analysis that is currently before the Council.

4. Adopt Options 1, 3, and 5 to close nearshore areas around St. Matthew Island, St. Lawrence Island, Nunivak Island, Etolin Strait, and Kuskokwim Bay to nonpelagic trawling. The Council will receive a report in four years to review the boundary line under Option 3 developed in the consultation that occurred within the industry representative/AVCP working group, and consider appropriate action.

5. Adopts Option 4 to establish a Northern Bering Sea Research Area (NBSRA). The NBSRA would be closed while a research plan is developed for Council review. The plan will consider and identify protection measures as may be necessary within the NBSRA for king and C. opilio crab, marine mammals, ESA-listed species, and subsistence needs for Western Alaska communities in nearshore areas. The development of a research plan will include a similar process for developing EFP applications in which those wishing to conduct experimental fishing in the area would work in conjunction with the Alaska Fisheries Science Center to ensure any nonpelagic trawl fishing is conducted within the context of the research plan. It will be completed for Council review within 24 months after publication of a final rule for this action. This plan would include the criteria described under Option 4 of the EA/RIR/IRFA. Fishing would occur under an exempted fishing permit consistent with the Council approved research plan before an adaptively managed commercial fishery could occur. The results of the research would provide the information to support the Council’s adaptive management of this area and would address managed crab species, marine mammals, ESA-listed species, and subsistence needs for Western Alaska communities.

The motion was seconded by Ed Rasmuson.

Mr. Krygier provided extensive comments in support of the motion, including the following points:
- The plan will protect critical areas that contain unique species that congregate there and utilize that habitat in ways that are not similar in other parts of the world.
- The year-long-plus process has included a tremendous amount of outreach to the communities, by the Council and Council staff, the industry, and NGOs.
- The plan amendment conforms to the requirements of the Magnuson Act and National Standards.
- With respect to overfished crab species, the Council has done everything it can to promote rebuilding; this plan will further protect critical habitat for those species.
- This plan will further promote the reduction of bycatch and ensures the trawl sweep modification that reduces potential impacts on the benthic habitat from gear contact.

Other Council members also spoke at length in support of the motion. A transcript has been prepared of all comments and is available at the Council office.

The motion carried unanimously.

(b) HAPC Priorities and Timing

Sue Salveson moved to initiate the process for a call for proposals for HAPC. The priorities would be: (1) Bering Sea skate nursery areas, and (2) Bering Sea submarine canyons. The call for proposals will specify that the Council is interested in discrete habitat areas that meet at least two of the four regulatory considerations for HAPC and rarity of the habitat will be a mandatory criterion. The motion was seconded and failed, 9 to 2, with Salveson and Madsen voting in favor.

Some Council members felt that it is premature to initiate a call for proposals as there are no identified conservation concerns at this time for skate nurseries; additional research is needed.
D-4  Aleutian Islands FEP

ACTION REQUIRED

Review and approve Al Fishery Ecosystem Plan.

BACKGROUND

The Aleutian Islands Fishery Ecosystem Plan (AI FEP) was mailed to the Council in mid May. The AI FEP Table of Contents is attached as the end of this action memo. The FEP is a guidance document, and is intended to be an educational tool and resource that can provide the Council with both an ‘early warning system’, and an ecosystem context to decisions affecting the Aleutian Islands area. The Council has summarized the goal of the FEP with the following statement:

*The goal of this FEP is to provide enhanced scientific information and measurable indicators to evaluate and promote ecosystem health, sustainable fisheries, and vibrant communities in the Aleutian Islands region.*

The AI FEP looks holistically at the AI ecosystem, at the relationships between the different fisheries, physical and biological characteristics of the ecosystem, human communities, and other socio-economic activities ongoing in the area. The FEP demonstrates that the interactions and relationships within the AI area are clearly distinct from neighboring ecosystems. Understanding the ecosystem context of the AI should help the Council better evaluate fishery management decisions affecting the area.

In summary, the FEP:

- describes and synthesizes the Aleutian Islands ecosystem processes and interactions,
- delineates the regulatory and bio-physical boundaries of the Aleutian Islands,
- conducts a qualitative risk assessment of AI interactions,
- uses management objectives of Aleutian Islands fisheries to identify Council priorities for the FEP,
- identifies ecological indicators appropriate to monitor key ecosystem interactions,
- identifies knowledge gaps and research needs,
- provides a framework by which ecosystem considerations identified herein could be implemented within the current Council structure and management practice.

The Ecosystem Committee has reviewed the FEP, and provided recommendations for the Council in their minutes (Item D-4(a)). The Committee recommends that the Council adopt the FEP at this meeting, and has suggested minor changes to the document.

One change recommended by the Ecosystem Committee was to broaden the existing “Interaction R” to look at impacts from coastal infrastructure and development. Item D-4(b) reflects this request.

The FEP was written by the AI Ecosystem Team, whose membership is listed below. The Team will make further edits to the FEP as suggested by the Ecosystem Committee and others. The Team also intends to produce a glossy synthesis of the FEP, once it is adopted. Once these tasks are completed, the Team’s remit ends. In their minutes, the Ecosystem Committee has recommended to keep the Team active, and has identified specific purposes for the Team.

The Council also requested that the Team consult with communities within and nearby the ecosystem area. Meeting notes from the Dutch Harbor meeting were provided at the April Council meeting. The Adak meeting took place on May 22, and meeting notes are attached (Item D-4(c)).
The Team attempted to hold a community meeting in Atka on May 11, but was unable to do so due to weather problems.

**Aleutian Islands Ecosystem Team**

- **Kerim Aydin** National Marine Fisheries Service, Alaska Fisheries Science Center
- **Steve Barbeaux** National Marine Fisheries Service, Alaska Fisheries Science Center
- **Forrest Bowers** Alaska Department of Fish and Game
- **Vernon Byrd** United States Fish and Wildlife Service, Alaska Region
- **Diana Evans** North Pacific Fishery Management Council
- **Sarah Gaichas** National Marine Fisheries Service, Alaska Fisheries Science Center
- **Carol Ladd** NOAA, Pacific Marine Environmental Laboratory
- **Sandra Lowe** National Marine Fisheries Service, Alaska Fisheries Science Center
- **John Olson** National Marine Fisheries Service, Alaska Regional Office
- **Jennifer Sepez** National Marine Fisheries Service, Alaska Fisheries Science Center
- **Paul Spencer** National Marine Fisheries Service, Alaska Fisheries Science Center
- **Francis Wiese** North Pacific Research Board

**Report of the Scientific and Statistical Committee**

The SSC agrees that the FEP should be treated as a 'living document' and supported release of the AI FEP after staff addresses the SSC’s substantive and minor comments. Please see the SSC minutes, Appendix V to these minutes, for those comments.

**Report of the Advisory Panel**

The AP recommends the Council approve the AI Fishery Ecosystem Plan.

**COUNCIL DISCUSSION/ACTION**

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd. Eric Olson was not present.]

The Council received a report from Diana Evans (Council staff), reports from the SSC and AP, and public comment.

**Earl Krygier moved to approve the recommendations of the SSC to move the Plan forward as a living document and release it for public review and comment after addressing the comments and recommendations of the SSC.** The motion was seconded by Ed Rasmuson and carried without objection.

Bill Tweit suggested that the Council specifically commend the efforts of the Aleutian Islands Ecosystem Team through a letter from the Chair. Council members agreed.
D-5 Arctic Fishery Management

ACTION REQUIRED

Receive revised discussion paper and take action as necessary.

BACKGROUND

At its October 2006 meeting, the Council asked staff to prepare a draft discussion paper on options for management of fisheries in the arctic waters of the Alaskan Exclusive Economic Zone (EEZ). The Council is interested in exploring possible policy options, such as a Fishery Management Plan (FMP), to address management of existing or potential future commercial fisheries in this region. The Council received that report at the December meeting, and tasked staff to further develop options for fishery management in the Arctic. Specifically, the Council's motion was:

For waters north of Bering Strait, the Council moves to develop an analysis that would include the following alternatives:

1. Status quo for those waters.
2. Amend the existing scallop FMP, the BSAI groundfish FMP, and the BSAI king and Tanner crab FMP to prohibit commercial fishing in the Chukchi Sea.
3. Adopt a new FMP for the waters north of Bering Strait for any species not covered by an FMP (including krill and other forage species) with the following sub options:
   a) Close all Federal waters to commercial fishing until such time as the Council develops a policy for opening the waters to select commercial fishing practices, or
   b) Close all Federal waters north of Bering Strait to commercial fishing for forage species, and all waters north of a line at Point Hope to commercial fishing for all species (see Figure 1 map in staff discussion paper).

The Council's motion was accompanied with additional notes:

1. The effect of (b) would be to allow for commercial fishing for fish species (other than forage species) in the waters between Bering Strait and Pt. Hope.
2. The policy for opening waters north of Bering Strait could be developed through a Fishery Ecosystem Plan or other mechanism as the Council deems appropriate.
3. Initial analysis should flesh out what is required under each alternative, such as what is required as part of an FMP (e.g. EFH), and whether these requirements could be deferred until such time as the Council decides to open a fishery.
4. Under each alternative, describe the requirements for deferring management to the State of Alaska, and the procedures for deferring management.

The revised Arctic fishery management discussion paper was sent out in a Council mailing in early March. At the April 2007 meeting the Council postponed action on this agenda item until June. Therefore, at this meeting the Council is scheduled to receive and discuss this report and take action as appropriate. Staff will be available to answer questions.

Report of the Scientific and Statistical Committee

The SSC agrees that the precautionary approach to management of the Arctic is warranted. Although existing regulations may already restrict commercial fishing in the Arctic waters, the SSC encourages going forward with a comprehensive approach to Arctic fishery management as a proactive step to establish a regulatory framework in the event that a proposal for a commercial fishery is brought forward.
Report of the Advisory Panel

The AP recommends the Council develop a policy and recommended structure for its management of the Chukchi Sea and Beaufort Sea as a basis of further development of an Arctic management action plan.

COUNCIL DISCUSSION/ACTION

[NOTE:  Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received a staff report from Bill Wilson (Council staff), the AP and SSC Reports, and public comment.

Earl Krygier moved the following:

In October 2006, the Council directed staff to prepare a discussion paper on management of fisheries in the Exclusive Economic Zone (EEZ) waters of the Arctic Ocean. The Council is interested in exploring policy options, such as a Fishery Management Plan (FMP), to conserve marine resources and manage existing or potential future fisheries in this region. The Council received that report at the December 2006 meeting, and tasked staff to further develop options for fishery management in the Arctic.

At present, the Council does not have an FMP that provides comprehensive authority over fishery management issues in the EEZ waters of the Chukchi and Beaufort Seas. Two of the Council's FMPs cover parts of the Arctic region for some species (i.e., the crab FMP and scallop FMP both cover part of the Chukchi Sea north of Bering Strait to Point Hope).

The Council has determined that a more deliberate and comprehensive management regime should be put in place for the Arctic region. This is partly in anticipation of potential fishery development in the region if climate conditions continue to warm. But this is also in response to some of the unique ecological conditions in the Arctic region, and the unique nature of the region's coastal communities, that merit more attention than has been given to this area previously.

The Council has reviewed several options for accomplishing its goal. These options were analyzed in a discussion paper prepared by staff for Council review in 2007. These options include amending the existing FMPs so that they cover the Arctic region, writing a new Arctic FMP, or preparing a Fishery Ecosystem Plan. The issues each of these approaches raise have been evaluated by the Council at its June 2007 meeting, and the Council believes that a combination of amending the existing crab and scallop FMPs to terminate their coverage at Bering Strait and preparing a new comprehensive FMP for the Arctic region is the best approach. A single FMP covering the Alaskan Arctic would be a more holistic approach to marine resource management in the ecosystem. As part of the process, the Council intends that this new FMP contains elements of a Fishery Ecosystem Plan in that it should emphasize the unique habitats and resources of the Arctic and how marine resource management could be accomplished against this backdrop.

Therefore, the Council tasks staff with developing a draft Arctic Marine Resources FMP. This should include development of a problem statement or purpose and need statement, a suite of alternative management actions, and other supporting information required under the MSA, as amended in 2006.

An initial problem statement could include this language:

Under the Magnuson-Stevens Fishery Conservation and Management Act (MSA), the Council is authorized to conserve and manage the fishery resources of the Alaskan EEZ, including the Chukchi and Beaufort Seas. To date, no large commercial fisheries have
developed in these areas, and thus the Council has not had a compelling reason to develop Fishery Management Plans for these Arctic marine areas off Alaska.

But the environment for commercial fishery development in the Alaskan Arctic may be changing, with warming trends in ocean temperatures and changes in seasonal sea ice conditions potentially favoring the development of commercial fisheries.

Recently, scientists have compiled information on changes in Arctic climate, ocean conditions, sea ice cover, and permafrost and vegetation, noting that sea ice has dramatically changed. Greater ice-free seasons coupled with warming waters and fish range expansion together could create conditions that could lead to commercial fishery development. Species of finfish and shellfish occur in these waters that conceivably could support commercial fisheries if exploitable biomass levels are sufficient, but no information is available on stock size for any of these species. Future warming could enhance habitat conditions for some of these species, and stock surveys could be conducted to gather this information. Although at this time there are no such fisheries in the Alaskan EEZ in the Arctic Ocean, and no routine fish surveys conducted in the region, the Council is interested in exploring policy and management options to prepare for future change.

In addition, the Council recognizes the unique ecological conditions of the Arctic, and it expresses concern over potential effects of commercial fishing in an area where local residents actively pursue subsistence fishing and hunting of bowhead whales, changing environmental conditions could impact polar bears, there is a lack of scientific information on ecological processes, and uncertainty in availability of exploitable resources greatly limits the Council's ability to obtain estimates of exploitable biomass. The Council views the development of an Arctic Marine Resources FMP as an opportunity for implementing an ecosystem-based management policy that recognizes these unique issues in the Alaskan Arctic.

The Council also desires to clarify management authorities in the U.S. Arctic EEZ, and this action would accomplish that objective. A new Arctic Resources FMP would provide the Council a vehicle for addressing future management issues, including deferral of management to the State of Alaska.

The Council's initial preferred alternative will be to close the entire Arctic region, defined as the Chukchi and Beaufort Seas off Alaska, to commercial fishing for all marine species, including forage species, except for fisheries that have traditionally been prosecuted in these waters; currently, the only know commercial EEZ fishery in the Alaskan Arctic is for red king crab in the southern part of the Chukchi Sea. The Council will define its management approach in more detail in the Arctic Marine Resources FMP, including the conditions under which the Council will reconsider its policy for a general fishery closure.

Thus, the Council requests that the following alternatives be analyzed:

1. Status Quo

2. Adopt an Arctic Marine Resources FMP, and amend the scallop and crab FMPs to terminate their geographic coverage at Bering Strait, with two options:
   a) Close all waters north of Bering Strait to commercial fishing for all species, including forage species;
   b) Close all waters north of Bering Strait to commercial fishing for all species, including forage species, but leave waters between Bering Strait and Point Hope open to commercial fishing for red king crab.
The Council will appoint members of an Arctic Marine Resources FMP Team to work with staff to develop a draft FMP. Staff should consult with stakeholders to the extent practicable, including Arctic communities, outlining the Council's intent and objectives and seeking input and suggestions for future marine resource management in the Alaskan Arctic EEZ.

The Council, as part of this action, tasks staff with preparation of amendments to the existing scallop and crab FMPs to terminate their geographic coverage at Bering Strait. The Council requests that an initial draft Arctic Marine Resources FMP be presented to the Council at its December 2007 meeting. At that meeting, the Council will suggest further development of the draft FMP or send the draft FMP out for public review. An outline of the process required, and draft language for the amendments, should be part of the package to be presented to the Council at the December 2007 meeting.

The motion was seconded by Ed Rasmuson.

Gerry Merrigan moved to amend, to delete all of the third paragraph of the problem statement (beginning with the first sentence, "Recently, scientists. . .") EXCEPT for the last sentence of the paragraph, which would remain part of the motion. The wording of the fourth paragraph would be modified, as follows:

In addition, the Council recognizes the unique ecological conditions of the Arctic, and it expresses concern over potential effects of commercial fishing on local residents who rely on subsistence fishing and hunting in an area where local residents actively pursue subsistence fishing and hunting of bowhead whales, changing environmental conditions could impact polar bears, there is a lack of scientific information on ecological processes, and uncertainty in availability of exploitable resources greatly limits the Council's ability to obtain estimates of exploitable biomass. The Council views the development of an Arctic Marine Resources FMP as an opportunity for implementing an ecosystem-based management policy that recognizes the unique issues in the Alaskan Arctic.

The motion was seconded and carried without objection The final motion is found in Appendix IX to these minutes.

The Council determined that appointment of the "Team" referred to in the motion would be appointed at a future date. The Fishery Ecosystem Committee will be asked to review preliminary staff work and provide advice to the Council.

D-6 Staff Tasking

ACTION REQUIRED

(a) Review tasking and committees and provide direction.
(b) Review PSEIS workplan priorities.

BACKGROUND

Committees and Tasking

The list of Council committees is attached as Item D-6(a)(1). Item D-6(a)(2) is the three meeting outlook, and Item D-6(a)(3) and Item D-6(a)(4) respectively are the summary of current projects and tasking. At the last meeting, the Council initiated several new projects (analysis of halibut charter allocation/compensation; analysis of GOA cod sector splits; GOA non-trawl recency; expanded discussion paper on GOA sideboards; analysis of WGOA pollock trip limit; discussion papers on BSAI crab B shares, C share delivery, and legal immunity; a discussion paper on post-delivery transfers of BSAI crab and CGOA rockfish shares; a discussion paper on relaxing VMS requirements for vessels using dinglebar gear; and an independent peer review of the SSL Recovery Plan) to the tasking list. The Council may wish to discuss tasking priorities to address
these projects, as well as potential additions discussed at this meeting, given the resources necessary to complete existing priority projects.

In the coming year, we may need to amend our FMPs to be in compliance with rules resulting from Magnuson-Stevens Act revisions (adding required information on economic data collection, establishing annual catch limits, assessment of cumulative effects and safety at sea, etc.). It may be an appropriate time to consider repealing our Salmon FMP, and thus avoid expending substantial staff time to bring the Salmon FMP into compliance. Although the Salmon FMP defers management to the State, and the Council has not been active in managing this fishery since 1990, the FMP still must be in compliance with the MSA requirements. When it was implemented in 1990, the Salmon FMP was necessary to prohibit offshore catch of salmon. However, the MSA currently allows the state to regulate this fishery outside of state waters if there is no FMP. A discussion paper could be prepared to evaluate the pros and cons of repealing the Salmon FMP.

**Review groundfish workplan priorities**

Consistent with the goals of adaptive management, the Council annually reviews its groundfish management policy. The Council’s groundfish policy, including the approach statement and objectives, is attached as Item D-6(b)(1). It was adopted by the Council in 2004 following a comprehensive programmatic review of the fisheries.

The Council has developed a workplan to guide the full implementation of that policy in the management of the fisheries. This workplan was last revised by the Council in February 2007, and is attached Item D-6(b)(2). The Council reviews the status of this workplan at each meeting, and the status update is attached as Item D-6(b)(3).

At this meeting, the Council is scheduled to review the objectives and workplan, and if appropriate, make any changes. It is important to note that while changes to the workplan can be made at any time, changes to the objectives require an FMP amendment.

In February, the Council suggested that they would like to review the requirements of the revised Magnuson-Stevens Act in relation to the workplan. A checklist of FMP changes required by the revised MSA has not yet been prepared, and the Council’s required action is somewhat dependent on NMFS national guidance which is not yet finalized. Consequently, these changes will be brought forward to the Council at a subsequent meeting.

Finally, the Council has discussed in the past the possibility of issuing a call for proposals focusing on the groundfish workplan. The Council may wish to take this into consideration at this meeting.

The **Scientific and Statistical Committee** did not address this agenda issue.

**Report of the Advisory Panel**

The AP recommends the Council initiate an analysis for a change to the POP MRAs in the pollock fishery in the AI.

The AP further recommends the Council request a discussion paper on the feasibility of making MRA percentages part of the annual specifications process.

The AP recommends the Council request staff to prepare a discussion paper concerning a potential amendment to Amendment 80 to allow post harvest transfer of CQ between coops.
COUNCIL DISCUSSION/ACTION

[NOTE:  Earl Krygier participated in this discussion for Denby Lloyd.]

Chris Oliver reviewed the subjects the Council needed to address during Staff Tasking, as well as Committees, the 3-meeting outlook, and Workplan priorities. The Council also received an AP Report and public comment.

MRA for BS Atka Mackerel. In light of the concerns brought forward by NMFS during the NMFS Management Report, the Council decided to schedule discussion and reconsideration of previous action for the special August meeting.

Community Protection Measures-Crab Rationalization:  St. George

Gerry Merrigan moved the following:

PROBLEM:  The intent of community protection measures in the crab rationalization program may not have been met in St. George due to unavoidable circumstances including a federal declared disaster. While processing history was generated from St. George, no crab has been processed in St. George under the crab rationalization program. As a result the two-year cooling off period will expire June 30, 2007 and the three-year Right of First Refusal (ROFR) will expire June 30, 2008 if IPQ designated for St. George is not used in the community in the 2007/2008 season.

In order to fulfill the original intent of the community protection measures, the Council will initiate an analysis for an FMP amendment to the community protection provisions. The amendment will restart and/or extend the time period for community protection measures (ROFR and "cooling off" period) for St. George. NMFS has indicated that such an amendment will likely not be in place for the 2007/2008 season. However, the intent for community protection measures may be met by extending the measures into the future.

Alternative 1: Status quo.

Alternative 2: Extension of community protection provisions. Begin a new two-year cooling off period and a new ROFR three-year period with a starting date of October 1, 2008 (unless the ROFR can be renewed prior to expiration).

Alternative 3: Same as Alternative 2, except cooling off period for one year.

The motion was seconded by Dave Benson and carried without objection.

Ms. Madsen pointed out that there currently is an appeal to the Agency's decision and the Council should have the outcome of that by the time staff provides a discussion paper. Mr. Merrigan suggested that staff not do any work on this until that information is available and schedule discussion for the December meeting, if necessary.

Sue Salveson expressed concern over staff resources in light of the workload between now and December. This action, if approved, would require a priority timeline in order to have it in place in time for the 2008 crab season. She recommended that the motion be adopted with the intent that it be accomplished as soon as practicable. Council members agreed with this approach.
NEPA-TAC/EIS Process. Council members deferred to the Chair and Executive Director to determine whether further comments to the Agency are necessary at this point. Ms. Madsen said that the Agency should be offering their position soon and that may be the time to comment further.

Salmon Bycatch Workgroup. The Council expressed its intent that the Salmon Bycatch Workgroup continue to look at closure areas and caps when analysts complete their work.

Amendment 80 Proposed Rule. The Council did not have adequate time to discuss possible comments on the PR and decided not to submit official comments. However staff was directed to comment on minor issues they've identified, or any provision that is clearly in conflict with the Council motion.

Revised SOPPs. The Council reviewed changes to the Council's SOPPs during executive session earlier in the meeting. John Bundy moved to approve and adopt the June 10, 2007 draft of the Council SOPPs. The motion was seconded by Earl Krygier and carried without objection.

Letter on Master List/Database. Bill Tweit moved to send a letter to the appropriate entity supporting development of a master list/database of vessels engaged in IUU fishing. The motion was seconded by Dave Benson and carried without objection.

Potential Amendment to Amendment 80. Sue Salveson moved to approve the recommendation of the Advisory Panel to request staff to prepare a discussion paper concerning a potential amendment to Amendment 80 to allow post harvest transfer of CQ between co-ops. The motion was seconded by Earl Krygier and carried without objection.

ADJOURNMENT

Council Chair Stephanie Madsen adjourned the meeting at approximately 12:20 pm on Tuesday, June 12, 2007.
MINUTES
182nd Plenary Session
North Pacific Fishery Management Council
June 6-12, 2007
Centennial Building
Sitka, Alaska

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APPENDICES:

I. Tape Log, Staff Support/Presenters, and Public Attendance Register
II. Draft Minutes of the Advisory Panel
IV. Trawl Recency Motion
V. Draft Minutes of the Scientific and Statistical Committee
VI. PNCIAC Report
VII. Council Action-Observer Program/Observer Committee Report
VIII. Research Priorities
IX. Arctic Management Motion
X. Enforcement Committee Report

NPFMC FINAL MINUTES-JUN-07
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<td>Chris Oliver, Exec. Director</td>
<td>B-1 ED Report</td>
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<td>Jay Ginter, NMFS Staff</td>
<td>B-2 NMFS Mgmt. Report</td>
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<td>Update – Legacy Court Case</td>
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Tape Log NPFMC Meeting
June 6-12, 2007
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<td>C-1 Charter Halibut Management. Issues</td>
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### ACTION KEY:
R=Report  
PC=Public Comment  
CD=Council Discussion

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| 9:07 AM   | Julie Bonney, Alaska Groundfish  
Data Bank  | C-3 BSAI/GOA Trawl LLP Recency | PC      |
| 9:16 AM   | Brent Paine, United Catcher Boats  | " | PC      |
| 9:22 AM   | Dave Fraser/John Moller, Adak  
Fisheries | " | PC      |
| 9:23 AM   | Dave Wood, U.S. Seafoods  | " | PC      |
| 9:26 AM   | Ken Tippett, Alaska Boat Co. | " | PC      |
| 9:27 AM   | Break  |                      |         |
| 9:55 AM   | Council Discussion  | C-3 GOA/BSAI Trawl LLP Recency | CD      |
| 10:50 AM  | Tim Henkel, Deep Sea Fishermen's  
Union | D-4 Crab Loan Program | PC      |
| 10:58 AM  | Cathy Coon, NPFMC Staff  | D-3 B.S. Habitat Conservation | R       |
| 11:14 AM  | Scott Miller, NOAA Fisheries  | " | R       |
| 11:36 AM  | Cathy Coon, NPFMC Staff  | D-3(a) Summary of Alternatives | R       |
| 11:45 AM  | Lunch Break/Finance Committee  | |         |
| 1:36 AM   | Cathy Coon, NPFMC Staff  | D-3(b) HAPC | R       |
| 1:53 AM   | John Henderschedt, Advisory Panel  | D-3(b) HAPC | R       |
| 2:02 PM   | Roy Hyder, Enforcement Committee  
Report | D-3(b) HAPC | R       |
| 2:04 PM   | John Sky Starkey, Etolin Strait  
Villages | D-3 B.S. Habitat Conservation | PC      |
| 2:14 PM   | James Sipary, Jr., Nelson Island  
Tribal Council of Elders  | " | PC      |
| 2:20 PM   | David Bill, Sr., Nelson Island Tribal  
Council | " | PC      |
| 2:26 PM   | Jennifer Hooper, Asn. of Village  
Council Presidents | " | PC      |
| 2:34 PM   | Dorothy Childers/Muriel Morse,  
AMCC | " | PC      |
| 2:46 PM   | Bubba Cook, World Wildlife Fund  | " | PC      |
| 2:55 PM   | Joseph Strongheart, Sr., Nunam Iqua  
Tribe | " | PC      |
| 3:02 PM   | George Pletnikoff, Greenpeace  | " | PC      |
| 3:08 PM   | John Gauvin, H&G Workgroup  | " | PC      |
| 3:27 PM   | Break  |                      |         |
| 3:51 pm   | Jon Warrenchuk/Susan Murray,  
Greenpeace | " | PC      |
| 4:03 PM   | Paul MacGregor, At-Sea Processors  
Assn. | " | PC      |
<p>| 4:05 PM   | Lori Swanson, Groundfish Forum | &quot; | PC      |
| 4:13 PM   | David Benton, MCA | &quot; | PC      |
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<td>Steve Minor, PNCIAA Report</td>
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Tape Log NPFMC Meeting
June 6-12, 2007
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<td>Jennifer Hooper, Assn. of Village Council Presidents</td>
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<td>D-4 AI Fishery Ecosystem Plan</td>
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# MEETING ATTENDEE SIGN-IN SHEET
## JUNE 2007 N.P.F.M.C. MEETING

PLEASE REGISTER ATTENDANCE FOR MEETING RECORDS

PLEASE PRINT - THANK YOU!

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<td>Pat Harding</td>
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<tr>
<td>Alyssa McDonald</td>
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<td>Jack Ketty</td>
<td>City of UMATILLA</td>
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<td>Patrick Barelli</td>
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<td>Kathy Hansen</td>
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<td>Mark Miller</td>
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<td>ASF</td>
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<td>Stephen Tanen</td>
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<td>Muriel M. Morse</td>
<td>AK, Marine Conservation Council</td>
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<td>Jim McManus</td>
<td>Royal Viking Inc.</td>
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ADVISORY PANEL MINUTES
North Pacific Fishery Management Council
June 4-9, 2007, Harrigan Hall, Sitka, AK

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

Lisa Butzner                      Jan Jacobs                      John Moller
Joe Childers                      Bob Jacobson                    Jeb Morrow
Craig Cross                       Simon Kinneen                  Ed Poulsen
Julianne Curry                    Kent Leslie                     Michelle Ridgway
Tom Enlow                         Tina McNamee                    Lori Swanson
Bob Gunderson                     Mike Martin                      
John Henderschedt                 Matt Moir

The AP approved the minutes from the previous meeting.

C-1 Halibut Charter Management

(a) Stakeholder Recommendations and compensated re-allocation

The AP recommends the Council use the following revised elements and options for analysis.

Compensated Reallocation between Commercial and Charter Sectors in Areas 2C and 3A

Problem Statement
The absence of a hard allocation between the longline and the charter halibut sectors has resulted in conflicts between sectors and tensions in coastal communities dependent on the halibut resource. Unless a mechanism for transfer between sectors is established, the existing environment of instability and conflict will continue. The Council seeks to address this instability while balancing the needs of all who depend on the halibut resource for food, sport, or livelihood.

Action 2. Implement measures to allow compensated reallocation between the commercial sector and the charter sector

Element 1: Holder of Quota Share, Method of Funding and Revenue Stream

Element 1.1: Federal – common pool
A. Method of Funding
   option 1. loan
   option 2. buyout program
B. Revenue Stream
   option 1. halibut charter stamp
   option 2. moratorium permit fee
   option 3. self-assessment fee
   suboption 1. fee is based on number of clients
   suboption 2. fee is based on number of fish

Element 1.2: State of Alaska – common pool
A. Method of Funding
   option 1. loan
   option 2. bonding
B. Revenue Stream
   option 1. charter stamp
option 2. sportfishing license surcharge
option 3. business license fee/surcharge or limited entry permit holder
  suboption 1. fee is based on number of clients
  suboption 2. fee is based on number of fish

Element 1.3: Regional private non-profit associations – common pool
  A. Method of Funding
     option 1. loan
  B. Revenue Stream
     option 1. self-assessment
        Suboption 1. fee is based on number of clients
        Suboption 2. fee is based on number of fish

Element 1.4: Individual - private (A moratorium permit would be required unless the moratorium is not in place, in which case a Guided Sportfish Business License would be required instead.)
  A. Method of Funding
     option 1. loan programs
     option 2. private funding

Revenue streams will be for a defined period and end after the loan or bond is paid off, i.e. continuous open-ended revenue streams are to be avoided.

Element 2: Restrictions on transferability of commercial quota share by charter sector, with grandfather clause to exempt current participants in excess of proposed limits

Element 2.1: Limits on transferability
The percentages are based on the combined commercial and charter catch limit. These are intended to establish a minimum amount that will always be available to each sector.

A percentage of the combined commercial and charter catch limit will be available for transfer between sectors.

  Option 1: 10 percent
  Option 2: 15 percent
  Option 3: 20 percent
  Option 4: 25 percent

Element 2.2: Limits on purchase

A. entities purchasing for a common pool:
   Option 1. limited annually to a percentage (30-50%) of the average amount of QS transferred during the previous five years.
   Option 2. Restrictions on vessel class sizes/blocked and unblocked/ blocks above and below sweep-up levels to leave entry size blocks available for the commercial market and to leave some larger blocks available for an individual trying to increase their poundage.

   (These options are not intended to be mutually exclusive.)

B. individual: subject to the current ownership cap and block restrictions associated with commercial quota share

Element 2.3: Limits on leasing

A. Common Pool:
The common pool may only lease 0-15% of holdings back to the commercial sector.

B. Individual charter operators:
   Option 1. an individual may not hold or control more than the amount equal to the current setline ownership cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A)
   Option 2. an individual may not hold or control more than 2,000, 5,000, or 10,000 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)
   **Option 3. charter operators may lease up to 10% of their QS back to commercial sector**

C. Individual commercial fishermen:
   i. Commercial fishermen who do not hold a sport fishing guide business license and/or moratorium permit may lease up to 10% of their annual IFQs for use as GAF\(^1\) on an individual basis, or to a common pool.
   ii. Commercial fishermen who hold QS and a sport fishing guide business license and/or a halibut moratorium license may convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it themselves on their own vessel. Commercial and charter fishing may not be conducted during the same **day.**

**Element 3: Implementation Issues**

1. These qualifying entities may purchase commercial QS and request NMFS to issue annual IFQs generated by these shares as Guided Angler Fish (GAF*).

2. Qualified entities harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.

3. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region’s charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).

4. Subleasing of GAF would be prohibited.

5. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.

6. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.

7. All compensated reallocation would be voluntary based using willing seller and willing buyer.

8. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.

9. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.

\(^1\) * GAF = Guided Angler Fish (This is used only as a charter unit of measurement for commercial quota share converted to charter use and is not indicative) of a particular long term solution.  
** indicates changes made by the AP to the Halibut Stakeholder recommendations
10. There needs to be a link between the charter business operators and the cost of increasing the charter pool. If the charter business operators do not experience the cost of increasing the charter pool, there will not be a feedback loop to balance the market system. 
*Motion passed 17/2.*

Additionally, the AP requests that the Council task the enforcement committee with evaluating the issue of unguided (or bare boat) halibut charters. The AP is concerned that this growing sector may be legally circumventing the intent of the Council to limit charter halibut harvests. *Motion passed 18/0.*

**C-1 (b) Area 2C GHL Harvest Measures**

The AP recognizes the immediate need for action regarding the implementation of measures that keep charter harvest within the GHL. The AP strongly recommends the Council implement Option 12, with a four fish annual limit. However, the AP recommends the proposed rule also notice the public that if the GHL is reduced to 1.217 million pounds due to CEY reduction, or because one or more elements of option 12 are not implementable, then the preferred alternative would be a one fish daily bag limit for the entire season. *Motion passed 18/1.*

**Minority Report**

The minority of a failed 7/12 motion, wishes to strike Option 1 -- Limit vessels to one trip per day from charter fleet management measures -- because it disproportionately impacts operational flexibility of historical participants in the charter industry without yielding significant reductions in halibut harvest. Signed: Mike Martin, Michelle Ridgway, Tina McNamee, Lisa Butzner, Simon Kinneen, Lori Swanson
DRAFT AP MINUTES

C-2 Halibut Subsistence

The AP recommends the Council request staff work with State and Federal staff to further research the rural definition issue and report back at a future meeting. *Motion passed 18/1.*

Additionally, the AP recommends the Council initiate an analysis for a regulatory amendment to list the Kanatak tribe fishing area as 3A. *Motion passed 19/0.*

C-3 Trawl LLP Recency

The AP recommends Council establish an “Exemption Statements” section in the Description of Alternatives, Components, and Options. This section would directly follow the description of the three alternatives.

Further, the AP recommends the Council delete Component 3 and Option 1 and add the following to the Exemption Statement section: Exclude LLPs originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license from LLP qualification in the BSAI. *Motion passed 19/0*

The AP recommends adding a statement under the “exemption statements” that would exempt the CGOA rockfish pilot program participants adding the staff’s language: exclude central GOA or GOA (as appropriate) area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment. *Motion passed 19/0*

The AP recommends the Council delete Component 4 and Option 1 and add the following to the Exemption Statement section: Exempt LLPs assigned to the vessels qualified under Amendment 80 and other LLPs assigned to the qualifying vessels at the time of implementation. *Motion passed 16/3*

The AP recommends the Council delete Component 1 – Option 3 and add the following to the Exemption Statement section: Exempt trawl LLPs in the BSAI or GOA assigned to vessels having a maximum mean length overall designation of 60 feet with landings of Pacific cod in the Bering Sea with any gear from application of the threshold criteria. *Motion passed 19/0*

The AP recommends the Council delete Component 1 – Option 1 requiring at least one landing of groundfish during the qualification period of 1995 – 2005 and delete Component 1 – Option 2 – Suboption 1 requiring at least two landings of groundfish during the qualification period of 1995 – 2005. *Motion passed 19/0*

The AP recommends that the Council include application of the harvest thresholds for LLPs to CP BSAI LLPs that are non-AFA licenses and also are not LLPs qualified for Amendment 80. *Motion passed 19/0*

D-3 (a) Habitat Conservation

The AP recommends the Council adopt Alternative 3 with Option 1, Option 3, Option 4 with the suboption (wedge), and Option 5. The Council review in Option 4 should occur 36 months following the FR publication of the final rule. *Motion passed 16/3.*

(b) Habitat Areas of Particular Concern

The AP recommends the Council initiate a call for HAPC proposals with the inclusion of the following priorities:
1. Skate nurseries
2. EBS Canyons
3. Important crab habitat

The AP envisions that initiating this process will begin characterizing these habitat types without presupposing whether they merit designation as HAPC or should management measures be considered until these habitats are profiled and their ecological significance is described. *Motion passed 18/1*

**C-4 Crab Management**

**C-4 (b) Crab overfishing**
The AP received a presentation of this agenda item and given the comments of the SSC, has no additional recommendations. *Motion passed 19/0*

**C-4 (c) Custom processing exemptions**
The AP recommends the Council adopt the following purpose and needs statement:

*In remote areas and small TAC fisheries, the extended fishing seasons under rationalization may cause processing activity to be extended over a longer period of time. This temporal extension of processing activity, together with the lower throughput levels, limits the ability of processors to achieve production efficiencies. Allowing concentration of processing in fewer facilities, by exempting custom processing at a plant from the use cap of the plant owners, could increase processing efficiency. This efficiency increase could improve competition in processing. In some cases, exemption of custom processing at a facility from use caps of the owner could provide for contingencies in the event of a facility breakdown, assist in allowing full harvest of the TAC, and contribute to community sustainability.*

*In remote areas (e.g. the western region) with small TAC fisheries for crab species (e.g. WAI brown crab) and extended fishing season, the goals of sustaining communities in the region and allowing the full harvest of the TAC could be better achieved by exempting custom processing beyond the processing use cap by processors.*

*Two of the objectives of the proposed action are to protect the economic base of remote communities dependent on crab processing, and to allow for the efficient prosecution of quota held by fishermen.*

The AP adopts the following elements and options:

**Fisheries and Regions:**
Custom processing will be exempt from use caps in the following regions and fisheries:

The North region of the Bering Sea *C. opilio* fishery (analyzed here for regulation change from MSA reauthorization – not optional)

Option 1) the Western Aleutian Islands golden king crab fishery,
Suboption: West region only

Option 2) the Western Aleutian Islands red king crab fishery,

Option 3) the Eastern Aleutian Islands golden king crab fishery,

Option 4) the St. Matthews blue king crab fishery, and
Suboption: North region only

Option 5) the Pribilof red and blue king crab fishery
Suboption: North region only

**Definition of custom processing exemption:**
Option 1) Physical processing of crab at a facility owned by an entity does not count toward the cap of the entity (only processor share holdings count toward an entity’s cap).
Option 2) Custom processing is the processing of crab received with IPQ that has 50 percent or less common ownership with the processing plant.

Locations qualified for the exemption:
Custom processing will qualify for the exemption provided that processing is undertaken in the applicable fishery and region at:
Option 1) a shore plant
Option 2) a shore plant or a floating processor that is moored in a harbor
--- A floating processor moored within a harbor, if it is moored within the boundaries of:
Option 2) A shore plant, or a floating processor that is moored at a dock or docking facilities in a harbor in a community that is a first or second class city.
   Suboption A) a first or second class city or borough
   Suboption B) a first or second class city
Option 3) any shore plant or floating processor

Plant cap
Outside of the W region, no plant may process more than 60% of
a) EAI golden king crab
b) WAI red king crab
Motion passed 15/0/2

Additionally, the AP recommends adopting the following options and purpose and needs statement regarding community interests:

Option 1) in the event that processing shares are transferred to the community entity holding the right of first refusal for those shares, the processing of those shares in the community of origin will not count toward the cap of the processing plant
Option 2) in the event that processing shares subject to a right of first refusal are transferred from the initial recipient, custom processing of shares in the community of origin will not be counted toward cap of processing plant (the shares would only count toward the cap of the share holder)

Under the rationalization program, community interests in historic processing are protected by granting communities a right of first refusal on the transfer of shares from the community of origin. In some instances, the combination of consolidation of processing share holdings and the counting of processing at a plant against the plant owner’s cap on the use of processing shares could complicate the retention of processing in the community of origin. Exempting processing of shares in the plant of origin from the use cap of the plant owner could facilitate retention of historical processing in communities.
Motion passed 16/0/1

Active Participation requirements for C shares
The AP recommends the Council adopt the following purpose and need statement, elements and options:

Owner on board requirements and leasing prohibitions on C shares are scheduled to go into effect after the third year of fishing under the program. Those rules may be overly burdensome to active captains and crew given the current fleet fishing patterns in which vessels may not be active in all fisheries some years. Also, under the current rules in the program, C share holders that are cooperative members are exempt from owner on board requirements and leasing prohibitions. Revisions to the current participation requirements are necessary to establish reasonable participation requirements for C share holders and to ensure that the all C share holders remain active in the fisheries.

Elements and options
Status quo
Options for revision of active participation requirements for C share holders
To receive an annual allocation of IFQ, a C share holder must have participated in at least one delivery in a fishery subject to the crab rationalization program in the 365 days preceding the application for IFQ.

If a C share holder has not demonstrated active participation in a rationalized fishery for a period of 3 consecutive seasons, that C share holder will be required to divest of all C share holdings. This provision will not require individuals to divest of QS until a) 5 b) 7 years after implementation of the crab program.

Initial allocation of quota to C share owners will be:
Option: grandfathered and exempt from active participation requirement. Any purchased quota will not be exempt.

Demonstration of recent participation in the North Pacific fishery will qualify for active participation.
Option 1: Acquisition of shares
Option 2: To maintain holdings and annual allocations

Motion passed 16/0/1

Additionally, the AP recommends the Council direct staff to work with financial services to determine possible means of limiting new entrants along with minimum and maximum quota share holding requirements to determine eligibility in the loan program. Motion passed 18/0.

Further, the AP recommends the Council adopt the Purpose and Need Statement concerning Processing Share and Regional Landing Requirements

Post delivery transfers
The AP recommends the Council adopt the purpose and needs statement as written. Further, the AP recommends adoption of the following Alternatives and options – (striking Alternative 4)

Alternative 1 – Status Quo (no post-delivery transfers)

Alternative 2 – Unlimited post-delivery transfers
Purpose of post-delivery transfers
Post-delivery transfers would be allowed exclusively to cover overages.

Shares used for post-delivery transfers
Post-delivery transfers of the following shares are permitted:
B share IFQ
A share IFQ (provided a processor simultaneously commits matching IPQ)
C share IFQ
catcher processor IFQ
IPQ

Limits on the magnitude of a post-delivery transfer
None

Limits on the number of post-delivery transfers
None
No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ.

Limits on the time to undertake a post-delivery transfer
A post-delivery transfer will be permitted after a landing for a catcher vessel (or weekend date for a catcher processor) for a period of 30 days.
Eligibility for post-delivery transfers:
1. All harvesters
2. Inter-cooperative members
   The intercooperative must
   a. Represent 30%, 50%, or 65% of the IFQ for the fishery
   b. Have established reserve pool mechanisms
   c. Have an authorized representative to manage transfers with RAM

Alternative 3 – Moderate limited post-delivery transfers
Purpose of post-delivery transfers
Post-delivery transfers would be allowed exclusively to cover overages.

Shares used for post-delivery transfers
Post-delivery transfers of the following shares are permitted:
   B share IFQ
   A share IFQ (provided a processor simultaneously commits matching IPQ)
   C share IFQ
   catcher processor IFQ
   IPQ

Limits on the magnitude of a post-delivery transfer
Each post-delivery transfer shall be limited to 10,000 pounds of IFQ (or IPQ).

Limits on the number of post-delivery transfers
Possible options
For each species, an IFQ (or IPQ) holder is limited to receiving post-delivery transfers to cover two overages.
No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ.

Limits on the time to undertake a post-delivery transfer
Post –delivery transfers will be permitted after a landing for a catcher vessel (or weekend date for a catcher processor) for a period of 15 days.

Eligibility for post-delivery transfers:
1. All harvesters
2. Inter-cooperative members
   The intercooperative must
   a. Represent 30%, 50%, or 65% of the IFQ for the fishery
   b. Have established reserve pool mechanisms
   c. Have an authorized representative to manage transfers with RAM

Motion passed 17/0

Post delivery transfers for rockfish
The AP recommends the Council create separate crab and rockfish post-delivery transfer amendment packages for analysis on a parallel track. Motion passed 17/0.

The AP recommends the Council delete Alternative 4, and change the limits on the time to undertake a post-delivery transfer from 15 to 30. Motion passed 18/0. Further, the AP recommends adopting the purpose and needs statement as written. Motion passed 18/0
C-5 Observer Program

The AP recommends the Council incorporate the OAC committee recommendations on Issues 1-7 in the Alternatives for regulatory revisions of the North Pacific Groundfish Observer program, and further recommends the Council move forward on the additional three committee recommendations. *Motion passed 16/0.*

C-6 CDQ Program

The AP recommends the Council select Alternative 2 for final action, removing the prohibition against discarding rockfish and Pacific cod when halibut or sablefish are onboard a vessel. *Motion passed 16/0/1*

D-2 (a) GOA Arrowtooth MRA adjustment

The AP concurs with the SSC’s recommendations, and recommends the Council release the document for public review. *Motion passed 15/0.*

D-2 (b) Salmon Bycatch

The AP recommends the Council adopt the Salmon Bycatch Workgroups recommendations and consider including the cap/closure accounting system recommendations in the analysis. *Motion passed 16/0/2.*

D-2 (d) CGOA Rockfish Monitoring EFP

The AP recommends the Council approve the EFP to explore electronics monitoring in the CGOA rockfish program. *Motion passed 16/0.*

D-4 AI Fishery Ecosystem Plan

The AP recommends the Council approve the AI fishery ecosystem plan. *Motion passed 17/0.*

D-5 Arctic Fishery Management

The AP recommends the Council develop a policy and recommended structure for its management of the Chukchi Sea and Beaufort Sea as a basis of further development of an Arctic management action plan. *Motion passed 16/0.*

D-6 Staff Tasking

The AP recommends the Council initiate an analysis for a change to the POP MRAs in the pollock fishery in the AI. *Motion passes 16/0.*

The AP further recommends the Council request a discussion paper on the feasibility of making MRA percentages part of the annual specifications process. *Motion passed 13/3.*

The AP recommend the Council request staff to prepare a discussion paper concerning a potential amendment to Amendment 80 to allow post harvest transfer of CQ between coops. *Motion passed 16/0.*
May 31, 2007

Ms. Stephanie Madsen, Chair
North Pacific Fishery Management Council
605 West 4th, Suite 306
Anchorage, AK 99501

Re: June 2007 meeting, Agenda item C-1

Dear Stephanie:

The Council has several halibut-related issues on its June 2007 meeting agenda. The IPHC staff has the following comments for Council consideration.

1. GHL trigger and halibut CEY status

At recent meetings, the Council and other interested parties have queried IPHC staff about the likelihood of the total Constant Exploitation Yield (CEY) falling below 9.027 Mlbs for Area 2C in 2008. As you are aware, this is the trigger point for reducing the Guideline Harvest Level (GHL) from its current level of 1.432 Mlbs to 1.217 Mlbs. IPHC staff provided testimony at the April, 2007 Council meeting on this matter, and we would like to reiterate to the Council and the industry our concerns on this issue.

The CEY upon which the Commission based its 2007 catch limit recommendations for Area 2C (and elsewhere) was the product of the closed area stock assessment methodology, which we've used since the mid 1990s. This methodology incorporates a 22.5% harvest rate. Thus, the Total CEY for 2007 was 10.8 Mlb, i.e., not enough to trigger the reduction in the GHL.

For 2008, the IPHC staff will likely recommend a coastwide assessment with survey partitioning of biomass. This approach was proposed for 2007 but the Commission requested further development during 2007, prior to re-consideration. The results from this coastwide assessment provided a projected biomass for 2008 of 36.5 Mlbs in Area 2C. Assuming the same partitioning ratios as used in 2007 and no shift in the projections, two possibilities exist for the 2008 Total CEY, which depend on the harvest rate:

1. Reevaluation of our harvest rate policy with the coastwide assessment showed that a 20% harvest rate is appropriate in the long term. For a biomass of 36.5 Mlbs, this would yield a Total CEY of 7.3 Mlb.

2. However, if the Commission adopts, as with the original recommendations for 2007, a transitional harvest rate of 25% for Area 2C (and the rest of Area 2), then the total CEY would be 9.125 Mlbs.

At this point, we do not know if the coastwide assessment with survey partitioning will be adopted by the Commission for 2008, although that will very likely be the IPHC staff's recommendation. If it is adopted, this would result in a Total CEY for 2008 in Area 2C of 9.125
Mb, which is above the trigger level of 9.027 Mb. The assessment will be conducted in October/November, and results announced in the first week of December.

Thus, our best information at this date is that the CEY will not drop below the GHL trigger point for 2008.

Finally, we noted to the Council during its original discussion of the GHL that the IPHC stock assessment, like all assessments, is dynamic and subject to changes in methodology over time. As such, contemporary views of previous catch limits and yield values are not direct comparisons and must consider any differences in methodology in order to interpret changes over time. The GHL values and trigger points for changes in them are 'hard wired' in the regulations and refer to halibut biomass and yield values as they were calculated at that time. We believe it is necessary to change these regulations so as to incorporate changes in biomass and yield between periods, as assessed with contemporary methodology. This means that the changes should be expressed as percentages of a starting value as currently assessed, rather than as absolute numbers that might be based on a previous assessment methodology. The IPHC staff would be happy to work with Council and NMFS staff to revise the regulatory language.

2008 Management Measures for Area 2C

The IPHC staff has reviewed the EA/RIR/IRFA for this regulatory amendment. The Council is considering a very large number of options, and the IPHC staff has the following comments:

1. Sport fish release discard mortality – All of the options being considered will cause a certain amount of discard mortality, in some cases substantially more than may currently be occurring. In general, options which result in increased fish handling (and release) will create more discard mortality. For example, slot limits require substantial handling as anglers handle the fish to determine whether it is legal to retain. We urge the Council to consider the wise use of the resource in making its decision, and not increasing discard mortality above current levels by choosing an option which does not cause increased handling.

2. Sport fishery management goals – The Council has stated many times its intention to manage the sport charter fishery for halibut to the GHL. The analysis fully acknowledges the uncertainty with the estimated catch reduction, but it is important to note that substantive catch reductions are possible with several options and will enable the Council and NMFS to achieve the GHL management goal. We urge the Council to take all actions necessary to achieve that goal.

I and Gregg Williams of the IPHC staff will be attending your June meeting in Sitka, and will be available to discuss this with the Council.

Sincerely yours,

[Signature]

Bruce M. Leaman
Executive Director

cc: Commissioners
Council Motion, Trawl LLP June 2007:

Trawl Recency Amendment - Description of Alternatives, Components and Options

Alternative 1 – No Action: Under this alternative the existing situation will continue. All LLPs currently issued will continue to be valid for the BSAI and GOA trawl groundfish fisheries. There would also be no change in the number of non-AFA trawl CV LLPs for the Aleutian Islands area, which could occur under Component 5.

Alternatives 2 and 3 are differentiated by whether or not the program is implemented at the management area or subarea designation.

Alternative 2 would implement trawl CV LLP threshold criteria in the BSAI and trawl LLP threshold criteria in the GOA management areas. It would specify application of all trawl groundfish harvests within these areas for the respective qualification period. This threshold assessment only applies to trawl harvests and will not change non-trawl area endorsements on LLPs.

Alternative 3 would implement trawl CV LLP threshold criteria in the BS and AI submanagement areas and trawl LLP threshold criteria in the WG and CG submanagement areas. It would specify application of trawl groundfish harvests within these areas for the respective qualification period. This threshold assessment only applies to trawl harvests and will not change non-trawl area endorsements on LLPs.

Exemption and Inclusion Statements

AFA exemption: Exclude BSAI LLP endorsements originally issued to vessels qualified under the AFA and any non-AFA LLPs assigned to AFA vessels not having any other license from LLP qualification in the BSAI.

Central Gulf Rockfish Demonstration Project exemption: Exclude Central Gulf of Alaska area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification under the amendment.

BSAI CP inclusion: Include application of the harvest thresholds for BSAI CP LLPs that are non-AFA licenses and also are not LLPs qualified for Amendment 80 (LLPs assigned to vessels eligible for Amendment 80). When applying catch threshold criteria to CP LLPs, CP activity and/or CV activity shall be considered.

Component/Option Choices Common to Alternatives 2 and 3

Alternatives 2 and 3 have a common set of five components that form the remainder of choices for this amendment. The Council can choose to include and apply any combination from these components to either Alternative 2 or Alternative 3. The respective components address the issues of qualification period; landing criterion applied to determine qualified LLPs; multiple LLPs registered to a single vessel; potential exclusion of AFA qualified vessels; potential exclusion of Amendment 80 vessels; and options for separately addressing LLPs in the Aleutian Islands groundfish fishery.

Component 1 includes a number of possible choices for landings criteria to be applied to the current LLP holders for existing trawl LLPs in the respective areas. The varying factors under Component 1 are the choice of qualification period (2000-2005 or 1995-2005); choice of threshold criteria to be applied (at least one landing for the qualification period or at least two landings for the qualification period); and a final choice to exempt vessels with an overall length less than 60 feet from application of the threshold criteria. The choices for Component 1 are as follows:

Component 1 – Option 1 requires at least one landing of groundfish during the qualification period of 2000-2005.
Council Motion, Trawl LLP June 2007:

Component 1 – Option 2 requires at least two landings of groundfish during the qualification period of 2000-2005.

Component 1 – Option 3 provides a choice to exempt trawl LLPs with a maximum mean length overall (MLOA) designation of less than or equal to 60 feet in the BSAI with trawl or non-trawl minimum participation of:

Component 1 – Option 3, suboption 1 – one landing
Component 1 – Option 3, suboption 2 – two landings, or
Component 1 – Option 3, suboption 3 – 200 metric tons directed Pacific cod harvest from the BSAI in any one year (2000-2005)

from the trawl landing threshold requirement.

Component 1 – Option 4 provides a choice of whether to include non-AFA & non-Amendment 80 BSAI CPs in application of the groundfish threshold landings criteria.

Component 1 – Option 5 extends the qualification period one year to include landings in 2006.

Component 2 - where there are multiple LLPs registered to a single vessel, also known as ‘stacking’ of LLPs, the Council has specified a provision to deal with this situation as follows:

Component 2 – will fully credit groundfish harvest history to all stacked licenses, each carrying its own qualifying endorsements and designations.

Component 3 addresses consideration of excluding Amendment 80-qualified vessels from LLP qualification under the amendment. The Council identified a single option as follows:

Component 3 – Option 1 will exclude LLPs originally issued to vessels qualified under Amendment 80 and LLPs used for eligibility in Amendment 80.

Component 4 is different from other parts of the proposed amendment. It evaluates the effect of adding new LLPs to the Aleutian Islands non-AFA trawl groundfish CV fishery based on harvests during the respective qualification periods. Harvests for the parallel waters fishery in the Aleutian Islands and also the 2006 State waters fishery are included in the basis for qualification. In February 2007, the Council directed the following specifications for Component 4:

A – Component 5 to be retained within the trawl recency analysis
B – The options within Component 4 are as follows:
   1) For non-AFA vessels < 60 feet in length to receive an AI trawl endorsement, consider landing thresholds in the AI parallel cod fishery between 2000-2005 of at least:
      a. 50 metric tons
      b. 250 metric tons
      c. 500 metric tons
   2) For non-AFA vessels > 60 feet in length to receive an AI trawl endorsement, consider landing thresholds of at least one landing in the AI parallel (groundfish fishery) or State water cod fishery between 2000 and 2006 plus landings in the BSAI cod fishery between 2000 and 2006 of at least: (a) 500 metric tons, or (b) 1,000 metric tons
DRAFT REPORT
of the
SCIENTIFIC AND STATISTICAL COMMITTEE
to the
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
June 4-6, 2007

The Scientific and Statistical Committee met during June 4-6, 2007 at the Harrigan Centennial Hall, Sitka Alaska. Members present were:

Pat Livingston, Chair  
NOAA Fisheries—AFSC

Keith Criddle, Vice Chair  
University of Alaska Fairbanks

Bill Clark  
International Pacific Halibut Commission

Sue Hills  
University of Alaska Fairbanks

Anne Hollowed  
NOAA Fisheries—AFSC

Gordon Kruse  
University of Alaska Fairbanks

Seth Macinko  
University of Rhode Island

Steve Parker  
Oregon Department of Fish and Wildlife

Lew Queirolo  
NMFS—Alaska Region

Terry Quinn II  
University of Alaska Fairbanks

Farron Wallace  
Washington Dept of Fish and Wildlife

Members absent were:

George Hunt  
University of Washington

Franz Mueter  
SigmaPlus Consulting

Ken Pitcher  
Alaska Department of Fish and Game

Doug Woodby  
Alaska Department of Fish and Game

B-1(c) Plan Team Nominations

The SSC reviewed the nomination of Ms. Cleo Brylinsky to the GOA groundfish plan team. The SSC recommends approval of this nomination by the Council.

B-7 Protected Species

Bill Wilson (NPFMC staff) reported on recent developments for various protected species issues. Robyn Angliss (AFSC-NMML) responded to the SSC request for additional information about the analytic methods used for the annual List of Fisheries (LOF). No public testimony was offered on any of these topics.

Update on FMP consultation and SSL recovery plan. The Revised Draft SSL Recovery Plan was released in May 2007 and mailed to the SSC along with Dr. Loughlin’s review of other recovery plans, and the agency’s responses to comments on the previous draft recovery plan. There were no presentations on these documents at this meeting. The next steps will be public review, CIE review, NPRB review, SSLMC review, and Council family review at a special August meeting. The SSC’s role at the August meeting will be to review the external reviews, the most recent research, the Recovery Plan, and to forward recommendations to the Council at that meeting. The external reviews are scheduled to be finished in July and distributed to the Council family prior to the August meeting. It is anticipated that the Recovery Plan will be finalized after the reviews have been completed.
The FMP consultation will continue with the NEPA analysis as outlined in Sue Salveson’s B-2 report from this meeting.

**Humane Society Lawsuit.** The EIS on SSL and NFS research is now out for review. The agency hopes to have a Record of Decision, a BiOp, and authorization of research by June 12. Research that was delayed last year is expected to be completed this summer.

**Cook Inlet Beluga Whale.** The Federal Register notice on the proposed rule to designate the Cook Inlet Distinct Population Segment of belugas as endangered under the ESA is out for public review until June 19, 2007. If a decision to list is taken, it is expected that critical habitat will be designated during the upcoming year.

**Sea Otters.** The Sea Otter Recovery Team met in April 2007, to develop a draft recovery plan for the northern sea otter. The draft recovery plan should be ready for internal review in 2008. Under terms of a court settlement, the USFWS is required to publish a Federal Register notice its determination of whether designation of critical habitat is prudent and, if so, to identify a date by which critical habitat will be designated. USFWS must publish its determination by November 30, 2008.

**List of Fisheries.** Robyn Angliss (AFSC-NMML) provided a detailed discussion of the extrapolation methods as discussed in Perez (2006). This presentation was requested by the SSC in February 2007. The procedure for determining the take of marine mammals in fisheries has several steps: the target species of each haul is determined by the catch accounting system and reported to NMML, any marine mammal interactions are assessed to determine which are serious or fatal, any marine mammal takes are assigned to a marine mammal stock, the marine mammal takes are extrapolated to the entire fishery and the estimated take is compared to the PBR for that stock. Previous SSC comments were addressed in the presentation and subsequent questions:

1. The SSC has been concerned with the positive bias introduced to the estimate by adding observed takes from unmonitored hauls when no other takes of that species are seen in monitored hauls in that stratum. After discussion, the SSC concluded that the small amount of positive bias is likely to be insignificant.

2. Another SSC concern has been that of “double counting” when the stock of a marine mammal take is not known. It was explained genetic analyses have been done so that there is only one orca take that cannot be genetically assigned to a stock and continues to be a part of estimates of marine mammal take in each of the two stocks to which it may pertain. The SSC does not disagree with the Agency’s solution to the issue.

3. It remains possible for a marine mammal take to be assigned to the wrong fishery depending on how the catch accounting system classifies the haul during which a take occurs. This issue is addressed in an appendix to Perez (2006). The SSC agrees that the likelihood of this happening is very low.

4. The SSC has been concerned over the continued use of “stale” or “legacy” data. This is mostly a problem in fisheries that are not included in the groundfish, crab, or scallop fishery observer programs, fisheries which, for the most part, are in state waters. Because of the limited funding available for the marine mammal observer program and the lack of a fishery observer program on vessels in the fleets characterized by the legacy observations, there is little prospect for timely updates of take estimates in the affected fisheries. The Perez (2006) document does not deal with this issue because it deals with federal fisheries only. No comparable document exists for the observations and calculations for state water fisheries.

5. Because of the expense and small scale of the marine mammal observer program, the SSC had requested that the analysts consider proxies for direct observations of marine mammal take such
as logbook data. It was explained that AFSC-NMML has noted discrepancies between logbook data and observer reports on observed vessels and is reluctant to rely on logbook data for unobserved vessels. The SSC suggests that the discrepancy between logbook data and observer reports be quantified and included in a discussion of possible alternatives be included in future LOF reports.

The SSC is satisfied that although the estimates of marine mammal take in Federal fisheries off Alaska are subject to difficulties common to estimation of rare events, the estimates and estimation methodologies are reasonable and acceptable.

The SSC also received an update on the issue of determining serious injury/mortality (SI/M) from entanglements. Although guidelines are available, five members of the Alaska Marine Mammal Scientific Review Group independently reviewed 40 entanglements to determine SI/M and found very great disagreement among the various reviewers. That information will be presented at a national workshop to be held in Seattle in September 2007. At that workshop, about 70 participants, including marine mammal veterinarians, will revise guidelines. New guidelines probably will not affect LOF determinations for another 1.5-2 years.

It is anticipated that the 2007 LOF will be released this summer and that the Council family will have an opportunity to comment at the October meeting.

The SSC has some suggestions and requests, not necessarily for the 2007 LOF, but for the future.

1. When the LOF is brought to the Council, it would be helpful if additional information were included beyond just the Federal Register notice (e.g., the data on which the determinations were made).

2. The SSC suggests that since the analysis calls for subjective judgments and thus could be open to criticism, the analyst could explore different approaches to pooling observations or using different length moving averages or exponential smoothing. Other ways to see if current estimates are reasonable would be to test the stratification decisions with simulations using different marine mammal trends or collapsing strata as the Southwest Fisheries Science Center has recently done.

**Fisheries Depredation by Killer and Sperm Whales Conference.** The proceedings of the October 2006 workshop are not yet available. The goals of the workshop were to explore the extent of the problem and to identify possible methods to reduce depredation and prevent its spread to new areas.

**SSLMC Progress.** The minutes from the last two meetings of the SSLMC were attached to the action memo. At the last meeting, the PRT was finalized and applied it to the proposals that have been received. The minutes contain the weightings of the 206 bins of the model and the “triggers” for each proposal. At the June 19-21 meeting, the SSLMC will continue to exercise the model with the proposals and to discuss the issues raised as being “outside the model.” The SSC looks forward to an update at the next meeting.

**C-4(a,b) Crab Plan Team Report and Overfishing Definitions**

The SSC received an overview of these items from Diana Stram (NPFMC staff) with help from members of the Crab Workgroup (Jack Turnock, Shareef Siddeek, Jie Zheng) and a report of comments by the PNCIAC from the chair Steve Minor. The Crab Plan Team spent most of their May meeting reviewing the overfishing definitions Amendment 24 and provided an extensive set of constructive comments to improve the document. The PNCIAC wishes to have a review of the document by BSFRF and wants
sufficient time to understand the new Tier system and stock assessment models that will be utilized in conjunction with the new Tier system.

The SSC commends the Crab Workgroup for being responsive to SSC questions and comments from February 2007. The analysis has improved considerably but is not yet ready for initial public review; documents dealing with the complexity of the OFL-setting process need to be exceptionally clear to provide a rigorous description of the complexities of the OFL-setting process in a manner that is readily understandable to the public. The SSC recommends that the document be revised to address concerns noted below and then reviewed by the Crab Plan Team in September 2007 and the Council family in October 2007 before it is released for public review.

The SSC commends the Crab Plan Team for providing detailed and thoughtful comments and suggestions for improvement of the draft analysis and recommends that the Crab Workgroup use the Plan Team comments as guidelines for revising the analysis. In particular, the SSC encourages the Crab Workgroup to follow the Plan Team recommendations on the organization of the document and clarification of the rationale behind the OFL-setting process.

In particular, the descriptions of the Tier system and the calculation of OFL could benefit from several clarifications. The document needs to clarify what constitutes “reliable catch history” for purposes of determining OFLs for tier 5 and 6 stocks. Currently, there is an inconsistency in these determinations under Alternatives 2 and 3. For instance, the stocks numbered 13-22 on page 31 are determined to have adequate catch history for determination of OFLs under tier 5 in Alternative 2, but they are determined to have inadequate catch histories for tier 5 determinations in Alternative 3, even though the historical catch records are the same under both Alternatives. A convincing explanation of why there is uncertainty in whether catch history is adequate needs to be provided.

The harvest control rules involve two parameters, \( \alpha \) and \( \beta \). The parameter \( \alpha \) is the intercept on the biomass axis that determines the slope of the control rule line, whereas the parameter \( \beta \) determines the relative biomass level at which the fishery would be closed. The Crab Plan Team recommends fixing these two parameters. The SSC instead recommends frameworiking these two parameters, with the Plan Team’s recommended values as defaults. This would avoid the necessity of a plan amendment if better parameter estimates are developed in the future.

The description of the tier system on page 11 of the EA is confusing and not consistent with Table 2-3. For instance, the 3\textsuperscript{rd} paragraph on p. 11 states that \( B_{\text{msy}} \) is specified for Tiers 1-4, but the 4\textsuperscript{th} paragraph indicates that a proxy is used for \( B_{\text{msy}} \) in Tier 3 and, the last paragraph on page 11 does not mention \( B_{\text{msy}} \) as an integral aspect of Tier 4. Similarly, Table 2-3 indicates that \( B_{\text{msy}} \) is used in Tiers 1 and 2 only, that \( B_{\text{35%}} \) is used in Tier 3, and that a \( B_{\text{msy}} \) proxy is used in Tier 4. After questioning staff, the SSC understands that Tier 3 actually uses a \( B_{\text{msy}} \) proxy with \( B_{\text{35%}} \) as the default. Also, the SSC was told that average historical survey biomass is used for Tier 4 instead of a \( B_{\text{msy}} \) proxy. These inconsistencies and errors in the text and in Tables 2-3 and 2-4 need to be corrected.

In Alternative 3, OFL is set to 0 for Tier 6 stocks. This could have adverse consequences to some fisheries, because a catch or bycatch of even one crab would constitute overfishing. The intention is that there would be no directed fishery, so a better phrasing would set OFL to a level that would provide for bycatch needs in other fisheries while not jeopardizing the status of the stock. Furthermore, a description of how in-season management utilizes OFL should be included in the EA, because apparently, OFL is utilized differently in crab management than in groundfish management.

The Crab Plan Team suggests having a retained OFL, \( R(\text{OFL}) \), and a total OFL, \( C(\text{OFL}) \). The SSC is concerned that this will confuse the public. Instead the SSC recommends that the document be clarified to
indicate that total removals are used in Tiers 1-3 and retained catch is used in Tiers 4-6. Retained catch should not be used to determine OFL and then compared to total catch. If it is useful to compare the difference between using these two metrics for Tiers 1-3, this should be done in a separate paragraph and table. Furthermore, the document should clarify the difficulties in determining total catch and problems with timing in obtaining this information.

The alternatives contain two options: under Option 1 the Council would set OFL in June using the previous year’s data. Under Option 2 the Council would review OFL in October after survey information has been incorporated into the assessment, but the Council would not be able to change this value. The document should be expanded to include additional detail about the implementation and management implications of these two options.

The draft analysis treats EBS Tanner crab as a tier 3 stock, but the Crab Plan Team recommended shifting them to tier 4. The issue is that information for the Bristol Bay portion of the range qualifies for tier 3, whereas information available for the Pribilof Islands portion of the stock does not. The team appears to be concerned about extrapolating information from Bristol Bay to the Pribilof Region. However, the SSC notes that this situation is not unlike the procedure currently used for BSAI cod where assessments for the EBS are extrapolated to the AI. The SSC encourages the Workgroup to consider an alternative which would split Tanner crab into Bristol Bay (tier 3) and Pribilof Islands (tier 4) for separate OFL determinations to match the separate TACs assigned to these areas by the state. However, it is not necessary for the Workgroup to spend too much time on this issue now, as the amendment is intended to provide the framework for such tier decisions as information is developed in the future.

The SSC previously reviewed and approved the analytical procedures used in the analysis.

C-4(c,d,e) Discussion Papers on Custom Processing, C-shares, and Post-Delivery Transfers

Mark Fina (NPFMC staff) provided the SSC with a brief overview of draft discussion papers pertaining to possible modifications to the crab rationalization program and an option for post-delivery acquisition of quota in the rockfish program. Public testimony was provided by Mateo Paz-Soldán (City of St. Paul, Central Bering Sea Fishermen’s Association, Tanadgusi corporation, and St. Paul IRA), Steve Minor (North Pacific Crab Association), and Dave Fraser (Adak Fisheries). The discussion papers provide useful initial explorations of the potential structural, economic, and distributional implications that may derive from changes to the status quo management rules. The SSC remarks that the Council (not the analysts) bears responsibility for developing problem statements and supporting objectives; it is difficult for the SSC to comment on the clarity of problem statements that staff describe as placeholders that have not been adopted by the Council.

The discussion papers indicate that the contemplated actions could lead to fundamental and potentially conflicting structural changes to the crab rationalization (and rockfish QS) programs. The SSC recommends that the Council articulate the problem being addressed and the purpose and need for the actions, to provide context for changes in management objectives.

D-1 Research Priorities for 2007

Diana Evans (NPFMC staff) provided an overview of new MSFCMA requirements for the development of five-year research priorities. The SSC also heard interesting presentations on ocean acidification (Jeff Short, NMFS-Auke Bay) and observations of endangered seabirds (Steller’s Eiders and Short-tail Albatross) in the northern Bering Sea (Greg Balogh, USFWS). The SSC is grateful for these excellent
thought provoking presentations. There was no public testimony on these presentations or on the topic of research priorities.

The revised Magnuson Stevens Fishery Conservation and Management Act (MSFCMA) requires that Councils develop research priorities for 5-year periods for “fisheries, fisheries interactions, habitats, and other areas of research that are necessary for management purposes”. The Council and SSC have a long history of working with the plan teams to develop lists of research priorities on an annual basis. **To meet the new MSFCMA requirements, the SSC has developed a list of research priorities for the next 5 years plus a more comprehensive list of research needs.** (The more comprehensive list is included as Appendix 3.) The 5-year research priorities were selected based on the SSC’s assessment of critical, pressing research needs on which progress can be made. In developing these research priorities and needs, the SSC considered advice from the groundfish, crab and scallop plan teams, the NPFMC’s groundfish policy work plan, data gaps identified in the Aleutian Islands Fishery Ecosystem Plan, and research priorities likely to be included in the new Future Integrative Science Program (FISP) of the North Pacific Marine Science Organization (PICES).

Within the 5-year priority list and within the comprehensive list, numbers are not intended to represent priorities.

**Research Priorities for 2007-2012**

1. Fisheries

A. Stock Assessments

1. Continuation of annual and biennial surveys in the GOA, AI and EBS are a critical aspect of fishery management in Alaska. It is important to prioritize these surveys in light of recent proposed federal budgets in which funding may not be sufficient to conduct these surveys. These surveys provide baseline distribution and abundance data that form the foundation for stock assessments and the development of ecosystem approaches to management. These surveys are considered the highest priority research activity contributing to assessment of Alaskan groundfish fisheries. Moreover, the expansion of routine surveys into the northern Bering Sea and baseline surveys of the Arctic Ocean will become increasingly important under ongoing warming ocean temperatures and range expansions of harvested fishery resources.

2. Continuation and expansion of cooperative research efforts to supplement existing surveys to provide seasonal or species specific information for use in improved assessment and management.

3. Improved stock assessment of “other species” and non-target crab. Highest priority research tasks include: (1) alternative indices of abundance (and biomass) and fishing mortality are necessary for species for which standard surveys are inadequate, and (2) life history information (specifically, natural mortality, size at maturity, and other basic indicators of stock production) for “other species” and non-target crab to allow application of Tier 5 or Tier 4 assessment criteria. Little information is available especially for sculpins, skates, octopuses, squids, grenadiers and some sharks.

B. Fishery Performance and Monitoring

1. Improvements in at-sea observations are needed in several areas: (1) species-specific identification of priority species on scientific surveys, (2) review and revision of observer deployment and coverage to adequately characterize total catch, as well as a review of sampling procedures (e.g., basket versus whole haul) employed by observers that form the basis for total catch estimation, (3) improved means of data collection especially on small vessels, and (4)
improved biological data collection of bycatch species (e.g., octopus, squid, skates, sharks, and non-target crab).

2. Improved estimation methods for total catch and fishing mortality of all target and non-target species at the stock and fishery level as well as at the level needed for various management programs. This may include revised observer deployment, use of flow scales, etc.

C. Fishery Management

1. Evaluate the effectiveness (e.g., potential for overharvest or unnecessarily limiting other fisheries) of setting ABC and OFL levels using Tier 5 and 6 approaches for rockfishes and other poorly assessed species (e.g., squid, octopus, skates, non-target crab).

2. Advancing ecosystem approach to fisheries management. This includes development of suitable indicators and indicator species (including novel approaches such as using corticosterone levels in predators as an indicator of prey availability, developing ecosystem reference points, including OY cap considerations, and improvements of current ecosystem models.

3. Development of forecasting tools that incorporate ecosystem indicators into single or multi-species stock assessments to conduct management strategy evaluations under differing assumptions regarding climate and market demands. Standardization of "future scenarios" will help to promote comparability of model outputs. Process-oriented research focused on local impacts of fishing on prey availability for top trophic level consumers will also be informative.

4. Development of spatially explicit stock assessments that allow for management to be linked appropriately to stock boundaries and habitat use.

2. Fisheries Interactions

A. Bycatch

1. Improved estimation of total bycatch including tier 2 marine mammals and seabirds. At present, it is clear that observer coverage in some fisheries is insufficient for estimation of total bycatch. Examples include the sablefish longline fishery, skate fishery, Pacific cod pot and longline fishery, halibut longline fishery, and sport fisheries. Improved accuracy of identifications and enumerations of bycatch species is necessary. The current program results in imprecise bycatch estimates for species, such as skates, sharks, yelloweye rockfish, and sablefish in halibut longline fisheries and discards in sport fisheries. Improved methods may include direct and alternative monitoring options (e.g., electronic logbooks, video monitoring) on smaller groundfish and halibut vessels.

2. Research on discard and handling mortality rates. Better estimates of discard mortality rates by gear and fishery is needed to estimate more accurately total bycatch mortality for all discarded species, with an emphasis on such species as crabs, skates, sharks, rays, and octopus.

3. Gear technology. Further research is needed on gear modifications and fishing practices for reducing bycatch, particularly for PSC species.

B. Expanded Ecosystem Studies

1. Climate change and fish communities. Changes in ocean temperature and acidity may affect managed species and lower trophic levels. For instance, if recent changes in ice cover and temperatures in the Bering Sea persist, they may have profound effects on marine communities. Apparent declines in zooplankton wet weight over the shelf measured by the Oshoro Maru could imply the loss of critical copepod and euphausiid prey of important species, such as pollock. Existing data sets (bottom trawl surveys, BASIS surveys) can be used to quantify changes in relative species composition of commercial and non-commercial species, identify and map assemblages, and monitor changes in the distribution of individual species and assemblages.
Additional monitoring may be necessary in the Aleutian Islands and other areas of the Gulf of Alaska.

2. Ecosystem structure studies. Studies are needed on the implications of food web interactions and global warming, ocean acidification, and selective fishing. For instance, studies are needed to fully evaluate selective removal of some components of the ecosystem (e.g., Pacific cod, pollock) relative to others (e.g., arrowtooth flounder).

C. Protected Species Interactions
   1. Population dynamics, life history and assessment of protected species including Steller sea lions, northern fur seals, spectacled eider, short-tailed albatross
   2. Local fishery interaction studies. Whereas global fishery control rules may generally prevent overfishing on a broad regional basis, non-random patterns of fishing may cause high rates of removals in local areas important to apex predators such as Steller sea lions and northern fur seals, spectacled eider, short-tailed albatross. More studies are needed to fully evaluate potential local effects of fishing on other components of the ecosystem (e.g., marine mammals and seabirds).
   3. Economic, social, and cultural valuation research (e.g., consumptive use, passive use, non-consumptive use).

3. Habitat
   A. Habitat mapping
      1. Improved habitat maps are required to identify essential fish habitat and distributions of various substrates and habitat types, including habitat-forming living substrates.

4. Other Areas of Research Necessary for Management Purposes
   A. Social and economic research
      1. Development of an ongoing database of product inventories (and trade volume and prices) for principal shellfish, groundfish, and salmon harvested by US fisheries in the North Pacific and Eastern Bering Sea. This database needs to include information about product form (e.g., canned, frozen, whole fish, fillets, value-added product, etc.), but does not need to be firm specific.
      2. Analyses of current determinants of exvessel, wholesale, international, and retail demands for principal seafood products from the GOA and BSAI;
      3. Kodiak is at the center of controversy associated with the recently adopted crab rationalization program. What were the direct and indirect impacts and how were the impacts distributed throughout the community? As Kodiak is also likely to be at the center of controversy over the likely consequences of Gulf rationalization, it would be particularly advantageous if research could be designed to use Kodiak or other Gulf communities as case studies in analyses of the effects.
      4. Develop a framework for collection of economic information on commercial, recreational, charter fishing, and fish processing to meet the requirements of this MSFCMA sections 303(a)(5, 9, 13), 303(b)(6), and 303A.

D-2(a) Increased maximum retainable allowances (MRAs) in the arrowtooth fishery

Tom Pearson (NMFS) and John McCracken (NPFMC staff) presented the initial review draft of the analysis of a proposal to raise the maximum retainable allowances of some groundfish species in the directed arrowtooth fishery in the Gulf of Alaska. Public testimony was provided by Julie Bonney
At present, the allowances are zero for all species, except pollock (5%), cod (5%), the “other species” category (20%), and forage fish (2%). The original intent of the zero rates, adopted in the 1990s, was to prevent fishing for arrowtooth as a means of gaining access to other species (i.e., topping off with economically valuable species other than arrowtooth). At that time there was no market for arrowtooth, but since then a market and a directed fishery have developed, so the zero retention allowances now have a potential to cause regulatory discards. The proposed amendment would increase the retention allowances, to a greater or lesser extent, depending on the alternative.

The actual mortality for all species in the fishery is not expected to change with the adjustment, unless the new MRAs stimulate changes in fishing behavior. The fishery is currently constrained by halibut PSC limitations. Potential changes in fishing behavior are theorized, but are not quantitatively included in the analysis. To decide what the appropriate MRAs should be for the arrowtooth fishery, the public needs to understand the scale of the economic incentives new MRAs will present to the fishery. The analysis should provide additional information showing the potential economic impacts attributable to changes in MRAs for each alternative, assuming no change in fishing behavior, acknowledging that some different species may be targeted through a “topping off” process. The staff agreed to undertake the addition of those figures, tables, and the interpretive text to the analysis. With that addition, the SSC recommends the analysis be released for public review.

D-2 (b) Salmon Bycatch workgroup report

The SSC received the Council’s Salmon Bycatch Workgroup report and presentation by Diana Stram (NPFMC staff). The workgroup was tasked with formulating methodology for establishing trigger and hard cap closure options to reduce salmon bycatch. These recommendations will be considered by the Council for incorporating into the forthcoming analysis of amendment 84B alternatives of caps and closure areas. The SSC endorses the workgroup recommendations and encourages additional consideration of the cap/closure accounting system based on salmon biological year (B season plus A season of the following year) and specific caps/triggers for A and B seasons.

D-2 (c) Guidelines for External review and cod workshop report

The SSC provided comments on draft guidelines for external review at the December 2006 Council meeting that have since been reviewed and revised by the groundfish, scallop, and crab plan teams. The guidelines are intended to provide guidance to the public on appropriate timing and expected results of external stock assessment review. The SSC endorses the revised guidelines and recommends use of these procedures in current and future stock assessment cycles.

The SSC also reviewed and revised SSC report writing policies and guidelines for SSC reviews of SAFE (Stock Assessment and Fishery Evaluation) documents. These documents are included as Appendix 1 and Appendix 2, below. The SSC recommends that both documents be posted on the Council’s web site.

The SSC also reviewed the Pacific cod workshop report that evaluated stock assessment models in both the BS and GOA. The SSC received public comment from Kenny Down (Alaska Frontier Company). The SSC commends Dr. Grant Thompson (AFSC) for his excellent work and thanks the AFSC for conducting the workshop. The SSC looks forward to presentation of results of additional model simulations in October, 2007.
D-2(d) Review of EFP for electronic monitoring of CGOA rockfish fisheries

Jason Anderson (AFSC) and John Gauvin provided a presentation of a proposed EFP to evaluate electronic monitoring (EM) as a tool to estimate halibut discards in the GOA rockfish pilot program fishery and the Environmental Assessment of the proposed EFP. The goal of the project is test the utility of EM as a means of estimating halibut PSC. If successful, EM may provide a more accurate estimate of discards than is provided by basket sample methodologies, and may do so at a lower cost than the cost of deploying groundfish observers.

The SSC supports the proposed project and encourages work to provide better tools for estimating discards and PSC.

One design aspect that should be discussed in the EFP is the process of sampling the retained catch for halibut not discarded. A major comparison in this feasibility test is whether the count of halibut by EM is a full count. Therefore, the catch should be segregated onboard to the smallest unit possible so that halibut discovered during offloading can be traced back to particular segments of the deck video.

Effective and efficient video review requires training and skill. This review process can be the most expensive component of EM and therefore cost of the review process should be well defined to allow comparison with the cost of observer coverage. Information on the time spent reviewing video from each camera, as well as measuring halibut lengths from the video observations should also be collected. The same care should be taken to record time on deck (likely on the video itself) so that the time required for different processes can be determined.

The experimental design for the project provides a comparison of halibut discard using EM, with a complete census of halibut discard by a human sampler, and with basket sample estimates conducted by a second sampler. The proposal lists a number of secondary comparisons to evaluate impacts of some other variables on halibut estimates, such as pace of discard, equipment placement, and reviewer bias. The project proposes a relatively small number of tows (30). Because the variability between tows could be large, comparisons should focus on standardizing the experimental configuration (i.e., discard chute placement, camera placement, etc.) and estimating the catch and size distributions, rather than trying to create multiple treatments or to post-stratify operational effects for comparison. It will be useful after data are collected to conduct a power analysis to determine the sample sizes needed to discern differences in estimated means.

The EFP application should be amended to provide a clear description of the intended disposition of bycatch. While focusing the experiment on halibut discard and testing the feasibility of full retention of other species is a reasonable experiment, a much broader application to other non-retained species would need to be tested prior to implementing EM in the fishery. The EFP application indicates an aspiration to conduct additional experiments in 2008, and may consider broadening the experiment to fully cover objectives of the observer program. The EFP should clearly indicate if this comparison is planned as a future experiment.

The document specifically details that catch would not be attributed to the TAC, but should explain the accounting process and categories for the mortality incurred under the EFP, to prevent future confusion.
D-4 Aleutian Islands FEP

The latest draft Aleutian Islands Fishery Ecosystem Plan (AI FEP) was presented by Diana Evans (NPFMC staff). Public testimony was provided by Dave Benton (MCA), Dave Fraser (Adak Fisheries), and Chris Krenz (Oceana).

The SSC compliments the writing team for their excellent efforts to prepare the latest draft document. The document contains a good overview of the Aleutian Islands marine ecosystem, including its physical setting, history, oceanography, biology, socio-economics, and interrelationships. At its March 2007 meeting, the SSC provided extensive comments on an early draft of the FEP. The current draft addresses many, but not all, of the SSC's comments. In their May meeting minutes, the Ecosystem Committee suggested that the AI FEP be treated as a living document, to be reviewed on an annual basis. The SSC agrees that the AI FEP should be treated as a living document. Treating the AI FEP as a living document would allow the following significant additions and revisions to be addressed in a future annual update:

1. Identification of objectives such as desirable and undesirable states of the ecosystem. A description of the Aleutian Islands ecosystem is interesting, but if the FEP is to have a role in influencing Council decision-making, it will be necessary for the Council to identify objectives related to attributes of the AI ecosystem. As the Council, Ecosystem committee, FEP team and public move towards identification of ecosystem states with preferred characteristics, it will be important to differentiate between feasible and infeasible states. Complex dynamic systems such as the AI ecosystem may not be capable of regenerating some past ecosystem states.

2. Fuller incorporation of ecosystem information provided in the 2005 special issue of the journal Fisheries Oceanography dedicated to the Aleutian Islands.

3. More thorough development of linkages with respect to ecosystem structure and function.


5. Other substantive comments in the SSC’s March 2007 report not addressed in the latest draft.

6. While the approach used to develop the risk and impact assessments in section 4 and summarized in Figure 4-3 and 4-4 is an appropriate initial step, it is important to recognize that Delphi methods are sensitive to the composition of the panel tasked with developing consensus. If the Council intends for the AI FEP to reflect human dimensions, it would be useful to expand the AI FEP team to include personnel with appropriate expertise; the present assessment of risk associated with commercial and subsistence activities and impacts is speculative.

The SSC supports release of the AI FEP once the following substantive and minor comments have been addressed.

Substantive Comments

Page 3-4. The text on page 3 (and also page 152) and Figure 1-1 on page 4 vaguely describe how the AI FEP team interfaces with the Council process. At the bottom of page 1 of the Ecosystem Committee’s Minutes for May 21, 2007, a three-step reporting process. The draft AI FEP should be revised to incorporate a description of that process.

The draft AI FEP needs to include a discussion of processes that will be used to obtain and update data derived from non-NOAA sources. E.g., data related to oil and minerals development, marine transportation, etc.
Page 27. The AI FEP team should consult with NMFS-NMML staff as to the appropriateness of Figure 3-12 as a representation of the distribution of SSLs within the Aleutian Islands. Previous analyses prepared by NMML have indicated that a coarser geographic scale is required to represent regional distributions of sea lions.

Page 39. The AI FEP should carefully review the regional scale represented in Figure 3-22 (see also page 184 in Appendix E). For some areas, the numbers of stomachs from which data are summarized are very low. For instance, only 11 stomachs were analyzed in area 166. The SSC recommends that the team should consider summarizing information over larger regional scales when sample sizes are small.

Page 57. This section should provide a reference to the NPFMC goals stated in the PSEIS. How do the management measures map into the goals selected by the Council?

Page 70. The methodology section needs further refinement. In particular, the criteria used to determine the likelihood of occurrence of adverse events and the magnitude of impacts associated with those events needs to be better explained. In addition, there should be a section that differentiates between impacts that would and would not necessitate Council action.

Page 84. The motivation for identifying separate OYs to support predator species is not clearly articulated. Defining separate OYs would seem to undermine the ongoing efforts to develop multispecies assessments that account for species interactions. This section is weak and should be dropped or perhaps abbreviated to indicate that there is a need to consider fishing mortality in the context of predation mortality within a complex predator-prey system.

Page 130. The captions in Figures 4-3 and 4-4 should be clarified to indicate that the _x_-axis is not probability in a statistical sense and that the _y_-axis does not reflect empirical estimates of the magnitude of impacts, rather, the axes represent subjective expectation about the relative probability of occurrence of events and subjective judgments about the magnitude of impacts.

The draft document should differentiate between qualitative judgments and subjective judgments. Qualitative judgments are judgments about attributes that are qualitative in nature, such as the difference between day and night. Different individuals asked to judge qualitative characteristics can be expected to agree on the value (day or night) of those characteristics. In contrast, subjective judgments are judgments where different individuals can be expected to disagree in their perception of the value of attributes.

**Minor Comments**

Page 16. Standardize the format for Figures 3-4 and 3-5.

Page 20. Reformat this graph show the fishing mortality rate relative to FMSY or its proxy.

Page 24. Include scale of miles and a map showing the location where the transects were taken in an insert.

Page 26. Include a line showing the number of stations per regional block. Does RACE division agree that these strata can be post-stratified in this fine-scale manner?

Page 70. The authors should reference the goals of the Council as stated in the PSEIS and examine current activities occurring in the AI to assess whether these goals are being achieved. The SSC agrees
with the ecosystem committee’s recommendation that the AI FEP team should attempt to evaluate thresholds for Council action.

Page 80. The idea of establishing a new advisory body would be unnecessary and undermine this current process where information is reported to Plan Teams and the SSC. The SSC recommends that the Council should encourage the continuation of the practice of developing a report on the status and trends of regional ecosystems and that this report should be reviewed by the groundfish plan teams and the SSC to ensure that the information is provided during the annual specification process. The SSC feels that the state of science regarding EAM is evolving and that the periodic reporting on the state of ecosystems relative to the goals of the NPFMC is a useful activity.

Pages 83-86. The document suddenly changes the format for the implications for management section. The section provides vague guidance regarding council action and several issues should be considered:

1. What is the goal for “balancing tradeoffs arising from biological (and other) ecosystem interactions?”
2. The document should clarify when mitigating an interaction is a TAC issue (as stated in the document) and when it is an ABC issue.
3. Page 84. If a food web model is used and the food web model utilizes information that is dated in terms of current feeding relationships, then is the information useful to managers?
4. The document states that a different management approach would be applied to prey species than predator species. However, the Council’s management policy is designed to set fishing mortality in recognition of the existing natural mortality. It is not clear why a separate harvest policy would be required for prey species.
5. Remove the jargon - What is a “detailed next generation ecosystem model”?
6. The reference to changing TACs when important predator prey interactions change needs reconsideration. This suggests that we alter harvest strategy to adjust for species abundance. Isn’t this what we are currently doing? The focus should be on biological reference points and not on TACs.

Page 130. Figure 4-3 and 4-4.. Events with unknown likelihoods and unknown impacts cannot be clearly determined to differ from events with low likelihoods or low impacts; thus it seems inappropriate to include them within the set of events highlighted in the charts.

Page 152. Revise sentence to read “groundfish plan teams and the SSC...”

Page 115. The analysis in Section P oversimplifies differences among fishery governance regimes and their social and economic consequences. A serious discussion of these issues would need to consider the effect on investment behavior, profitability, locus of ownership, patterns of employment, etc. There would also need to be a careful differentiation between governance structures that include spatial restrictions and those that do not.

D-5 Arctic Management

Bill Wilson (NPFMC staff) gave a presentation on a discussion paper that outlined options for management of fisheries in the Arctic. Public testimony was provided by Chris Krenz (Oceana).

The SSC agrees that the precautionary approach to management of the Arctic is warranted.
Although existing regulations may already restrict commercial fishing in the Arctic waters, the SSC encourages going forward with a comprehensive approach to Arctic fishery management as a proactive step to establish a regulatory framework in the event that a proposal for a commercial fishery is brought forward.

If Alternative 2 is selected and each FMP is amended, the SSC recommends that the FMP boundaries for the separate FMPS are consistent to create a common region for all FMPs. The SSC recommends that the authors clarify whether Alternative 2 only pertains to commercial fishing in the Chukchi Sea or whether the Beaufort Sea is also included.

As this is a discussion paper and problem scoping document, the text does a good job explaining the operational areas and potential relative to each FMP. Although the landmarks associated with FMP boundaries are mentioned, there are enough of them that a figure showing how the FMPs overlap and differ in overall footprint would be useful. The boundary between the Chukchi Sea and the Beaufort Sea is not well defined in the documents, but would need to be defined under Alternative 2, at least for FMP purposes.

In developing the NPFMC’s Arctic management plan, some accommodation for existing fisheries such as the Kotzebue Sound crab fishery may need to be considered. Stakeholder consultation would likely assist in the scoping of alternatives and objectives for management in this region.

The SSC recommends that the need for an FEP should be assessed after selecting the Alternative for management. The SSC considers the FEP to be an information document, not a policy setting document. If Alternative 3 is selected, the information on cross jurisdictional connections provided by a FEP could be addressed in the FMP. If Alternative 2 is selected, then the development of an FEP may be needed. The SSC recommends that the comprehensive FMP envisioned under Alternative 3 consider the broad array of ecosystem issues in this region, to the extent practicable.

**Other**

The SSC expresses deep appreciation for the service provided by Steve Parker and Gordon Kruse. Dr. Parker has accepted a new position in New Zealand. Dr. Kruse will be on sabbatical leave through June 2008. They will be missed.
PACIFIC NORTHWEST CRAB INDUSTRY ADVISORY
COMMITTEE (PNCIAC)
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May 7, 2007

PNCIAC Meeting Minutes from April 17, 2007  (Note change of address above)

Committee Area and Species: Bering Sea and Aleutian Islands king and tanner crab

Committee present: Steve Minor, Chair, North Pacific Crab Assn.; Rob Rogers, Icicle Sfds., Vice Chair; Tom Suryan, President, Skippers for Equitable Access; Lance Farr, F/V Kevleen K; Kevin Kaldestad, Kaldestad Fisheries LLC and ICE Group; Phil Hanson, V.P. UniSea Sfds.; Gary Stewart, F/V Polar Lady; Bering Sea Arbitration Organization; Gary Painter, F/V Trailblazer, BSFRF and ICE Group; Vic Scheibert, Trident Sfds.; Keith Colburn, F/V Wizard; Arni Thomson, Alaska Crab Coalition, Secretary, non-voting. Absent, Garry Loncon, Royal Aleutian Sfds.

Agency representatives present: Diana Stram, NPFMC Crab Plan Team Coordinator; Bill Tweet, WDFW and NPFMC; Dave Benson, NPFMC; Jack Turnock, Pat Livingston, NMFS, AKFSC; via teleconference: Shareef Shideek, Jie Zheng, Doug Woodby, Herman Savikko, Doug Pengilly, Forrest Bowers, ADFG; Gretchen Harrington, NMFS.

Industry present: Clyde Sterling, PPSF Inc.; Walt Casto, FV Pinnacle; Ron Lloyd, FV Pacific Mariner; Leif Mannes, FV Ocean Harvester; Jack Tagart, Tagart Consulting; Margo Posten, MSDH; Oystein Lone, skipper, crab boats; Thomas Parks, FV Katie K; Larry Hendricks, FV Sea Star; Gordon Kristjanson, FV Aleutian Mariner; Tim Kennedy, FV Mystery Bay; Svein Nyhammer, FV Rollo; David Wilson, FV Destination; Steve Hughes, Natural Resource Consultants, BSFRF; Dale Schwarzmiller, PPSF Inc.; Florence Colburn, Crab Group; Ron Brill, FV Cascade Mariner; David Harris, FV Arctic Mariner; Edward Poulsen, FV Artic Sea; Staale Brekkaa, FV Silver Dolphin; Dennis Thompson, FV Mystery Bay; Jim McManus, FV Royal Viking; Jim Stone, Ocean Fisheries LLC; Margaret Hall, Rondys Inc.; (sign-up list attachment)

Meeting called to order at 9:20 am.

1. Presentation by Diana Stram, approximately one hour. (powerpoint attachment)

Diana reviewed the 2006 MSFCMA revised requirements to prevent overfishing by requiring that FMPs “establish a mechanism for specifying annual catch limits in the plan (including a multiyear plan), implementing regulations, or annual specifications, at a level such that overfishing does not occur in the fishery, including measures to ensure
Amendment 7 of the Crab FMP which established the current definitions of overfishing, implemented by the NMFS in March 1999 called for a revision in five years or in the case of a change in environmental conditions.

Diana also noted further purpose and need for the new amendments to overfishing definitions to reflect current scientific information and to accomplish the following:

- Provide and FMP framework for definition values to facilitate use of the best available scientific information as it evolves.
- Provide a new tier system that accommodates varying levels of uncertainty of information and takes advantage of alternative biological reference points.
- Define the status determination of criteria and their application to the appropriate component of the population.

A major problem with the current overfishing definition components (Alternative 1 in the Environmental Assessment) is that it is based on total survey mature biomass—however the fishery targets on large males only. Crab scientists have determined that this can lead to overfishing under certain conditions. Alternatives 2 and 3 will correct this as it will use mature male biomass in the control rules. The model is only intended to be used in the short term as the Plan Team is planning to develop an “egg production index” incorporating female mature biomass modified by changes in male mature biomass.

2. Presentations by Gary Stauffer, Steve Hughes and Jack Tagart relating to the Bering Sea Fisheries Research Foundation concerns about the development of the snow crab model and the revision of the overfishing definitions, a review of the material and issues identified in Tagart Consulting correspondence of November 13, 2006; and February 6, 2007; and correspondence from BSFRF of March 21, 2007 to Doug Demaster requesting BSFRF permission to gain access to the “Turnock Model” (snow crab population dynamics) to conduct a series of sensitivity analyses that are listed; and DeMaster response of March 21, 2007 which only provides for BSFRF peer review in the winter of 20008, following proposed NPFMC action in the fall of 2007. (Attachments)

3. Concerns raised by committee members during presentations:

Annual Catch Limits and Accountability Measures have not been defined by the Agency yet ... how can the Council adopt a new assessment model without defined parameters?

Alternative 1, which could be combined with Alternative 2 or 3 under final action, could give the State exclusive management of several smaller crab fisheries by removing them from the FMP. This is a huge policy issue that needs further discussion.

The plan to use an "Egg Production Index" in modeling raises a lot of questions. Has this been used before in any fishery, anywhere?
Handling Mortality and Natural Mortality are not specified. There are not only significant variables, there is also concern that the CPT is relying on pre-rationalization data for these variables, and we know that handling mortality is changing (for the better) under the new rationalization system.

The preliminary analysis indicates that the new assessment models may further increase fleet consolidation. This is an already controversial issue that needs further discussion.

It appears that the Aleutian Islands Golden King Crab (AIGKC) fishery TAC may be permanently constrained at the current level, even in the face of rising CPUE’s.

It appears that Pribilof Red Crab may be closed indefinitely, even though there is a harvestable surplus under the current model. This poses potential major economic disruptions to St. Paul Island’s recovery plan.

4. PNCIAC Motion
The Pacific Northwest Crab Industry Advisory Committee provides the following comments and recommendations concerning the new stock assessment models and overfishing definitions under development in response to MSA requirements.

1. The potential impacts to industry and crab-dependent communities are not well known or understood by these shareholders.

2. CPUE’s in the major crab fisheries are improving significantly, indicating there is no immediate crisis.

3. There is a general concern that the stock assessment models are largely based on recent derby-style management and fleet behavior, which has changed significantly under the crab rationalization program.

4. There is no immediate legal deadline for implementation of the new OFL definitions.

Now therefore PNCIAC requests:

A. The new assessment models be provided to the Bering Sea Fisheries Research Foundation, as requested in their letter of March 21, 2007; for public peer review and greater understanding of the potential impacts.

B. That the BSFRF be afforded the opportunity to test the models and report back to industry and the Council as part of the public comment process.

C. That the Council defer final action on this issue until that peer review process is complete.
Motion by: Kevin Kaldestad; second, Rob Rogers.
Motion passed unanimous.

All the PNICAC Committee members made positive comments on the motion during discussion period, some of those comments are noted below.

Keith Coburn, Tom Suryan and Lance Farr all related experience-based comments as vessel captains generally noting that catch per unit of effort has improved dramatically in both the king and snow crab fisheries signaling an upswing in the mature biomass of the stocks. In addition they feel strongly that fishing mortality impacts have been greatly reduced under the new system, however, the proposed new fishing mortality estimates do not reflect this, but they should reflect these changes. They also noted that since there was no immediate time constraint to implement the revisions to the overfishing definitions, that final approval by the NPFMC should be delayed one season until the BSFRF has time to conduct a peer review.

Phil Hanson:
In the brief time since crab rationalization came into being we have seen dramatic changes in the fishery, the number of pots hauled, soak times, discard mentality changes, and a much lengthened season.

Vic Scheibert:
Trident is involved in both processing and catching. Regarding potential mortality we have seen a big change in the amount of pot pulls, sharing of gear, etc. from our recent Olympic style fishing history.

Arni Thomon: ACC generally concurs with the comments and supports the work that the BSFRF is doing and we support requesting a delay on final action to allow for peer review of the new models.

5. PNICAC elections:
Steve Minor reelected to Chair; Gary Stewart elected Vic Chair.

Chair appoints Overfishing Definitions subcommittee; Rob Rogers and Tom Suryan are co chairs.

Adjourn at 12:00 pm.

Steve Minor, Chair, PNICAC

Attachments: 7
Council Alternatives for Proposed Regulatory Revisions to the
North Pacific Groundfish Observer Program
June 11, 2007

Issue 1. Observer certification and observer provider permitting appeals processes

Alternative 1. No action. No change would be made to existing Federal regulations at 50 CFR 679.50(j)(1)(iv) that provide an appeals process to an observer candidate in the case that NMFS denies an observer candidate who failed training the opportunity to pursue further Alaska groundfish observer training. No change would be made to existing Federal regulations at 50 CFR 679.50(i)(1)(v) that provide an appeals process to an observer provider applicant in the case that NMFS denies an applicant an initial permit to become an observer provider.

Alternative 2. Remove the Federal regulations that provide an appeals process to an observer candidate in the case that NMFS denies an observer candidate initial certification and the opportunity to pursue further NMFS observer training. Remove the Federal regulations that provide an appeals process to an observer provider applicant in the case that NMFS denies an applicant an initial permit to become an observer provider. (Note that this alternative does not affect the ability of observers and observer providers to appeal any decision to revoke or sanction a certification or permit that is already issued.)

Issue 2. Observer conduct

Alternative 1. No action. No change would be made to existing Federal regulations that require that observers refrain from engaging in specified behaviors related to violating the drug and alcohol policy established by the Observer Program; engaging in illegal drugs; or engaging in physical sexual contact with vessel or processing plant personnel (50 CFR 679.50(j)(2)(ii)(D)). NOAA GC advises that these regulations are unenforceable, and/or outside the authority of NMFS.

Alternative 2. Remove current Federal regulations at 50 CFR 679.50(j)(2)(ii)(D) that attempt to control observer behavior related to activities involving drugs, alcohol, and physical sexual contact, and remove references to the Observer Program’s drug and alcohol policy in the regulations. Regulations would be revised to require each observer provider to have a policy addressing observer conduct and behavior, and current copies of each provider’s policy would be required to be submitted to NMFS.

Option 1: Add a requirement under 679.50(i)(2)(x)(I)(5) to require observer providers to submit information to NMFS concerning allegations or reports regarding a breach of the observer provider’s policy on observer conduct.1 Notification of such information is required within [24 hours, 48 hours, or 72 hours] after the provider becomes aware of the information.

Issue 3. Observer providers’ scope of authority regarding research and experimental permits

Alternative 1. No action. No change would be made to existing Federal regulations, which are unclear as to whether observer providers may provide employees to aid in research activities, including exempted fishing permits, scientific research permits, or other research. Current practice is to allow these activities, but the existing regulations are ambiguous.

1This notification requirement would mirror the current requirement at 679.50(i)(2)(x)(I)(5) that requires observer providers to submit information to NMFS concerning allegations or reports regarding observer conflict of interest or breach of the standards of behavior within 24 hours after the provider becomes aware of the information. Observer conflict of interest and standards of behavior provisions are at 679.50(i)(2)(i) and (j)(2)(ii), respectively.
Alternative 2. Revise Federal regulations to clarify that observer providers may provide observers or scientific data collectors for purposes of exempted fishing permits, scientific research permits, or other scientific research activities. In this role, NMFS observer program regulations would apply to observers operating under their NMFS certification but would not apply to scientific data collectors.2

**Issue 4. Fishing day definition**

Alternative 1. No action. The current definition of “fishing day” in Federal regulations allows vessel owners or operators to use any observer coverage incurred during a 24-hour period to count towards observer coverage requirements, which has resulted in vessels fishing and being observed in ways that are not representative of actual fishing behavior. No change would be made to existing Federal regulations at 50 CFR 679.2 which define “fishing day” as follows:

> Fishing day means to (for purposes of subpart E) a 24-hour period, from 0001 hours A.M. through 2400 hours A.M., in which fishing gear is retrieved and groundfish are retained. Days during which a vessel only delivers ursorted codends to a processor are not fishing days.

Alternative 2. Revise the definition of “fishing day” in Federal regulations as follows:

> Fishing day means to (for purposes of subpart E) a 24-hour period, from 0001 hours A.M. through 2400 hours A.M., in which fishing gear is retrieved and groundfish are retained. An observer must be on board for all gear retrievals during the 24-hour period in order to count as a day of observer coverage. Days during which a vessel only delivers ursorted codends to a processor are not fishing days.

Alternative 3. Establish regulations under 50 CFR 679.7 prohibiting activities that result in non-representative fishing behavior from counting toward an observer coverage day.

**Issue 5. Observer program cost information**

Alternative 1. No action. Observer providers would continue not to be required to report various subcategories of costs to NMFS.

Alternative 2. Require observer providers to report annual costs to NMFS according to the following subcategories: labor, overhead, transportation, housing, food, and insurance. This information would be reported on an annual basis, broken out by BSAI versus GOA fisheries, and by 30 percent, 100 percent, and 200 percent covered vessel/processor categories. All mandatory cost information would be confidential information.

Alternative 3. Require observer providers to provide the total billing information from the invoices to industry (and amount of observer days) by GOA and BSAI subareas; shoreside, 30%, 100%, and 200% covered vessel/processor categories; and gear type. All mandatory cost information would be confidential information. Prohibit allowing a person/entity that receives this confidential information on behalf of NMFS from being certified as an observer provider in the North Pacific.

> Option 1: Limit the mandatory economic data collection program to three years.

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2Note that there are circumstances in which observers would be required to account for removals or the research is being conducted within the context of the normal fishery.
Issue 6. Completion of the fishing year

Alternative 1. No action. No change would be made to existing Federal regulations allowing observer deployments to span two different fishing years and last for up to 90 days.

Alternative 2. Revise regulations to require that observers who collect fishing data in one fishing year during a deployment that extends into a second fishing year return from sea and be available for debriefing by February 28 of the second fishing year.

Issue 7. Miscellaneous modifications

Alternative 1. No action. Do not revise existing Federal regulations to address inaccuracies or housekeeping issues.

Alternative 2. Revise existing Federal regulations related to observer program operational issues as follows:

a. Regulations at § 679.50(c)(5)(i)(A) incorrectly reference a workload restriction at (c)(5)(iii). Replace (c)(5)(iii) with the correct reference at (c)(5)(ii).

b. Regulations at § 679.50 currently require observer providers to submit to NMFS each type of contract they have entered into with observers or industry. There is no deadline for submission of this information, although most providers currently operate as if there is an annual deadline for all submitted information. Establish a February 1 deadline for annual submissions of this information, which is consistent with the deadline for copies of ‘certificates of insurance.’

c. Update the NMFS Alaska Fisheries Science Center, Fisheries Monitoring and Analysis Division website address throughout 50 CFR 679.50.
Observer Advisory Committee Report
May 21 – 22, 2007
Alaska Fisheries Science Center
7600 Sand Point Way, NE, Seattle
Building 4, Room 1055
May 21: 12:30 pm – 5 pm
May 22: 8:30 am – 4:30 pm

Committee present: Joe Kyle (Chair), Bob Alverson, Jerry Bongen, Julie Bonney, Rocky Caldero, Paul MacGregor, Tracey Mayhew, Brent Paine, Susan Robinson, Thorn Smith

Committee not present: Kathy Robinson, Pete Risse

Staff: NPFMC – Chris Oliver, Nicole Kimball
NMFS/AFSC – Bill Karp, Martin Loefflad, Bob Maier, Heather Weikart, Jennifer Ferdinand
NMFS AK Region – Jason Anderson, Sue Salveson
NMFS HQ – Dennis Hansford
NOAA GC – Tom Meyer
NOAA Office for Law Enforcement (Alaska Division) – Mike Adams

Other participants: John Gauvin, Stacey Hansen, Jan Jacobs, Earl Krygier, Michael Lake, Todd Loomis, Dave Money, Diana Starr, Lori Swanson, Mike Vechter

AGENDA

I. Review and approve agenda

II. Review discussion paper and provide recommendations on proposed regulatory changes to existing North Pacific Groundfish Observer Program

III. Update on the National Bycatch Report initiative

IV. Update on Observer Program operations

V. Scheduling & other issues

SUMMARY OF OAC RECOMMENDATIONS

OAC recommendations on the proposed regulatory changes to the observer program (agenda item II) are as follows. See the relevant sections of the minutes for details.

Issue 1: Alternative 2.

Issue 2: Alternative 2. The committee recommended making the notification requirement an option under Alternative 2, and requested that staff provide some discussion or options in the analysis which would allow a longer timeframe in which a provider must report an incident.

Issue 3: Alternative 2. The committee also expressed desire to retain flexibility for observer providers to work with NMFS on the issue of allowing an observer to redeploy for an EFP prior to debriefing from their last observer deployment.

OAC report – May 21 - 22, 2007
Issue 4: The committee recommended that the agency further develop two additional options: 1) establish that a ‘water tow’ does not count towards an observer coverage day; 2) add a provision in 50 CFR 679.7 that defines and prohibits the activities NMFS is trying to prevent (i.e., fishing solely for observer coverage).

Issue 5: Replace Alternative 2 with the following changes to Federal regulations:

- Require observer providers to provide the total billing information from the invoices to industry (and amount of observer days) by GOA and BSAI subareas; shoreside, 30%, and 100% coverage level fisheries; and gear type.
- Prohibit allowing a person/entity that receives this confidential information on behalf of the government from being certified as an observer provider in the North Pacific, or alternatively, implement a non-competitive clause.
- Establish a time limit on the data collection (e.g., 2 - 3 years).

Issue 6: Remove Issue 6 from the proposed regulatory amendment package.

Issue 7: Alternative 2.

The committee also recommended:

1. The Council request that NMFS provide a breakout of the percentage of harvest observed for each year 2004 – 2006 for the subset of observed vessels >60’ LOA, in order to evaluate the effective rate of coverage in particular target fisheries. The data should be broken out by observer coverage category (30%, 100%), gear type, area (BSAI, and Western and Central Gulf subareas), and component of the catch by the ≤60’ fleet that is unobserved.

2. The Council send a letter to NOAA HQ asking to see the draft National Bycatch Report before it is finalized.

3. The committee expressed interest in reviewing the analysis for the amendment package prior to the Council taking final action, in order to make final recommendations on preferred alternatives.

I. Review and approve agenda

The agenda was approved with two additions: 1) Tracey Mayhew asked to provide an update on issues related to observer worker’s compensation issues, and 2) Julie Bonney asked to discuss whether updated data could be provided on observer coverage by target fishery and Central and Western Gulf areas. The Chair noted that the primary purpose of the meeting was to review the discussion paper (dated May 2007) and recommend any changes or additions. This task is in preparation for the Council’s review of the discussion paper at its June 2007 Council meeting. The paper was provided to the OAC prior to the meeting to facilitate its review.

II. Review discussion paper and provide recommendations on proposed changes to existing North Pacific Groundfish Observer Program

Jason Anderson (NMFS) presented a discussion paper outlining seven issues that NMFS is proposing to address in a regulatory amendment package, in order to make improvements to the existing North Pacific Groundfish Observer Program (observer program). Each of the seven issues is described separately, with proposed alternatives for analysis; each issue represents a mutually exclusive decision point.

Issue 1. Observer certification and observer provider permitting appeals processes

There is no statutory or other requirement that a new observer candidate be provided an appeals process if the candidate fails observer training and is denied initial certification and the opportunity to pursue further training. Similarly, there is no requirement that a new observer provider applicant be provided an appeals process if they are denied a permit. The granting or denial of observer certifications and observer provider
permits are discretionary agency actions. The action alternative (Alternative 2) would remove the Federal regulations that provide an appeals process to an observer candidate or new observer provider as described above. NMFS would continue to issue a letter to the candidate stating that they cannot pursue further observer training, but this decision would not be subject to appeal to NOAA. An observer candidate would continue to have the opportunity to pursue a challenge to that decision in district court.

The committee questioned whether this issue warranted changes, as NMFS reported that only two observers have appealed the decision not to allow further training and certification in the past. The committee also asked about the training pass/fail rate in recent years. Most recently, about 7% of the observer candidates failed training, which represented fewer than 24 observers. All of those who failed were told they could not re-take the training, and only two appealed that decision. NMFS reported that those who pass the training typically do so with a very high score.

Some concern was also expressed that better performance in training does not always translate to a better field biologist. Members noted that if an observer candidate wins an appeal under the current regulations, and if they eventually pass the training and become certified, they still have to be hired by an observer provider. Thus, allowing for the appeals process does not necessarily directly translate into poorer quality observers in the field.

However, concerns were also expressed that a poorer quality observer could take advantage of the appeals process to keep taking the test and eventually be successful in certification, potentially degrading the quality of the observer program and the data it produces. Given these concerns, and the fact that this is a discretionary provision by NMFS that does not affect compliance with the Administrative Procedure Act, the committee recommended Alternative 2.

**Issue 2. Observer conduct**

Current regulations attempt to control observer conduct so that certified observers present themselves professionally on vessels and at plants, at NMFS sites, and in fishing communities. NMFS has been advised by NOAA GC that many of these regulations are unenforceable, and/or are outside of its authority and need to be clarified or deleted. The action alternative (Alternative 2) would remove Federal regulations attempting to control observer behavior related to activities including drugs, alcohol, and physical sexual contact. The applicable policies addressing these behavioral issues would be the purview of each observer provider (the observer’s employer).

Generally, most members agreed that the providers should be responsible for policies related to standards of conduct. However, several members asserted that if providers were to be fully responsible, then they should not be required to report incidents related to behavioral problems to NMFS, which is part of the proposed alternative. Further discussion occurred related to whether an observer provider should have to report the incident to NMFS, similar to the current requirement that the provider must report information on observer conflict of interest or breaches of the other standards of conduct within 24 hours of becoming aware of the information.

NMFS contends that they need to continue to be informed because some of these problems can affect the observer’s performance and data quality. Several members were concerned that the proposed changes would remove NMFS’ authority to deal with or decertify observers upon such incidents; NMFS and NOAA GC noted that NMFS can continue to use reports of such incidents in the decertification process. This type of information is relevant as mitigating circumstances, if an observer behaved in such a way that their job performance and data quality were negatively affected.
One member suggested having every observer sign a document that says that they understand they are working under a zero tolerance policy. It was noted that observers under the union contract sign a ‘letter of understanding’ acknowledging that the observer will abide by the observer duties and responsibilities, standards of conduct, conflict of interest standards, and confidentiality standards; although it is not enforceable. Another member suggested that if vessel owners and shoreplants are not satisfied with an observer provider’s drug and alcohol policy, industry should address these issues when negotiating contracts with observer providers.

In general, most members agreed that it is not NMFS’ role to regulate and attempt to enforce observer behavioral policies. Members wanted to ensure that there would continue to be a policy in place (through the providers) and that the expectations for conduct are made clear during observer training. Many noted that industry, the observer union, and the observer providers should work collaboratively, with NMFS’ input, to redevelop such policies. Most members wanted to keep industry involved but did not think that this involvement needed to be federally regulated.

The OAC recommended Alternative 2, with the implementation concerns discussed above. The committee understood that this alternative requires NMFS to ensure that the observer providers have policies in place to address these types of activities, and that these are part of the contracts that providers employ with industry. The committee also understood that this alternative includes the requirement that NMFS must be notified by the provider upon learning of an incident, and that the notification requirement does not constitute an approval mechanism for NMFS to remove an observer from a boat for incidents related to these specific activities (drugs, alcohol, physical sexual conduct). This type of sanction would be the responsibility of the observer provider. The committee recommended making the notification requirement an option under Alternative 2, and requested that staff provide some discussion or options in the analysis which would allow a longer timeframe in which a provider must report the incident (e.g., more than 24 hours).

Issue 3: Observer providers’ scope of authority regarding research and experimental permits

Current Federal regulations are unclear as to whether observer providers can provide observers or scientific data collectors for research activities. The action alternative proposed by NMFS (Alternative 2) would clarify that this is allowed, for purposes of exempted fishing permits (EFPs), scientific research permits, or other scientific research activities. NMFS observer program regulations would apply to observers operating under NMFS certification but would not apply to scientific data collectors. (There are circumstances in which observers would be required to account for harvest removals or the research is being conducted within the context of the normal fishery.)

Generally, the committee was supportive of this regulatory change, given that several members represent operations that use EFPs for various research activities. Members noted that revisions to the regulations could serve to clarify the responsibilities of both the observer provider and the observer.

One provider asked whether Alternative 2 addresses the question of whether an observer can move from a normal observer role to an EFP in the same deployment, i.e., whether an observer can be deployed on another vessel (for an EFP) prior to completing the debriefing process. NMFS’ concern is that some research activities can take a long time, thus significantly delaying the necessary closure on an observer’s deployment (i.e., debriefing). In addition, NMFS conveyed that switching roles within the same deployment has at times caused confusion; an observer isn’t always aware of the changes in rules or sampling protocol if a vessel abruptly switches from normal operations to operating under an EFP. Thus, NMFS would like to maintain the ability to require that observers complete their work as observers before they are re-deployed in another capacity (e.g., as a scientific data collector). However, the existing language proposed under Alternative 2 is not clear in this regard.
The industry and providers’ concern with this intent is related to the likelihood of a back-up in the debriefing process at peak times in the season, thus precluding the observer from being available for deployment immediately on an EFP. The providers expressed the desire to retain some flexibility for this purpose. NMFS committed to working with the providers on this issue, and agreed that it is more appropriately a policy and program operations issue than a requirement that must be included in Federal regulations under Alternative 2. Note that there is no proposal to remove the current regulation that requires that an observer must be de-briefed within five days of the fishing trip.

The committee recommended Alternative 2, but expressed desire to retain flexibility to work with NMFS on the issue described above.

Issue 4: Fishing day definition

In January 2005, the NMFS Sustainable Fisheries Division received a memorandum from NOAA Enforcement requesting revision of a regulation defining “fishing day” for purposes of enforcing observer coverage requirements. Specifically, Enforcement relates concerns that Federal regulations governing the 30 percent observer coverage requirement are unclear as to whether they allow vessel owners and operators to use any amount of observer coverage incurred during a 24-hour period to count towards coverage requirements. While many vessels operate with an observer as they would without an observer, others intentionally alter their fishing behavior specifically to meet observer coverage requirements. For example, if a vessel needs two additional days to meet coverage requirements, the owner or operator could retrieve a haul at 11:30 pm and retrieve a second haul at 12:30 am the next day, and obtain two observer coverage days. Often these hauls are not representative of normal haul durations, location, and depth, and catch composition could vary significantly.

NOAA Enforcement recommended revising the definition of “fishing day” to resolve this concern (Alternative 2 requires that an observer must be on board for all gear retrievals during the 24-hour period in order to count as a day of observer coverage). However, during the course of internal agency discussions, NMFS and Council staff agreed that Alternative 2 may not be preferable, as it may adversely affect normal fishing operations and substantially increase costs. Therefore, NMFS specifically requested input from the OAC on a regulatory revision that reduces vessels’ ability to operate in this manner, but does not significantly adversely affect normal fishing operations.

The OAC agreed that there could be a legitimate situation in which this applies to a vessel, most notably when nearing a fishery closure or due to (inadvertent) poor planning. This provision likely would apply primarily to the 30% hook-and-line and trawl fleets in the Gulf, as pot vessels are subject to different coverage requirements. Gulf representatives noted that there have been, at times, observer availability problems, resulting in some vessels becoming nervous that they won’t be able to meet their coverage requirements before the fishery closes. One vessel may drop an observer off at the dock early, simply so another vessel can take them and not be found in violation. However, members also generally agreed that non-representative fishing occurs in various forms, and that this serves to degrade the credibility of observer data. Alternative 2 would increase costs to both a legitimate operator and one who is purposefully manipulating the system.

In general, three types of problem activities were identified:
1. Taking an observer part of the day (with limited gear retrievals), dropping them off mid-day and going back out to fish.
2. Completing one tow before midnight and one tow after midnight to receive two days of observer coverage.
3. Conducting only ‘water hauls’ with the observer onboard, in which no or few fish are harvested.
Several members also noted that NMFS has not provided sufficient quantitative analysis to document the problem. For example, members wanted to know how many vessels have conducted one tow in a 24-hour period, or a few tows only between 10 pm and just after midnight, etc, in order to groundtruth the issue. NMFS noted that while some of these data can and will be provided, it would not clarify whether the instance is normal fishing behavior or intentional manipulation of the regulations. In addition, understanding the percentage of the catch that is affected by this behavior does not sufficiently define the problem, since the data are also supposed to provide an adequate representation of the spatial and temporal distribution of the harvest in a target fishery.

Several members and NMFS agreed that true resolution of this issue in the 30% fleet is only possible through a change in the service delivery model (i.e., restructuring of the observer program). Any other potential solution within the current service delivery model will only offer limited benefits. The OAC thus discussed whether these limited benefits were worth potentially penalizing legitimate operations. One member noted that a similar discussion was had several years ago in the context of the restructuring analysis, and at that time the committee agreed that it was not equitable to address the issues within the 30% fleet absent restructuring or some level of subsidized observer coverage for the Gulf.

Other members stressed that this problem would be mitigated in part by improving communications between observer providers and industry, which may not require Federal regulations. Some providers noted that if industry knows it will be a three day fishery, some vessels wait until the last minute before requesting an observer, anticipating an observer availability problem.

Members were concerned with the possibility of severely penalizing all vessels due to the unacceptable behavior of a few. Alternative 2 as proposed in the discussion paper was not regarded as a preferable solution due to the potential cost implications. The OAC discussed several alternative regulatory solutions to the problem identified by NMFS and NOAA Enforcement, including:

- Requiring a minimum percentage of gear retrievals to be done with an observer onboard that would constitute statistically sound PSC estimates. One member noted that this is not likely feasible, as one retrieval might represent an entire vessel load.
- Change the regulatory definition of a “Fishing Day” from a 24-hour period, from 0001 hours A.M. through 2400 hours, to a 24-hour period from noon to noon. Require that an observer be onboard and observe all gear retrievals for one of the two consecutive 12-hour periods. Members noted that while this may represent a compromise position relative to the proposed Alternative 2, it does not resolve all of the identified problem activities.
- Establish that a gear retrieval that does not result in any target fish does not count towards observer coverage. The committee questioned whether the entire day of observer coverage is foregone if one gear retrieval during the period does not result in any target fish.
- Require the observer to bring back the logbook pages, and require NMFS or NOAA Enforcement to evaluate them to determine whether vessels were purposefully fishing in a non-representative manner with the observer onboard.
- If only one gear retrieval is completed in a fishing day, require that that retrieval must meet a minimum time period or tonnage (e.g., at least 20 minute tow, at least one ton, etc.)
- Require that a vessel provide additional advance notice to an observer provider when it needs an observer (e.g., 30 day notice). Some industry members noted that a vessel cannot always know what it needs ahead of time and wants to avoid paying for more coverage than necessary.
- Retain the current 30% observer coverage regulations and add a requirement such that 30% of the tonnage of each target species must be covered.
- Increase the current 30% coverage requirement to 35% or greater, in order to create a buffer in the system to produce at least 30% coverage. Members expressed concern with simply increasing the amount of ‘non-representative’ fishing data under this option.
• Establish that a ‘water tow’ does not count towards an observer coverage day.
• Add a provision in 50 CFR 679.7 (prohibitions section) that defines and prohibits the activities NMFS is trying to prevent (i.e., fishing solely for observer coverage). NOAA Enforcement could review on a case by case basis and prosecute as necessary.

NOAA Enforcement reminded the OAC to focus on solutions that are enforceable. In addition, NMFS would not want an observer to have to judge whether a tow constitutes an observed tow or not.

NMFS also noted that due to the rockfish pilot program (100% coverage) and the July flatfish sideboards, this will not be an issue in the rockfish fishery in the future. In addition, the Gulf trawl pollock and cod fisheries are fairly short, 3-day fisheries, so there is not time for a vessel to manipulate the system. In effect, the only Gulf fisheries in the near future to which this issue could apply are the flatfish fisheries and the longline fisheries, although it was noted that very few vessels greater than 60’ fish in the Gulf with longline gear (and are thus subject to 30% coverage requirements).

The discussion of this issue also spurred discussion of a broader data request, similar to what was provided in the restructuring analysis in 2006. The committee requests that NMFS provide a breakout of the percentage of harvest observed for each year 2004 – 2006 for the subset of observed vessels >60’ LOA, in order to evaluate the effective rate of coverage in particular target fisheries. The OAC requested that the data also be broken out by observer coverage category (30%, 100%), gear type, area (BSAI, and Western and Central Gulf subareas), and component of the catch by the ≤60’ fleet that is unobserved. Some of these data may be provided as appropriate in the analysis under Issue 4 of the proposed regulatory amendment, but the intent is that the overall data represent a separate product. NMFS emphasized that this type of data analysis will show the strengths and weaknesses of the overall system more so than what is attributable to the particular problem identified in Issue 4.

Given that there is no clear solution within a regulatory environment, the OAC discussed whether to set this issue aside at this time and ask NMFS to conduct a separate assessment of the scope of the problem, and whether it is potentially limited to the flatfish trawl fishery. The committee ultimately recommended that the agency further develop the last two bulleted ideas suggested in the above list. While the committee did not endorse Alternative 2 as proposed in the staff discussion paper, it did not recommend removing that alternative, as it may serve as comparison in the analysis. In addition, the committee noted that if after reviewing the draft analysis there is not consensus that there is a problem, the committee could recommend eliminating Issue 4 or recommending Alternative 1 (status quo) as its preferred alternative.

Issue 5. Observer program cost reporting

Currently, NMFS lacks precise information on the total costs, and components of those costs, of the industry-funded component of the groundfish observer program, and is thus limited in the type and scope of analysis it can support. The cost information required under current regulations is limited to a copy of the general type of each signed and valid contract between the observer providers and industry. The information provided is generally limited to the daily fees charged by the providers or the daily rates of pay for observers (e.g., $355/day). NMFS has proposed (Alternative 2) to require that observer providers report annual costs to NMFS according to the following categories: labor, overhead, transportation, housing, food, and insurance. These would be further broken out by BSAI versus GOA fisheries, and by 30%, 100%, and 200% covered vessel/processor categories. The discussion paper explicitly noted that all cost information provided is considered confidential, and thus must be aggregated sufficiently in order to be provided in a public document.
The committee appeared to have fewer problems with providing proprietary information to NMFS than it did with the potential implementation of the confidentiality provisions provided in the Magnuson Stevens Act (MSA). Several examples were cited to support a lack of confidence in the confidentiality aspects of the proposed alternative. First, in 2005, a company that was under contract with NMFS in a previous year to audit the observer program (and thus, received confidential business information from each existing observer provider) was certified to become a competing observer provider for the North Pacific groundfish fisheries. While this concern was made known to NMFS at the time, there were no regulations that prevented the company from becoming legitimately certified.

Second, in the recent past, Oceana submitted a FOIA request for vessel specific fishery information that NMFS agreed was confidential and thus could not provide. Subsequently, the Dept. of Commerce General Counsel disagreed and stated they intended to provide the requested data. As a result, industry filed suit in Federal district court. While the request was eventually withdrawn by Oceana, it was expensive for industry and resulted in a lack of confidence in the confidentiality provisions.

The confidentiality issue is exacerbated by the fact that there are only five observer providers, three of which provide the vast majority of observer days. In addition, one provider (Saltwater, Inc.) services the majority of the Gulf fisheries. Thus, even aggregation rules may not prevent the public from being able to discern confidential information relative to a specific provider.

NOAA GC noted that Section 402(b) of the MSA was recently amended in 2006 to add 1) a few additional disclosures for information that is considered confidential under the act, and 2) stricter standards by which the government can disclose information to entities that are authorized to receive this information.

The OAC also questioned the analytical gains from providing the cost components (breakdown by subcategory) as proposed in Alternative 2. Some members noted that the disproportionate observer costs experienced within the Gulf fisheries would be better understood if these variable costs could be provided, even in aggregate form. NMFS also noted that it is not possible to provide a comprehensive economic analysis of a restructured program (i.e., new service delivery model in which NMFS contracts directly with observer providers) without more detailed costs than the average observer cost per day. Variable costs would allow analysts to provide the difference in costs by sector, deployment, and region, as well as the fraction of the total cost associated with observer remuneration versus travel/overhead (fixed costs). This information is necessary to analyze the cost of the status quo, as well as costs under a restructured observer program. If NMFS and the Council reconsider restructuring, which includes a maximum fee level to cover the cost of observer services, it is necessary to know how much observer coverage is afforded under that maximum.

Most members agreed that NMFS needs to gather enough information to inform the public process, while at the same time considering the observer providers’ concerns about confidentiality. Support for requiring cost information was stronger from those representing Gulf fisheries that want to enable observer restructuring efforts to proceed. Given that, several suggestions were raised for discussion, including:

- Finding other ways to receive cost information other than a mandatory economic data collection program, such as industry invoices, research on airplane fares, etc.
- Establishing a time limit on the data collection effort, for example, two to three years
- A prohibition on allowing a person/entity that receives this confidential information on behalf of the government from being certified as an observer provider in the North Pacific. Similarly, a non-competitive agreement could be developed, such that it must be agreed that a person/entity that receives confidential information on behalf of the government would not engage in competition with the businesses providing the information.
- Requiring submittal of this information from individual vessels and processors
Concerns were expressed about requiring submittal of this information from individual vessels and processors, as only the total cost of what boat owners pay (as opposed to the cost components) would be available. In addition, it complicates the data collection process in shifting from five observer providers to potentially hundreds of entities.

In sum, NMFS noted that the more detailed the information provided, the better the ability to provide a comprehensive economic analysis on related issues. NMFS noted it does not want to be more intrusive than necessary or implement an overly complicated system. The agency would still benefit from receiving overall information by BSAI and GOA subareas, if not by all categories proposed in Alternative 2.

**The OAC recommended replacing Alternative 2 with the following:**

- Require observer providers to provide the total billing information from the invoices to industry (and amount of observer days) by GOA and BSAI subareas; shoreside, 30%, and 100% coverage level fisheries; and gear type.
- Prohibit allowing a person/entity that receives confidential observer provider information on behalf of the government from being certified as an observer provider in the North Pacific, or alternatively, implement a non-competitive clause.
- Establish a time limit on the data collection (e.g., 2 - 3 years).

**Issue 6. Completion of the fishing year**

Currently, NMFS completes quality control checks and finalizes all observer data as soon as possible after the close of the fishing year; these data are then available to NMFS and Council analysts who need the full year data set to develop requested analyses. Because current regulations allow observer cruises to span two different fishing years and deployments can last up to 90 days, observers deployed late in one fishing year can delay completion of the entire data set and its availability until as late as March of the following year. Under Alternative 2, NMFS proposes to establish a cutoff date (February 28) whereby observers collecting fishing data over a span of two years in the same deployment would be required to return to port and be available for debriefing.

NMFS noted that the sooner the data are available, the better. The February 28 proposed date (as opposed to the current potential of not receiving data until the end of March), while still not ideal, is preferable to the status quo. NMFS noted that this issue relates almost exclusively to freezer longline vessels harvesting Pacific cod late in the year, in both the CDQ and non-CDQ fisheries. These vessels can then start new fisheries on January 1.

Members expressed concerns about shortening the length of observer deployments in such situations, as it potentially causes a hardship on both the observer and industry. In addition, many members thought that the scale of the problem is relatively small and thus does not warrant a regulatory fix. Table 1 in the discussion paper shows that only 7 observer cruises spanned 2006 and 2007 as part of the same deployment and had fishing continue into March. Members wanted to know what level of harvest (pounds) these trips represented. Other members interpreted this table such that the solution proposed by the agency would not cause an undue burden on a significant number of observers.

Some members questioned, if timing is the issue, whether this data is necessary for a ‘complete’ data set for the fishing year. NMFS noted that data from late in the year, most notably size and age distribution data, are often different from those earlier in the year. Thus, it is not solely an issue of having fewer data if data late in the year were excluded. These data are used for both stock assessment purposes and for other Council analyses. It is the users of the data at the Alaska Fisheries Science Center that have requested expediting this information.
Other potential solutions to the identified problem were also discussed. One member suggested that because all of the vessels at issue have ATLAS software, the observer could complete a mid-cruise debriefing at such time that a vessel comes into port for a delivery. This would mitigate the need to fly an observer to Anchorage to debrief and find a new observer to ‘finish’ the trip. NMFS noted that mid-cruise debriefings typically take a considerable amount of time, and they have had problems in the past working with providers to ensure the observer is in port long enough to complete a comprehensive debriefing. One member also noted that contrary to the discussion paper, observers on freezer longliners typically prefer to be on longer deployments, thus, the observer would not benefit from being required to cut the deployment short.

One observer provider suggested a replacement for Alternative 2, as follows:

- The observer generates a set of data for the first year under a NMFS issued cruise code.
- On January 1 of the second year, the observer starts a new data set with a second cruise code.
- At the first offload in the second year, the observer submits data from the previous year to the NMFS field office. If there is adequate time, the observer completes their computer input and debriefing for that data in the field.
- If there is not adequate time to debrief at the first offload, observers offloading in remote ports would send data by certified mail to NMFS in Anchorage or Seattle, and follow-up with debriefing on a subsequent offload.

In general, most OAC members understood the issue but were not supportive of the solution proposed in the discussion paper. The committee did not see a pressing need for a regulatory solution, as the number of cruises affected is relatively small. NMFS could first attempt to implement the intent of the (bulleted) alternative above through working with the observer providers in the next couple of years (i.e., debrief some observers in Dutch Harbor), and then re-evaluate whether a regulatory solution is necessary. **The committee recommended that Issue 6 be removed from the proposed amendment package.**

**Issue 7: Miscellaneous modifications**

Issue 7 outlined three minor housekeeping issues related to regulatory language that needs to be updated or corrected. The OAC agreed with such revisions. **The committee recommended Alternative 2.**

### III. Update on the National Bycatch Report initiative

As requested by the Council, Dr. Bill Karp provided a similar update on the National Bycatch Report initiative to the OAC as provided to the Council in December 2006 and March 2007. This is a NOAA HQ driven initiative to develop a report on regional and fishery-specific bycatch of fish, marine mammals, and seabirds. The intent is to provide current information to inform the U.S. public and international community on the status of bycatch in our nation’s fisheries. Bycatch levels in each Federal commercial fishery would be quantified and used to monitor progress in bycatch over time. A tier system was developed to characterize the level of data available relative to bycatch in specific fisheries, such that fisheries can be comparably ranked across regions. The initial version of the report is expected sometime in 2008, and will contain 2005 data and estimates.

The committee asked about the definition of bycatch used in the development of the report, as all regions should be compared using the same definition. Dr. Karp reported that the definition being used is consistent with that in the MSA (i.e., at sea discards). Dr. Karp will continue to update the OAC as this effort progresses.

**The OAC recommended that the Council send a letter to NOAA HQ asking to see the draft report before it is finalized.**
IV. Update on Observer Program operations

Dr. Karp provided an update on observer program operations, noting that a fully staffed program equates to 45 observer program FTEs, at an annual cost of $5 million. Due to increased costs over the last several years (e.g., salaries, rent, etc.), the program has not been fully staffed. There are 32 current staff, and NMFS is in the process of hiring 3 more. While most staff are located in the Seattle office, a field office was opened in Anchorage three years ago with the intent of building the observer cadre. The cadre has typically consisted of 6 – 7 individuals, with 1 in Kodiak and another 1-2 in Dutch Harbor.

The demands on the observer program resulting from new Council programs have increased substantially over the past five years, without resulting in a larger budget. NMFS is thus obligated to maintain the observer data system and coverage levels in regulations with fewer resources. In sum, there is not a sufficient budget to support maintaining the observer cadre (Anchorage field office) at a level at which it can function effectively. Thus, the observer cadre will not be continued, and NMFS will focus primarily on core functions.

Another example of the challenges surfacing recently has been the major debriefing backlogs at certain times of the year, which are driven by external factors such as the fishing calendar, timing of fishing closures, etc. NMFS has recently developed a contract to hire individual debriefers to assist in peak debriefing times.

In addition, the Observer Training Center (OTC) in Anchorage has been responsible for the majority of observer training and briefing. The OTC has typically been provided funds through a grant. As a result of a legal review of that arrangement, NMFS was asked to change its relationship with the OTC due to oversight issues and because funding must be based on negotiated costs relative to contract provisions.

Dr. Karp also noted that NMFS is undertaking some test monitoring in the halibut fishery, in cooperation with the Fishing Vessel Owners Association, as well as undertaking a rockfish EFP. The rockfish EFP is a NMFS AKR/AFSC/industry collaboration to evaluate how one might employ electronic monitoring (EM) for halibut PSC accounting. PSC accounting is the primary factor driving the need for the 100% observer coverage requirement in the Gulf rockfish catcher vessel fleet, as it is operating under individual bycatch accounts in the new rockfish pilot program. The EFP has two phases: 1) compare basket samples versus whole haul samples versus EM for halibut PSC; and 2) use video in combination with 100% observer coverage to find ways to potentially shift away from 100% observer coverage in the future.

V. Scheduling and other issues

Observer worker’s compensation

This issue was added to the agenda at the request of a committee member (Tracey Mayhew). Ms. Mayhew provided a brief update on recent issues related to the Federal Employee Compensation Act (FECA). In the case an observer is injured, they are considered federal employees and can receive worker’s compensation under FECA. She noted that some insurance companies are insisting that an observer go through FECA for compensation. As a result, it is taking a long time for observers to be approved for medical compensation and overtime pay is not being included in the compensation calculation. Some long-term solutions were discussed at the 2007 International Fisheries Observer Conference on how to improve service out of FECA, and the National Observer Program is going to contact the Department of Labor, Office of Worker’s Compensation to develop short-term solutions.

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1 Electronic monitoring is intended to provide a length estimate in order to estimate halibut weight.
One provider noted that this issue was a problem for several years, but that they are now relatively satisfied with the current system. Dr. Karp noted that the Federal Observer Compensation Act (FOCA) continues to be a proposal within the Department of Commerce; if there is no longer industry support for FOCA, industry should notify the agency.

Schedule for next OAC meeting

If the Council initiates an analysis for the proposed regulatory amendment package that was discussed under agenda item II, initial review could be scheduled as soon as October 2007, with final action at a subsequent Council meeting. Implementation could not likely take place until the beginning of 2009. The committee expressed interest in reviewing the analysis prior to the Council taking final action. The committee noted that it is not feasible to hold an OAC meeting in November, due to the end of the fishing season and peak briefing time.
North Pacific Fishery Management Council

Research Priorities and Needs

The North Pacific Fishery Management Council has developed a list of research needs and priorities, in three parts. This document contains the following sections:

- Research Priorities for 2007–2012
- Comprehensive Research Needs for North Pacific Fishery Management


I. Fisheries

A. Stock Assessments

1. Continuation of annual and biennial surveys in the GOA, AI and EBS are a critical aspect of fishery management in Alaska. It is important to prioritize these surveys in light of recent proposed federal budgets in which funding may not be sufficient to conduct these surveys. These surveys provide baseline distribution and abundance data that form the foundation for stock assessments and the development of ecosystem approaches to management. These surveys are considered the highest priority research activity contributing to assessment of Alaskan groundfish fisheries. Moreover, the expansion of routine surveys into the northern Bering Sea and baseline surveys of the Arctic Ocean will become increasingly important under ongoing warming ocean temperatures and range expansions of harvested fishery resources. In particular, increase the annual survey to include the North Bering Sea Research Area (NBSRA) “wedge”\(^1\). The Council recognizes that funding is tight for stock assessment and surveys. If additional funds are not available, NMFS should consider a scientific research plan that provides a baseline in this relatively untrawled NBSRA as well as “cost recovery” in the “wedge”.

2. Continuation and expansion of cooperative research efforts to supplement existing surveys to provide seasonal or species specific information for use in improved assessment and management

3. Improved stock assessment of “other species,” non-target crab and rockfish. Highest priority research tasks include: (1) alternative indices of abundance (and biomass) and fishing mortality are necessary for species for which standard surveys are inadequate; and (2) life history information (specifically, natural mortality, size at maturity, and other basic indicators of stock production) for “other species” and non-target crab to allow application of Tier 5 or Tier 4 assessment criteria. Little information is available especially for sculpins, skates, octopuses, squids, grenadiers and some sharks. In particular for rockfish, conduct appropriate survey and analysis to aid the Council in developing mechanisms to assess species that are locally lumped in their distribution and are thus not adequately represented (either over or under estimated) in the annual or biannual groundfish surveys.

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\(^1\) The “wedge” refers to the area between St Matthew and Nunivak Islands, north to 60° N. The longitudinal expanse between the two islands has been reported as the first area likely to be utilized by the flatfish trawl fleet, if the sea ice edge moves and fish stocks migrate northward.
B. Fishery Management

1. Evaluate the effectiveness (e.g., potential for overharvest or unnecessarily limiting other fisheries) of setting ABC and OFL levels using Tier 5 and 6 approaches for rockfishes and other poorly assessed species (e.g., squid, octopus, skates, non-target crab).

II. Fisheries Interactions

A. Bycatch and Observer Issues

1. Improved estimation of total bycatch including tier 2 marine mammals and seabirds. At present, it is clear that observer coverage in some fisheries is insufficient for estimation of total bycatch. Further, observer coverage must be analyzed to compare, to the extent possible, the total catch, bycatch, and fishing behavior between observed and unobserved fishing vessels. Examples include the CV trawl fisheries, sablefish longline fishery, skate fishery, Pacific cod pot and longline fishery, halibut longline fishery, and sport fisheries. Improved accuracy of identifications and enumerations of bycatch species is necessary. The current program results in imprecise bycatch estimates for species, such as skates, sharks, yelloweye rockfish, and sablefish in halibut longline fisheries and discards in sport fisheries. Improved methods may include direct and alternative monitoring options (e.g., electronic logbooks, video monitoring) on smaller groundfish and halibut vessels.

2. Gear technology. Further research is needed on gear modifications and fishing practices for reducing bycatch, particularly for PSC species (e.g., salmon).

B. Expanded Ecosystem Studies

1. Climate change and fish communities. Changes in ocean temperature and acidity may affect managed species and lower trophic levels. For instance, if recent changes in ice cover and temperatures in the Bering Sea persist, they may have profound effects on marine communities. Apparent declines in zooplankton wet weight over the shelf measured by the Oshoro Maru could imply the loss of critical copepod and euphausiid prey of important species, such as pollock. Existing data sets (bottom trawl surveys, BASIS surveys) can be used to quantify changes in relative species composition of commercial and non-commercial species, identify and map assemblages, and monitor changes in the distribution of individual species and assemblages. Additional monitoring may be necessary in the Aleutian Islands and other areas of the Gulf of Alaska.

2. Ecosystem structure studies. Studies are needed on the implications of food web interactions and global warming, ocean acidification, and selective fishing. For instance, studies are needed to fully evaluate selective removal of some components of the ecosystem (e.g., Pacific cod, pollock).

C. Protected Species Interactions

1. Population dynamics, life history and assessment of protected species including Steller sea lions, northern fur seals, spectacled eider, short-tailed albatross

2. Local fishery interaction studies. Whereas global fishery control rules may generally prevent overfishing on a broad regional basis, non-random patterns of fishing may cause high rates of removals in local areas important to apex predators such as Steller sea lions and northern fur seals, spectacled eider, short-tailed albatross. More studies are needed to fully evaluate potential local effects of fishing on other components of the ecosystem (e.g., marine mammals, seabirds, and the impact on benthic habitat by bottom contact gear).
III. Habitat

A. Habitat Mapping
   1. Improved habitat maps are required to identify essential fish habitat and distributions of various substrates and habitat types, including habitat-forming living substrates.
   2. Evaluate Bering Sea canyons and skate nursery areas. In particular, an assessment of the extent, distribution, and abundance of important skate nursery areas in support of future HAPC.

IV. Other Areas of Research Necessary for Management Purposes

A. Social and Economic Research
   Kodiak is at the center of controversy associated with the recently adopted crab rationalization program. What were the direct and indirect impacts and how were the impacts distributed throughout the community? How do these costs and benefits compare to other affected communities? As Kodiak is also likely to be at the center of controversy over the likely consequences of Gulf rationalization, it would be particularly advantageous if research could be designed to use Kodiak or other Gulf communities as case studies in analyses of the potential effects of Gulf rationalization options.
Arctic Fishery Management Council Motion (June 2007)

In October 2006, the Council directed staff to prepare a discussion paper on management of fisheries in the Exclusive Economic Zone (EEZ) waters of the Arctic Ocean. The Council is interested in exploring policy options, such as a Fishery Management Plan (FMP), to conserve marine resources and manage existing or potential future fisheries in this region. The Council received that report at the December 2006 meeting, and tasked staff to further develop options for fishery management in the Arctic.

At present, the Council does not have an FMP that provides comprehensive authority over fishery management issues in the EEZ waters of the Chukchi and Beaufort Seas. Two of the Council’s FMPs cover parts of the Arctic region for some species (i.e. the crab FMP and scallop FMP both cover part of the Chukchi Sea north of Bering Strait to Point Hope).

The Council has determined that a more deliberate and comprehensive management regime should be put in place for the Arctic region. This is partly in anticipation of potential fishery development in the region if climate conditions continue to warm. But this is also in response to some of the unique ecological conditions in the Arctic region, and the unique nature of the region’s coastal communities, that merit more attention than has been given to this area previously.

The Council has reviewed several options for accomplishing its goal. These options were analyzed in a discussion paper prepared by staff for Council review in June 2007. These options include amending the existing FMPs so that they cover the Arctic region, writing a new Arctic FMP, or preparing a Fishery Ecosystem Plan. The issues each of these approaches raise have been evaluated by the Council at its June 2007 meeting, and the Council believes that a combination of amending the existing crab and scallop FMPs to terminate their coverage at Bering Strait and preparing a new comprehensive FMP for the Arctic region is the best approach. A single FMP covering the Alaskan Arctic would be a more holistic approach to marine resource management in the ecosystem. As part of that process, the Council intends that this new FMP contain elements of a Fishery Ecosystem Plan in that it should emphasize the unique habitats and resources of the Arctic and how marine resource management could be accomplished against this backdrop.

Therefore, the Council tasks staff with developing a draft Arctic Marine Resources FMP. This should include development of a problem statement or purpose and need statement, a suite of alternative management actions, and other supporting information required under the MSA, as amended in 2006.

An initial problem statement could include this language:

Under the Magnuson-Stevens Fishery Conservation and Management Act (MSA), the Council is authorized to conserve and manage the fishery resources of the Alaskan EEZ, including the Chukchi and Beaufort Seas. To date, no large commercial fisheries have developed in these areas, and thus the Council has not had a compelling reason to develop Fishery Management Plans for these Arctic marine areas off Alaska.

But the environment for commercial fishery development in the Alaskan Arctic may be changing, with warming trends in ocean temperatures and changes in seasonal sea ice conditions potentially favoring the development of commercial fisheries.

Although at this time there are no such fisheries in the Alaskan EEZ in the Arctic Ocean, and no routine fish surveys conducted in the region, the Council is interested in exploring policy and management options to prepare for future change.

In addition, the Council recognizes the unique ecological conditions of the Arctic, and it expresses concern over potential effects of commercial fishing on local residents who rely on subsistence fishing and hunting. The
Council views the development of an Arctic Marine Resources FMP as an opportunity for implementing an ecosystem-based management policy that recognizes the unique issues in the Alaskan Arctic.

The Council also desires to clarify management authorities in the U.S. Arctic EEZ, and this action would accomplish that objective. A new Arctic Resources FMP would provide the Council a vehicle for addressing future management issues, including deferral of management to the State of Alaska.

The Council’s initial preferred alternative will be to close the entire Arctic region, defined as the Chukchi and Beaufort Seas off Alaska, to commercial fishing for all marine species, including forage species, except for fisheries that have traditionally been prosecuted in these waters; currently, the only known commercial EEZ fishery in the Alaskan Arctic is for red king crab in the southern part of the Chukchi Sea. The Council will define its management approach in more detail in the Arctic Marine Resources FMP, including the conditions under which the Council will reconsider its policy for a general fishery closure.

Thus, the Council requests that the following alternatives be analyzed:

1. Status quo

2. Adopt an Arctic Marine Resources FMP, and amend the scallop and crab FMPs to terminate their geographic coverage at Bering Strait, with two options:

   a) Close all waters north of Bering Strait to commercial fishing for all species, including forage species;

   b) Close all waters north of Bering Strait to commercial fishing for all species, including forage species, but leave waters between Bering Strait and Point Hope open to commercial fishing for red king crab.

The Council will appoint members of an Arctic Marine Resources FMP Team to work with staff to develop a draft FMP. Staff should consult with stakeholders to the extent practicable, including Arctic communities, outlining the Council’s intent and objectives and seeking input and suggestions for future marine resource management in the Alaskan Arctic EEZ.

The Council, as part of this action, tasks staff with preparation of amendments to the existing scallop and crab FMPs to terminate their geographic coverage at Bering Strait. The Council requests that an initial draft Arctic Marine Resources FMP be presented to the Council at its December 2007 meeting. At that meeting, the Council will suggest further development of the draft FMP or send the draft FMP out for public review. An outline of the process required, and draft language for the amendments, should be part of the package to be presented to the Council at the December 2007 meeting.
Enforcement Committee DRAFT Report
June 5, 2007 1-4 pm Totem Square
Sitka Alaska

Committee present: LT CMDR Lisa Ragone, Sue Salveson, Garland Walker, Jeff Passer, Roy Hyder, Ken Hansen, Bill Karp, Herman Savikko, Cathy Coon


Bering Sea Habitat Conservation Area (BSHC)

The Enforcement Committee received a report from Cathy Coon, NPFMC staff and Melanie Brown, NOAA Fisheries, on the final draft of the Bering Sea Habitat Conservation analysis.

The Committee addressed potential changes to the status quo in terms of enforceability. The Committee noted that the analysis adequately addressed enforcement and monitoring needs and issues as previously requested. The Committee supports the use of VMS as the monitoring tool for any of the proposed closure areas, as iterated during the last meeting.

The Committee additionally discussed the gear modification alternative which would apply to all non-pelagic trawl fisheries targeting flatfish species. The committee supports the continued development of this concept of industry supported gear modification to have reduced impacts on benthic habitat. The Committee refers that its previous comments from the April Committee meeting are still pertinent on this issue. Although specific details of the gear modification need further development in terms of procedures and policies the Committee notes that the concept is viable for adoption. The Committee acknowledges that the gear modification currently is not ready for adoption into regulations at this time.

Halibut Charter Moratorium

The Committee discussed information pertaining to the Halibut Charter Moratorium analysis. As NOAA Fisheries prepares the proposed rule on this item it will likely be pertinent for the Enforcement Committee to readdress this issue.

Halibut Charter GHL

The Committee received a status report from Jonathan King on the GHL analysis for Area 2c.

The Committee discussed the state of Alaska’s HB 186 which allows the state to share information collected from the sport charter industry with NOAA Enforcement. This bill should will likely satisfy NMFS concern about access to the information and allow it to be used in Federal courts. Jeff Passer noted that access to the records is a good baseline; however utilizing the information in an efficient manner may be a challenge. Specifically the format of the data is important and whether the data remains in logbooks paper copies or in a database will define the ease at which enforcement can use the information to look for violations.

The Committee discussed that the complexity of the GHL program adopted will likely have an increased cost in management and enforcement and those costs will need to be provided for in the budget.
The Committee acknowledges that some of these measures are reliant on logbooks for client specific harvest levels. Continued cooperation between NMFS and ADF&G for information exchange will be the cornerstone in the development of this program.

**Suggested agenda items for the October Meeting:**

- Western GOA Pollock trip limit.
- Halibut GHL 3a
- After the fact transfers of crab