

North Pacific Fishery Management Council

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Certified: _____

Date: _____

ADVISORY PANEL MINUTES Anchorage, Alaska June 20-22, 1988

The Advisory Panel for the North Pacific Fishery Management Council met in the Sheraton Hotel on June 20-22, 1988. The following members were present:

Nancy Munro, Chair	Pete Granger
Robert Alverson, Vice Chair	Pete Isleib
Arne Aadland	Richard Lauber
Terry Baker	Jon Rowley
Alvin Burch	Richard White
Lamar Cotten	John Woodruff
Mark Earnest	Fred Zharoff

The minutes of the April 11-12, 1988 Advisory Panel meeting were approved as read.

C-5 Domestic Observer Program

The AP recommends that the Council direct the Sea Grant observer program to focus on scientific objectives. The motion carried unanimously.

C-8 Future of Groundfish Committee

The AP recommends that the Council not approve a cut-off date. The motion carried 9 to 3.

The AP also recommends that the Council not pursue FOG's recommendations for further study, and that future limited access proposals be considered on a case-by-case basis when brought forward by industry. The motion carried 7 to 5.

C-9 Sablefish Management

The AP recommends that all five alternatives go out for public comment after further analysis. This vote does not mean the AP supports a limited access system.

Specific issues for further analysis include:

- (a) Under the IQ plan, examine the economic impacts when only 50% of the total IQ's go to vessel owners.
- (b) Specify in Alternative 5 that a fisherman chooses between the 75% directed fishery on halibut or sablefish or the 25% bycatch fishery.
- (c) Consider the market impacts of each alternative. The AP recommends that the staff solicit background information from retailers and wholesalers and apply as appropriate.

The motion carried 9 to 4.

C-10 Directed Fishing Definition

The AP recommends that the Council adopt the Bycatch Committee's "band-aid" recommendation. The motion carried unanimously.

D-2 King and Tanner Crab FMP

The AP recommends that the Council send out the draft King and Tanner Crab FMP for public review. The motion carried unanimously.

D-3 Gulf of Alaska Groundfish (Amendment 17)

1. Delay sablefish longline season opening.

The AP recommends that the Council delay action on the longline sablefish season opening date until the September meeting. The September action would focus on two alternatives to be implemented by plan amendment:

- (a) Maintain the status quo, a single season beginning on April 1.
- (b) A split season, with openings on April 1 and September 1, and with 50% of the directed sablefish TAC apportioned to each season.

As part of the AP's recommendation, we request that the framework procedure described in Alternative 5 be strengthened to answer NMFS' criticisms and that it be resubmitted under the 1989 amendment cycle. The framework analysis should explore alternative methods of implementing changes (i.e., regulatory amendments, etc.). The motion carried unanimously.

2. Federal permit requirements.

The AP recommends that the Council require all vessels receiving groundfish in the U.S. EEZ to have Federal permits. The motion carried unanimously.

Other Reports

The AP heard a report from Dave Harville of Kodiak Westward Trawlers about the joint venture for sole in the Gulf of Alaska. Dave explained that he had discontinued the venture due to high bycatches of halibut.

The AP commends Dave's decision to stop fishing and recommends that other ventures take the same action on a voluntary basis. The motion carried unanimously.

D-4 Bering Sea/Aleutian Islands Groundfish (Amendment 12)

1. Bycatch management.

The AP recommends that the Council accept the Bycatch Committee's recommendation of Alternative 3(a), explicitly including the pollock bottom trawl fishery. The AP assumes the closed area of 160°-162° will remain closed. The motion recommending Alternative 3(a) passed 10 to 3 and the motion to include the pollock fishery passed unanimously.

Minority report. We appreciate the work of the Bycatch Committee and we agree with the idea of each fishery being accountable for bycatch. We think, however, that the elaborate matrix of 27 target fisheries creates an illusion of micro management based on, at best, minimal data. What is the sense of this administrative nightmare of preseason and inseason calculations to determine the bycatch of each fishery if you have such little data to put in the matrix cells? For this plan to work we need observers on DAP operations and the Committee and the Council should be explicit about that so people know what they are voting for. To vote for this without observers is to vote for a complex, expensive "house of cards" based on virtually nothing.

In addition, we believe the current plan presents several conservation problems:

- (a) There is no incentive to minimize bycatch.
- (b) It allows a large increase in bycatch of crab.
- (c) The halibut bycatch mortality cap is 1,200 mt higher than the past five-year average.

We would recommend that the Council address these concerns before the system is put in place. Signed by: John Woodruff, Nancy Munro, and Jon Rowley.

2. Federal permit requirements.

The AP recommends that the Council require all vessels receiving groundfish in the U.S. EEZ to have Federal permits. The motion carried unanimously.

3. Non-retainable groundfish catch limits outside the groundfish OY.

Based on the evaluations of the SSC, the AP recommends that the Council maintain the status quo since a non-retainable catch limit may be unnecessary. The motion carried unanimously.

4. Resource Assessment Document deadline.

The AP recommends that the Council remove the July 1 RAD deadline. The motion carried unanimously.

5. Joint venture targeting on roe-bearing rock sole.

The AP recommends that the Council:

- (a) Prohibit joint venture targeting on roe-bearing rock sole until April 1. This assumes the current definition of directed fishing (i.e., 20% retention).
- (b) Establish a separate TAC for rock sole.

The motion carried 6 to 5.

Minority report. While we support conservation of the roe-bearing rock sole resource and support a separate TAC if needed for conservation reasons, we feel the cut-off of joint venture roe-bearing rock sole fishing on purely economic grounds is neither justified by the public testimony and staff analysis, or can be used as the exclusive reason for eliminating one group of U.S. fishermen from a fishery. Signed by: Pete Granger, Al Burch, Nancy Munro, Arne Aadland, and Mark Earnest.

6. OY range.

The AP recommends that the Council allow the upper limit of the OY range to increase by a maximum of 5% per year up to 2.205 million metric tons. The motion carried 7 to 3.

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MINUTES Scientific and Statistical Committee June 20-21, 1988 Anchorage, Alaska

The Scientific and Statistical Committee met June 20 and 21 at the Sheraton Hotel in Anchorage, Alaska. Members present were:

Richard Marasco, Chairman
Don Rosenberg
Larry Hreha
Don Bevan
Dana Schmidt
Jim Balsiger for Bill Aron

Doug Eggers, Vice Chairman
Robert Burgner
Bill Clark
Terry Quinn
John Burns

C-4 NMFS Habitat Policy

The SSC did not have adequate time to carefully review, discuss and comment on this policy. Nevertheless, the SSC does not object to releasing the document for public review. A subcommittee of the SSC, consisting of John Burns, Dana Schmidt, Bill Aron, and Bud Burgner, has been appointed to review the document. Comments will be submitted to the Council at the September Meeting.

C-5 Domestic Observer Program

Ron Dearborn gave a report summarizing what the Council's pilot program has accomplished to date. He suggested that the remaining funds be used to address specific fisheries where scientific data are lacking for management. The SSC concurred with these proposals and recommends that the Council approve the approach suggested.

C-9 Sablefish Management

The SSC reviewed the document and has no comments to offer at this time.

C-12 Other Business

Proposed Conservation Standard (602.11)

The SSC appointed a subcommittee (Marasco and Bevan) to comment on the proposed standards. These comments will be provided to the Council's Executive Director prior to the July Chairmen's meeting.

Salmon Team Membership

The SSC reviewed the CV's of three individuals whose names have been submitted for consideration for membership on the salmon plan team. The SSC recommends that they be appointed to the team. (R.H. Williams, Oregon Department of Fish & Wildlife, A.C. Werthelmer, Auke Bay Lab, H.A. Schaller, Columbia River Intertribal Fish Commission)

Biological Reference Points

A subcommittee consisting of Bill Clark and Terry Quinn has been appointed to explore the utility of various biological reference points in evaluating the status of stocks. The document that describes the results of this effort will be provided to the team by mid-July to facilitate development of the 1988 RADs.

D-2 Crab FMP

The SSC reviewed the redrafted FMP for the Bering Sea/Aleutian Islands and concluded that it should be sent out for public review following the correction of several items.

- (a) The ABC and Threshold definitions (e.g. on page 4-3) should be stated in terms of the crab FMP and followed by a description of how these definitions differ from the NPFMC's standard definitions.
- (b) Page 8-18 identifies a threshold for females in terms of "above-average recruitment that is statistically significantly higher than the average recruitment." A detailed description of the statistics involved in making this determination is needed.
- (c) Chapter 9 should be modified so that it contains information on what management actions would take place if the guideline harvest level exceeds the upper end of the OY range.
- (d) Page 8-32 reads "Assuming that all vessels participating in the fishery are registered with the State,...". This exact language has been recommended by the committee steering the development of this draft FMP. Much of the capability of enforcement rests on the registration with the state of Alaska. This system will inevitably result in the collection of data that have confidentiality restrictions and limit information available to federal employees. This data access problem must be addressed.
- (e) The "closed waters" section is incorrectly classified as a framework provision. It should either be edited into a true framework provision or be specified as a measure that is deferred to the state.

D-3 Gulf of Alaska Groundfish FMP

Proposal 1. Delay the opening of the longline sablefish fishing season by either a plan amendment or framework procedure.

Data are extremely limited to determine the best choice of an opening date for the sablefish longline fishery. It was not possible to choose between the three alternatives specifying a particular date, and the alternative specifying a depth range may have enforcement problems. Establishing annual seasons for fisheries based on current information is a common management measure in several fisheries such as halibut. Since the need for changes in fishing seasons is likely to increase in the future, the SSC recommends that a framework measure is the best alternative for dealing with future problems and providing the Council with administrative flexibility. This approach provides for suitable public input into the setting of fishing seasons and allows for split seasons to accommodate the needs of the harvesting and processing sectors.

The SSC recommends that alternative 5 be pursued as an FMP amendment. If problems occur with approval of the amendment by the Department of Commerce, the regulatory amendment approach suggested by NMFS should be pursued.

D-4 Bering Sea/Aleutian Islands Groundfish FMP

Proposal 1 - Establish a bycatch management system for king crab, Tanner crab, and halibut.

The SSC reviewed the pros and cons of the four alternatives, and comments are summarized briefly as follows:

Alternative 1. (No action). This alternative offers no bycatch mortality control or accountability. Rational bycatch management could not be accomplished, and if bycatch continued unconstrained, it could ultimately create a conservation problem. The present time/area closure of zone B (Figure 2.1, Amendment 12 Draft EA/IRFA) would lapse.

Alternative 2. Continuation of status quo. Bycatch controls for crabs apply to the DAH yellowfin sole/other flatfish fishery, and bycatch controls for halibut apply only to the JVP yellowfin sole/other flatfish fishery. No restrictions are established on C. opilio. No limit is placed on potential bycatch in other groundfish fisheries. No adjustment is made if stock status of bycatch species changes. The Zone B time/area closure of would continue.

Alternative 3. Bycatch framework. This alternative covers all groundfish fisheries and gear types (not limited to yellowfin sole/other flatfish fishery). It allows for adjustment of caps for crab bycatch as population levels of crab species change. The cap remains fixed for halibut bycatch. This option does not currently address C. opilio. The Zone B time/area closure would continue. Operational, administrative and enforcement costs will be higher than for alternative 2, but benefits should be greater. Option 3A would have higher implementation costs than option 3B, but presumably would provide better protection of individual fishery groups.

Alternative 4. Numerical limits. This is the most restrictive alternative. It would cover all groundfish fisheries. As with alternative 2, it provides no flexibility in bycatch allowances with change in crab population levels. It does not specify the DAP/JVP split in bycatch allowances. It would minimize the effect on halibut because the boundaries of closed Zone B would be expanded. The implementation costs would be less than for Alternative 3. The long-term intent of alternative 4 after 1990, as well as how the bycatch caps will be allocated between various fisheries needs clarification.

The SSC notes that the choice of alternatives for establishing bycatch limits is strictly an allocation issue at the present time. The 1 % value established in option 3 is an example of this allocation process. Alternatives 2, 3, and 4 all require a domestic observer program for the DAP fishery for implementation, but something less than 100 % coverage would be required if random sampling can be implemented. There is need to account for bycatch in all groundfish fisheries. This is only provided by alternative 3 and 4.

The SSC has a strong preference for alternative 3 because of its coverage of all groundfish fisheries and sensitivity to change in stock status of crab bycatch species. There are pros and cons relative to choice of 3A and 3B. Alternative 3A presents complex implementation barriers but better addresses allocation concerns. A middle ground between the two alternatives could be considered.

Proposal 2 - Require all floating processors receiving groundfish caught in the EEZ to obtain federal permits and report catch weekly.

The SSC supports Alternative 2 that requires all vessels receiving groundfish from the EEZ to have a federal permit regardless of processing location.

Proposal 3 - Establish non-retainable catch limits on the catch of groundfish species for which the TAC has been previously attained.

There currently is no limit on the amount of discard of non-retainable fully utilized species both in JVP and DAP fisheries. NMFS would like to have some guidance on an acceptable limit on the amount of discard. Three alternatives are proposed. Alternative 1 is the Status Quo. Although not specifically stated in the EA/IRFA, the Council under alternative 1 could limit the non-retainable catches by setting TAC's that considered discards of fully utilized species in non-directed fisheries. However, year to year variability in

bycatches and associated uncertainties in projected discards for given TAC's may promote less than full utilization of the resource.

Under alternative 2 a portion of ABC would be set aside for each species as a conservation margin. Non-retainable catch limits would be provided from this conservation margin and be imposed after achievement of a species TAC in fisheries that result in significant bycatch. Non-retainable catch limits would be apportioned among DAP, JVP, or foreign fisheries according to relative distribution of TAC among those fisheries.

Alternative 2 provides guidance to NMFS as to when to close the fishery, is the most comprehensive with respect to fisheries, and places limits on total removals of a species. However, it is very complex, requires domestic fishery observer data for implementation and places additional burden on the staff.

Alternative 3 is identical to alternative 2 except would apply only to JVP and foreign fisheries. The same comments regarding alternative 2 apply to alternative 3 except that data collection mechanisms currently exist for implementation.

The SSC could not specifically recommend any alternative because it could not ascertain whether the problem was severe enough at present to warrant the complex and expensive solution proposed.

The SSC has repeatedly expressed the need for monitoring and accounting for total fishery removals and the full consideration of those in determination of ABC and in making projections of future abundance.

The SSC noted that both alternative 2 and 3 of the proposal addresses the problem that the single species rule does not apply to foreign fisheries. The SSC further noted that under alternative 1 a regulatory amendment could be developed to extend the single species rule to foreign fisheries.

Proposal 4 - Remove the July 1 deadline for the annual Resource Assessment Document (RAD).

The SSC supports Alternative 2 that removes the July 1 RAD deadline. The SSC further supports the draft Council policy on RADS for groundfish FMPs.

Proposal 5 - Establish limits on the amount of roe-bearing rock sole that can be retained by joint ventures.

The stated objective of this proposal is to preserve the fishery and markets for roe-bearing rock sole that have been established by the DAP sector. The SSC interpreted preserving the fishery and markets to mean maintenance of current price and market access.

Data presented in the May 18, 1988 Draft Environmental Assessment and Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/IRFA) for Amendment 12 indicates that weekly frozen rock sole with roe price on the Tokyo wholesale market declined during the first quarter of 1988. The Bill Atkinson's News Report (Issue 252) reported that:

"In preparation for this year's roe-rock sole sales period, brokers from the Tokyo wholesale market advised that 500 Yen/kilo (\$1.82/lb) was the maximum that the market could bear. As the first lots were placed on the Shiogama market in February, the Tokyo brokers held firm and most of the imports sold for between 470 and 480 Yen/kilo (\$1.71-1.75/lb); at one point, Shiogama prices for roe-rock sole from the U.S. factory trawlers dropped as low as 450 Yen/kilo (\$1.64/lb), with JV product going as low as 400 Yen/kilo (\$1.45/lb)."

Both the EA/IRFA and industry analysts (Orr letter to Pautzke dated June 16, 1988) agree that the increase in product supply has contributed to the price decrease. The SSC is of the opinion that it would be incorrect to attribute the full responsibility for the decline to increased product supply (data on catch 1987 relative to 1988). During the same period of time, the currency exchange rate between the Japanese yen and the U.S. dollar has varied. The role of other demand determining factors, for example, the prices of substitute products is not clear.

It is impossible at this time to discern the importance of various demand factors in determining the level of prices. However, it is clear that the only vehicle that the Council has available to it to influence the roe-

rock sole market price is the setting of fishery quotas. Further, while it is possible to debate the role that increased supplies played in the recent price decline, it seems improbable that it was inconsequential.

It would appear, therefore, that if it is the intention of the Council to take action that has the highest probability of preserving the DAP roe-rock sole fishery, Alternative 3 should be adopted, with catches constrained to be in the vicinity of between 15,000 to 20,000 mt. A large expansion in the DAP catch could have an adverse impact on prices and, therefore, the economic viability of the fishery. It must be noted that this approach does not constitute a fail-safe method for preserving attractive prices; any action by the Council could be undermined by changes in the exchange rate, availability of alternative sources of supply and prices of substitutes. Since Alternatives 1 and 2 allow large increases in the catches of roe rock sole, they are considered incapable of achieving the stated objective of this proposal.

Prior to adoption of any management measure an examination of costs and benefits is required. Costs associated with Alternative 3 are dependent upon management controls placed on JVP fisheries. Prohibition of JVP flatfish fisheries during the roe rock sole fishery, prohibition of retention during the roe rock sole season, or retention of quantities of roe rock sole that are sufficient to allow operation of other JVP flatfish fisheries are possibilities. In 1987 and 1988, JVP catches of rock sole during the period of the roe fishery were one to five thousand mt, worth \$500,000 to \$2.25 million. If JVP catch and prices in 1988 approximate those for 1989, prohibition of a JVP roe rock sole fishery could result in a loss of approximately \$2.0 million. This loss must be compared with the potential change in DAP income that could result from any price decline in the Japanese market due the JVP allocation. The magnitude of this loss can not be quantified at the present time. These same conclusions are applicable to the option that would prohibit retention during the roe rock sole season. Allowing retention of some of the bycatch during the roe rock sole season would reduce the loss of revenue that would accrue to JVP's, with the magnitude of the loss being dependent upon the quantity of fish that can be retained. However, the quantities harvested could impact prices.

Regardless of any other action the Council may take on this issue, the SSC recommends taking rock sole out of the "Other flatfish" category so that removals can be monitored.

Proposal 6 - Revise the upper limit to the optimum yield (OY) range.

The SSC reviewed the Draft Supplemental Environmental Impact Statement and Regulatory Impact Review/Initial Regulatory Flexibility Analysis for a Proposal to Increase the Optimum Yield (OY) Range in the Fishery Management Plan for the Groundfish Fishery of the Bering sea and Aleutian Islands. The SSC also received copies of the public comments from the American High Seas Fisheries Association, the Alaska Factory Trawler Association/Pacific Seafood Processors Association and Greenpeace. The SSC also received testimony from public.

The SSC notes that the objective of the EIS/RIR/IRFA is to evaluate the implementation of an increase of the upper end of the optimum yield (OY) range for groundfish from the current value of 2.0 million metric tons to a higher value. In 1983, the groundfish complex MSY was estimated to be 1.7 - 2.4 million metric tons. The OY range was established at 85% of the MSY range, or 1.4 - 2.0 million metric tons. We note that the upper end of the OY was not established as a means of preventing "overfishing" and should not be viewed as a biological limit.

The FMP also states "An amendment will be made when the status of the groundfish complex changes substantially from the present condition or when socioeconomic considerations dictate that OY should fall outside the present range.

The SSC provides the following comments on the proposed alternatives.

Alternative 2. The SSC does not support, with one dissention, using the sum of the annual estimates of acceptable biological catch (ABC) as a means of setting the upper end of the OY range. The SSC is concerned with using ABC in this manner. ABC is an annually determined starting point for the establishment of the annual TAC's. We feel it is important in the council process, that ABC recommendations made by the team and SSC be as free as possible of social, economic and political concerns. This alternative could lead to the addition of social, economic and political factors being included within the ABC recommendations. Since ABC is an annual determination with expected fluctuation, its use in calculation of a cap could lead to constantly changing cap.

Alternative 1 & 3. The status and condition of the stocks have changed since the original amendment, setting a 2 million metric ton upper limit, suggesting that the upper limit could be changed. This is suggested by the fact that in 1988, the sum of the ABC's is over 2.8 million metric tons and is projected to be approximately 2.6 million metric tons in the near future. The best estimate of the current groundfish complex MSY is not available. It is larger than the pollock MSY of 2.545 mmt and smaller than the sum of currently-estimated single species MSY's, which total 3.4 mmt.

The SSC does not have a recommendation on a specific value of the upper limit or a choice between alternative 1 and 3. Using the 1983 procedure, taking 85% of MSY yields a range of 2.2 mmt to 2.9 mmt. Therefore, using the 1983 procedure the upper cap would fall within 2.2 mmt and 2.9 mmt range.

In setting an OY the SSC recommends that the council take into consideration concerns regarding fishing in the international zone, illegal fishing, a lack of an observer program for the DAP fishery, the lack of controls on bycatch, and declines in marine mammals and seabirds.

The SSC did not have sufficient time to undertake a detailed review of the 3 public comment documents received. The SSC understands that these comments will be taken into consideration in developing the final draft SEIS/RIR/IRFA. Some of the public comment has cast doubts on the trustworthiness of the annual ABC's. The SSC restates its confidence in the assessments and the resulting ABC values as a starting point in determining TAC's. The description and discussion of world groundfish production and markets included in the NRC Report to the American High Seas Fisheries Association are useful additions to material contained in the SEIS. Further, the section that addresses JVP and TALFF catch, production and distribution under Alternative 2 is valuable. Insufficient time was available to carefully review the economic analyses contained in the document. It was determined, however, that conclusion reached in the NRC report regarding economic impacts do not differ materially from those contained in the SEIS.

With respect to the AFTA/PSPA report, it also provides some valuable information on BS/AI groundfish fisheries. For example, given are data on employment, capacity, investment, cost, and etc. This information augments that contained in the SEIS. The document does not contain analyses that contradicts the economic impact conclusions contained in the SEIS.