

North Pacific Fishery Management Council

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Certified _____
David Benton, Chairman
Date _____

MINUTES

150th Plenary Session NORTH PACIFIC FISHERY MANAGEMENT COUNCIL April 11-16, 2001 Anchorage, Alaska

The North Pacific Fishery Management Council met April 11-16, 2001 at the Hilton Hotel in Anchorage, Alaska. The Scientific and Statistical Committee met April 9-10, and the Advisory Panel met April 9-13 at the same location. The following members of the Council, staff, SSC and AP attended the meetings.

Council

David Benton, Chairman
Dennis Austin for Jeff Koenings
Jim Balsiger
Linda Behnken
John Bundy
Anthony DeGange for David Allen
Kevin Duffy for Frank Rue

Bob Mace (Vice Chair) for J. Greer
David Fluharty
Kevin O'Leary
CAPT Vince O'Shea
Robert Penney (April 11-15)
H. Robin Samuelsen, Jr.
[Dave Hanson was unable to attend.]

NPFMC Staff

Chris Oliver, Acting Executive Director
Darrell Brannan
Cathy Coon
Jane DiCosimo
Elaine Dinneford
Nicole Kimball

Diane Provost
Maria Tsu
David Witherell
Helen Allen
Gail Bendixen
Maria Shawback

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Support Staff

Lisa Lindeman, NOAA-GCAK
Lauren Smoker, NOAA-GCAK
Sue Salveson, NMFS-AKR
Earl Krygier, ADFG
Jay Ginter, NMFS-AKR
Herman Savikko, ADFG
Jeff Passer, NMFS-Enforcement
Tamra Faris, NMFS-AKR

Doug Demaster, NMFS-NMML
Shane Capron, NMFS-AKR
Michael Payne, NMFS-PRD
Phil Smith, NMFS-RAM Div.
Scott Meyer, ADFG
Rob Bentz, ADFG

Scientific and Statistical Committee

Jack Tagart, Acting Chair
Keith Criddle
Doug Eggers
Sue Hills
Jeff Hartman

George Hunt
Dan Kimura
Seth Macinko
Terry Quinn
Al Tyler

Advisory Panel

John Bruce Chairman
Ragnar Alstrom
Dave Benson
Dave Boisseau
Craig Cross
Ben Ellis
Dan Falvey

Stephanie Madsen, Vice Chair
Duncan Fields
Dave Fraser
Arne Fuglvog
John Henderschedt
Spike Jones
Hazel Nelson

Kris Norosz
Michelle Ridgway
Jeff Steele
Jeff Stephan
Bob Ward
Lyle Yeck

Other Attendees

The following people signed the attendance register:

Arni Thomson
Kenneth Simpson
Eric Olsen
Bruce Cotton
Gary Johnson
Phillip Lestenkof
Simeon Swetzof, Jr.
Ole Mathisen
John Henderschedt
Brent Paine
Al Burch
Steve Vanek
Shari Gross
Jeff Stephan

David Martin
Dick Tremaine
Glenn Reed
Leah Jenkin
Marc Smith
Denby Lloyd
Neal Forde
Ken Roemhildt
Frank Kelty
Ken Larson
Greg Baker
Janet Smoker
Craig Cross
Darlene Martin

Chris Vallery
Tom Gemmell
Heather McCarty
John Iani
Thorn Smith
Amy K. Smith
Steve Hughes
Earl Comstock
Tom Suryan
Robert Mikol
Anna Knudson
Beth Stewart
Karen Wood DiBari
Charlie Parsons

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Joe Sullivan

[Over 100 people gave public comment at this meeting although they did not all sign the attendance register.]

A list of those who provided public comment during the meeting is found in Appendix I to these minutes.

A. CALL TO ORDER/APPROVAL OF AGENDA/MINUTES OF PREVIOUS MEETING(S)

Chairman David Benton called the meeting to order at approximately 8:00 a.m. on Wednesday, April 11, 2001. Dave Hanson was unable to attend the meeting.

Agenda. The agenda was approved as submitted.

Approval of Minutes: The minutes of the December 2000, January 2001, and February 2001 meetings were approved as submitted.

B. REPORTS

Chris Oliver gave the Executive Director's report (B-1), and the Council received reports on State fisheries issues (B-2), NMFS fisheries management (B-3), and NMFS and Coast Guard enforcement and surveillance reports (B-4). The Council also received updates on progress on EFH, Observer Program, and seabird amendments, and a presentation on the vessel monitoring system. Phil Smith briefed the Council on collections of IFQ fees since the last meeting. Fifty-one permits have been sanctioned pending payment of last year's fees.

Dr. Bill Hogarth, Acting Assistant Administrator for Fisheries, NOAA Fisheries, attended several days of the Council meeting and addressed the Council on budget issues, as well as Steller sea lion conservation, and interactions between the councils and NMFS.

DISCUSSIONS/ACTION RESULTING FROM REPORTS

EFH Update. Linda Behnken expressed the hope that the scoping process would be used to solicit alternatives from the industry and public. She suggested also that the Council consider appointing a Habitat committee to focus specifically on this issue.

Seabird Research Update. Mike Payne advised the Council that the report on final research results from a two-year study evaluating the effectiveness of seabird avoidance measures needs to be delayed until the October Council meeting to allow sufficient time to complete the data analysis and formulate recommendations for regulatory changes. NMFS will provide the Council with recommendations prior to that meeting.

NMFS Management Report. NMFS provided the Council with the proposed bycatch rate standards for the trawl fisheries under the Pacific halibut and red king crab VIP during the second half of 2001. The rates will remain the same unless the Council recommends otherwise. The Council concurred with the recommendations of NMFS.

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Linda Behnken again pointed out that the GOA Amendment 53, rockfish retention, has not been submitted for Secretarial review. Ms. Salveson, NMFS, explained that issues still exist surrounding State and Federal responsibilities. Kevin Duffy, ADFG, suggested that agency staff meet to try to resolve those issues before determining whether or not the Council needs to discuss it in June.

Observer Committee Report. Chris Oliver provided a copy of the minutes of the Observer Committee's March 22-23 meeting. The Committee found there were sufficient problems associated with the no-cost contract approach being considered that it identified another alternative (strengthening the regulations and implementing an annual certification process), but the Committee members stressed that ideally they would prefer a fully Federally-funded observer program. Linda Behnken urged that the observer amendment package be a very high priority within NMFS. The Council will focus on this issue at their October meeting.

FORMAT FOR COUNCIL MEETING MINUTES

Each agenda item requiring Council action will begin with a copy of the original "**Action Memo**" from the Council meeting notebook. This will provide an "historical" background leading up to the current action. This section will be set in a different type than the actual minutes. Any attachments referred to in the Action Memo will not be attached to the minutes, but will be part of the meeting record and available from the Council office on request. Following the Action Memo will be the **reports** of the Scientific and Statistical Committee, Advisory panel, and any other relevant committee or workgroup on the subject. Last will be a section describing Council **Discussion and Action**, if any.

C. NEW OR CONTINUING BUSINESS

C-1 Halibut Charterboat Management

ACTION REQUIRED

Final action for a proposed individual fishing quota program or moratorium for the halibut charter fleet.

BACKGROUND

Final action on a proposed individual fishing quota program or moratorium for the halibut charter fleet will culminate eight years of deliberations on management of the halibut charter fishery. It is the most recent in numerous steps the Council has examined for managing the halibut charter fishery since 1993 when the Council first identified that an open-ended reallocation from the commercial to charter sectors was a problem in the halibut fisheries. Other measures include additional recordkeeping and reporting requirements (logbook requirements implemented by the Alaska Board of Fisheries beginning in 1998), local area management plans (implemented for Sitka Sound in 1999), control dates to notify the public of possible limited entry in the charter sector (three dates), vessel or charter operator moratorium (rejected by the Council in 1997 and 2000, partly due to lack of individual records), and a guideline harvest level (originally adopted in 1997) and accompanying management measures to constrain angler harvest on charter vessels in Areas 2C and 3A (approved by the Council in February 2000 and currently under NMFS review).

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The analysis also addresses *whether* to set aside $\frac{1}{2}$ - $2\frac{1}{2}$ percent of the combined halibut charter and commercial quota in Areas 2C and 3A for Gulf of Alaska coastal communities, the *magnitude* of the set-aside, and the *source* of the set-aside quota (charter and/or commercial).

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During initial review, the Council revised its problem statement for the overall analysis, revised the community set-aside problem statement, and added a third alternative to implement a moratorium on entry into the charter fleet. The Council requested numerous revision to the analysis prior to its release for public review. The list of revisions are attached in Item C-1(a).

At its February meeting, the Council requested additional information on angler impacts that might be expected to result from the proposed charter IFQ program. To address this issue, a portion of the analysis was contracted to Dr. James Wilen of the University of California at Davis. His analysis compared prices of charter trips under open access, a GHL, and the proposed IFQ program. Information was also presented on the impacts to resident and non-resident anglers as well as angler utility and welfare. Two of the major points from Dr. Wilen's paper are that: (1) angler demand for charter trips will determine the value of halibut charter QS units and (2) costs of a trip to charter operators will likely decline. That decrease in costs will then be offset partially or totally by the value of quota shares. However, the analysis notes that there are a variety of views on the potential implications of the proposed management measures on guided anglers, not necessarily all in agreement. Thus, while it is not possible to *quantify* the potential impacts of the proposed measures, it also is not possible to provide a *qualitative* discussion that is consistent with every economic approach on this topic.

The executive summary is attached as Item C-1(b). It includes a more detailed history on the problems identified in the halibut fishery, previous actions taken by the Council to manage this fishery, and a discussion of the impacts on commercial, charter, and private fishermen, commercial and sport processors, and communities under the suite of more than 60 issues and options for the three alternatives: (1) status quo or Guideline Harvest Level Program; (2) the proposed charter IFQ program and the option for including communities as initial issuees; and (3) a moratorium on entry to the charter fleet. The Charter IFQ Committee is scheduled to meet on April 9, 2001 to provide its final recommendations for action. Those minutes will be distributed during this meeting. The minutes of the February 2001 meetings of the IFQ Implementation Committee and Charter IFQ Committee are attached as Items C-1(c) and (d).

Two additional analytical pieces were not completed in time for inclusion in the public review draft.

1. Revised logbook summary data for 1998-00 were provided by ADF&G; revised data for Tables 3.6 and 3.13 are attached as Item C-1(e).
2. A Supplemental Analysis addresses the following two issues using ADF&G logbook harvest data for 1998 and 1999. Council staff will present this information (Item C-1(f)) at the meeting:
 - a. A comparison of halibut use data for charter operators in identified communities (targeted for the community set-aside, Issue 11) to similar data from all charter operators in Areas 2C and 3A;
 - b. An analysis of qualifying harvest on a port-by-port basis for Issue 3, Qualification Criteria of the charter IFQ program.

The alternatives included in this analysis are listed on the next page. Note that staff corrected an error in the calculations of the percentages under Alternative 2, Issue 1, Option 2.

Report of the Scientific and Statistical Committee

The SSC reported that they found that the EA/RIR and accompanying appendices provided a large amount of useful information regarding the proposed charter IFQ and community set-aside programs and formed a reasonable basis for decisionmaking. The SSC also provided several points relative to allocation issues and

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the value of allowing the marketplace solve them. Please see the SSC Minutes, Appendix II to these minutes for the full set of comments on this issue.

Report of the Advisory Panel

The AP recommended adoption of Alternative 2, to include the halibut charter sector in the existing halibut IFQ program, and provided the Council with recommendations for each of the options and suboptions for all eleven issues being considered. Please see the AP Minutes, Appendix III to these minutes, for the full set of recommendations.

Report of the Halibut Charter IFQ Committee

The Committee met April 9 to develop recommendations for Council consideration. The Committee stressed that it preferred having no GHF or IFQs in the halibut charter fishery, but since that was not an option at this time, committee members discussed the alternatives and strived to reach consensus on each issue. The Committee's report is attached to these minutes as Appendix IV.

DISCUSSION/ACTION

In addition to Council staff presentations on the analysis, the Council also heard from Dan Coffey, Chairman of the Alaska Board of Fisheries and Board member Ed Dersham, as well as Rob Bentz for the Alaska Department of Fish and Game, and Gregg Williams and Heather Gilroy of the International Pacific Halibut Commission. State legislators Brian Porter and Eldon Mulder also addressed the Council.

Kevin Duffy moved to adopt Alternative 3, the moratorium, with the following options:

Issue 1: Issue

Option 1. Owner/operator or lessee of the charter vessel business that fished during the eligibility period (based on an individual's participation and not the vessel's activity)

Issue 2. Qualification Criteria

Option 2. Initial issues who carried clients in 1998 or 1999 and who submitted ADF&G logbooks by February 12, 2000).

Issue 3. Evidence of participation

Option 1. mandatory requirements:

- a. CFEC license,**
- b. ADFG logbook for 1998 or 1999, and**
- c, all other legal requirements.**

Issue 4. Vessel upgrades

Option 1. license designation limited to 6-pack, if currently a 6-pack, and inspected vessel owner limited to current inspected certification (held at number of people), not vessel size

Issue 5. Transfers

Option 1. Will be allowed (within each area; but not between the two areas).

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**Issue 6. Duration for review
Option 2. 3 years**

The motion was seconded by Bob Penney. By friendly amendment, the following options were added under Issue 6:

- Suboption: At the end of the moratorium the Council may consider the following 3 options:**
- a. moratorium expires;**
 - b. new moratorium in conjunction with LAMPS analysis that may be enacted on a regional basis if needed; or**
 - c. any other regulatory actions of any kind that may be deemed appropriate by the Council.**

The following statement in support of the motion was submitted:

Mr. Duffy stressed that the state is opposed to an IFQ program for the halibut charter fleet for a number of reasons. Generally, there are better methods of addressing the issues in the problem statement than an IFQ program. The halibut charter IFQ program is exceedingly complex and untested in recreational fisheries. The staff analysis recognizes this complexity and the uncertainty in predicting the effects of many of the options. There is a high likelihood of unintended consequences, many of which may impact guided anglers. The previously adopted GHL constrains future growth at 125% of the 1995 – 1999 average charter halibut harvest. Since 1996 charter harvests have leveled off or declined in Areas 2C and 3A (ADF&G Statewide Postal Survey). Charter harvest is currently 36% below the GHL, so we have time to develop a more appropriate management system.

In terms of impacts to Alaskan families, many Alaskans depend on charter vessels to access halibut for food and recreation. The public's cost to access halibut through the charter fishery is likely to increase and the availability of charter services could decrease substantially. The analysis does not specifically address whether anglers on a charter boat have the right to keep the fish they catch.

In terms of impacts to coastal communities, migration of QS between ports could lead to loss of charter services and tourism declines in some local areas. Economic impacts to these communities are not quantified in the analysis.

In terms of impacts to state managed species, reduced access of the charter fleet will increase effort on state managed species in both fresh and saltwater. Most of these stocks are already fully allocated between user groups. This sets up "cause and effect" management between the Board and the Council.

In terms of public process issues, the IFQ process has been fast-tracked with insufficient public notification. Although the legal notice requirements may have been met by the Council, the practical notice for widely distributed recreational users has certainly not occurred. No local hearings were held to notify resident anglers. In contrast with the lack of public hearings, the recently completed Gulf of Mexico's moratorium for recreational for-hire fisheries was augmented by 10 public hearings in 5 Gulf states. In contrast with the Council process, a LAMP process will provide much more opportunity for public input, and problem solving at the local level. What is the rush? Charter harvests are stable or decreasing, so there is no immediate significant allocative threat to the commercial fishery. This is the first time in North America (and probably

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internationally) that an IFQ has been used as an allocation tool between commercial and sport fishermen. As such, it is untested in this context. It is a very large public policy issue.

In terms of privatization, implementation of an IFQ program for charter operators would privatize a public resource by making it the possession of charter businesses that provide a transportation service to anglers without access to a saltwater vessel. Charter anglers will probably bear additional costs for a charter with no additional benefit. The IFQ effort may be implemented without the proper data collection efforts required to track how the winners and losers will be impacted by the property rights systems, and by how much.

Economic impacts on resident and non-resident guided anglers are uncertain. According to the SSC, the argument for an increase in the average price of a charter trip is stronger than the argument for an unchanged or decreased price.

For safeguards, the moratorium approach is an added measure to ensure that further expansion is restricted and provides stability for the development of LAMPs. A moratorium is simpler, cheaper to implement, and has fewer potential negative impacts to the angling public. The intent of the moratorium would be to provide a three-year time-out for new entrants to the guided industry to provide stability necessary for the development of LAMPs. Although the State has not supported a moratorium in the past, it is doing so now because it believes a moratorium will have fewer negative impacts than IFQs.

In terms of deference, the State of Alaska has to consider impacts on all users of the resource, including recreational fishermen. Not just commercial or charter industry representatives. ADF&G spends approximately \$800,000 per year on the logbook, port sampling and creel surveys dedicated specifically to halibut recreational fisheries. The State position should be given serious consideration by this Council.

In terms of management and enforcement, the IPHC has in their letter of March 26, 2001 highlighted serious reporting and enforcement issues that apply to a halibut charter IFQ program.

In terms of legal issues, this issue will be back before this Council if IFQs are approved here, as opposed to the alternative approaches. The concept that this is merely an extension of a current IFQ program for commercial fisheries, as opposed to a new program affecting the charter industry, is questionable.

Finally, there is significant opposition to the halibut charter IFQ program being proposed. This includes the State of Alaska, the Republican leadership of the state, and the Alaska Board of Fisheries.

The motion failed, 7 to 4, with Duffy, Mace, Penney and Benton voting in favor.

Linda Behnken moved to adopt the recommendations of the Advisory Panel, with minor changes (in italics):

Alternative 2. Include the halibut charter sector in the existing halibut IFQ program.

Issue 1. *IFQs are an access privilege, not an ownership right. They may be revoked or limited at any time in accordance with the Halibut Act as well as the Magnuson Act. Charter IFQ halibut may not be sold into commerce, i.e., all sport regulations remain in effect.*

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Initial QS may be based on:

Option 1. Equal to 115% of corrected average 1995-99 charterboat harvest (12.04% in Area 2C and 12.89% in Area 3A of a combined charter and commercial quota)

Suboption: 100% of an individual's QS initial issuance would float with abundance.

Issue 2. Initial allocation of QS would be issued to U.S. citizens or to U.S. companies on the following basis: U.S. ownership based on: (b) 75% ownership

Option 1. Charter vessel owner - person who owns the charterboat and charterboat business

Option 2. Bare vessel lessee - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained.

Issue 3. Qualification Criteria

Option 2. Initial issues who carried clients in 1998 or 1999 and who submitted ADF&G logbooks for an active vessel (as received by ADF&G by February 12, 2000)

Suboption: Require that initial issues be currently participating (meeting all legal requirements including filing a logbook) during season prior to final action and any year claimed during the qualifying period (currently May- Sept 2000).

Issue 4. Distribution of QS may be based on:

Option 1. 70% of 1998 and 1999 logbook average with an additional 10% added for each year of operation 1995-97 (longevity reward). (Excess would be distributed equally.)

Issue 5. Transferability of QS (permanent) and IFQs (on annual basis [leasing])

Option 1 and 2 modified as follows:

A. Leasing of Charter QS

1. Charter QS is non-leasable

B. Transfer of Charter QS

1. Initially issued Charter QS is fully transferrable within the charter sector

2. For purposes of transfer to commercial sector, 75% if an individual's initially issued charter QS is permanently nontransferable and 25% is transferrable upon Council review after 2 years

3. Commercial QS purchased by charter operator is fully transferable (two-way) across sectors and retains original designations.

C. Leasing of Charter IFQ

1. 20% of a charter operators' annual IFQ is leasable within the charter sector for the first 3 years of the program

2. Leasing is defined as the use of Charter IFQ on a vessel which the owner of the QS has less than a 50% ownership interest

3. 10% of a charter operators' annual IFQ may be leased to the commercial sector for the first 5 years

Option 3. Block restrictions

- a) any initially issued (i.e., unblocked) charter QS once transferred to commercial sector shall be unblocked.
- b) allow splitting of commercial blocks to transfer a smaller piece to the charter sector - split blocks retain original designations.

Option 4. Vessel class restrictions

- a) from A, B, C, and/or D commercial vessel category sizes to charter sector, *except that no charter business may own or control more than 1 "D" category block equal to or above the sweep-up level.*
 - ~~1. Leasable~~
- b) from charter to commercial:
 - 3. B, C, and D category
- c) ~~initial transfer from undesignated charter to a particular commercial vessel category locks in at that commercial category~~
initial transfer from undesignated charter only to catcher vessel of comparable size class. Buy-down allowances apply. (e.g. Charter vessels 35-60' must sell to C or D class commercial vessel.)

Issue 6. To receive halibut QS and IFQ by transfer:

Option 1. For the charter sector, must be either

- a) a initial charter issuee or
- b) qualified as defined by State of Alaska requirements for registered guides or businesses*
- c) fulfill all legal obligations of the charter sector, *and*
- (d) *hold a USCG license.*

Option 2. For the commercial sector, must have a commercial transfer eligibility certificate.

Suboption: All commercial rules apply to any provision that may permit the use of commercial QS/IFQ for commercial purposes by any entity in the Charter IFQ sector.

Issue 7. Caps

- Option 2.** (a) use cap for charter QS owners only of 1% of combined QS units in Area 2C and ½, of combined QS units in Area 3A (for all entities, individually and collectively) and grandfather initial issues at their initial allocation
- (a) use caps for charter QS owners only of ½ of combined QS units for combined Areas 2C and 3A (for all entities, individually and collectively) and grandfather initial issues at their initial allocation

Issue 8. Miscellaneous provisions

Option 1. Maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issues

Option 2. 10% underage provision of total IFQs

Option 4. A one-year delay between initial issuance of QS and fishing IFQs.

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Issue 9. IFQs associated with the charter quota shares may be issued in:

Option 2. Numbers of fish (based on average weight determined by ADF&G)

Issue 10. Reporting:

The AP recommends that the Council defer design of an improved reporting and enforcement strategy to an IFQ technical implementation team, working with the IPHC, NMFS, ADF&G and other authorities as needed. It is the intent of the AP that a more comprehensive reporting system will address:

- 1. More timely, verifiable reporting of catch**
- 2. Enforcement concerns**
- 3. More accurate geographic referencing of catch location which provides for analysis of halibut harvest in LAMP districts.**

Logbooks would not be considered sufficient; the team should consider tags and reporting systems suggested by industry.

The Council also supports an expedited local area management planning (LAMP) process by the Alaska Board of Fisheries to address localized depletion and user group conflicts and other issues as appropriate. The AP asks the Council to encourage the Board to complete this process and report back to the Council as soon as possible.

Issue 11. Community set-aside (revised)

Option 2. Set aside of 1% with a 1/4% incremental increases annually if utilized with a maximum of 2%

Suboption 1 Source of the set-aside

- A. Equal pounds from the commercial and charter sectors**

Suboption 2 Sunset provisions

- C. Sunset in 10 years (the count would start the first year of issuance)**
- D. Persons currently participating in the set-aside program at the time of sunset would be allowed to operate within the guidelines of the program.**

The Council further recommends the charter IFQ be included in the IFQ fee recovery program.

The motion was seconded by Kevin O'Leary, and amended as follows:

Dennis Austin moved to amend the initial QS allocation from 115% to 125%. The motion was seconded by Bob Penney and carried, 9 to 2, with Behnken and Bundy voting against. Mr. Austin pointed out that the 125% figure was an industry compromise and that the Council should recognize the effort made to reach that compromise.

A motion by Bob Penney to amend Issue 5, Transferability, to make quota shares non-redeemable and IFQs non-leasable, failed, 8 to 3, with Duffy, Penney and Benton voting in favor.

Dennis Austin moved to establish a Charter Halibut IFQ Implementation Team which would include enforcement representatives as well as members of the industry. This was accepted as a friendly amendment.

Also, by friendly amendment, **a statement was added under Miscellaneous provisions to clarify that halibut harvested aboard a charter vessel remains the property of the angler who caught the halibut, provided the charter owner possesses sufficient IFQ.**

It was also clarified that initial issues would be grandfathered in at the number of maximum lines fish in 2000, but that right **would not be transferable.**

In support of the main motion, the following points were made:

- It is the best solution to the problems identified in the Council's problem statement: overcapitalization, efficiency, conservation concerns.
- Will allow charter operators to maximize the efficiency of their operations. The analysis states that this is the outcome of IFQ programs.
- IFQs will not privatize the resource, they are an access privilege and can be revoked without compensation.
- The program will protect the opportunity of the guided angler by making a certain percentage of initial allocation non-transferable out of the sector.
- The program, as recommended, is the result of industry recommendations and compromises.
- The program will allow for some growth in the charter sector, particularly growth in the small remote communities, which will provide additional benefits to the sport angler, giving them more diverse opportunities.
- Responding to criticism regarding adequate public notice, it was pointed out that the Council has been addressing this issue, through analyses, committees composed of industry representatives, and public comments for several years. A recent Dittman survey showed that a large number of people surveyed were aware that the Council was considering charter halibut management measures.
- It is not anticipated that IFQs will increase the cost of a charter to the guided angler, that supply and demand is what drives the cost. Additionally, there is already a great diversity in the price of charters; the guided angler has a range of opportunities and prices to choose from; this is not expected to change measurably under an IFQ program.
- The program will increase the ability of industry to deal with the localized depletion problem when that is addressed by the local area management plan process.
- Enforcement will be improved under this program.
- The analysis clearly states that there will be no adverse effects on the non-guided sport angler.

The motion, as amended, carried, 8 to 3, with Duffy, Mace and Penney voting against.

Later in the meeting, **Robin Samuelsen moved to rescind Council action on the halibut charter IFQ program.** The motion was seconded by Linda Behnken and failed, 6 to 3, with Krygier (for Duffy), Samuelsen and Benton voting in favor. Bob Penney and Kevin O'Leary had left the meeting.

Linda Behnken moved to initiate a scoping paper on the issue of including the Halibut Charter IFQ program into the commercial IFQ fee recovery and loan programs. The motion was seconded by Dave Fluharty and carried without objection. The paper should discuss whether or not to include the charter IFQ in the current programs and whether Council action is required to do so. NOAA General Counsel Lauren Smoker indicated that statute requires a fee for an IFQ program. Staff will provide the discussion paper for the June meeting. Ms. Behnken said her intent at this point is that charter IFQ would not be automatically included in the commercial fee and loans programs without further Council action.

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Under staff tasking discussions, **Linda Behnken moved to initiate an analysis to increase the vessel ownership requirements in the commercial IFQ sector, as was done with the charter sector.** The motion was seconded and carried without objection.

A summary of final Council action on this issue is attached as Appendix V to these minutes.

C-2 Steller Sea Lion Measures

ACTION REQUIRED

- (a) Review status report on the analysis and alternatives for 2002 amendment package.
- (b) Receive RPA Committee report.
- (c) Recommend measures for the second half of 2001.
- (d) Receive update on independent reviews.

BACKGROUND

2002 Amendment package

A full amendment package is being developed for Council action in October 2001, which would propose a package of sea lion protective measures (RPAs) for implementation in January 2002. Staff has begun work on the environmental impact statement, and a draft Table of Contents is attached as Item C-2(a). Our intent is to contract much of the socioeconomic analysis, with guidance from NMFS Region economists.

In February, the Council reviewed an initial set of alternatives based on the previous RPAs recommended by the Council (Item C-2(b)). The Council recommended that the RPA Committee consider the elements and options contained in the September 2000 EA/RIR for the Pacific cod fisheries (Item C-2(c)), when developing their final set of alternatives for June. At the June meeting the Council will need to finalize the alternatives for analysis.

RPA Committee

In January, the Council established an RPA Committee to make recommendations on sea lion protection measures for the second half of 2001 and develop an alternative RPA for the 2002 plan amendment analysis.

The RPA Committee is composed of 21 members from the fishing community, the conservation community, NMFS, SSC, and State agencies.

The RPA Committee met several times to review SSL science, the Biological Opinion RPA, and fishery and survey information. Meetings were held on February 10, February 20, March 6-7, March 26-29, 2001. A full report, including minutes from all meetings and the Committee's recommendation for the second-half 2001 fisheries is attached as Item C-2(d). Committee Chairman Larry Cotter will report to the Council on their recommendations.

Recommendations for second half of 2001

At this meeting, the Council will need to make final recommendations for fishery regulations after the current emergency rule expires. A complete description and justification of the 2001 Steller sea lion protection measures are discussed in the preamble to the January 22, 2001, emergency rule (66 FR 7276). These measures are summarized below:

1. No transit zones within 3 nautical miles (nm) of 37 rookery sites;

2. Closure within 10 or 20 nm of 37 rookeries to all trawling year-round;
3. Closure to pollock fishing within 10 or 20 nm of 75 haulouts, seasonally or year-round based on use by sea lions;
4. In the Bering Sea pollock fishery: (a) four seasons with harvest limits within CH; and (b) two seasons (40:60 percent allocation) outside critical habitat;
5. Continuation of Bering Sea pollock fishery cooperatives established under AFA;
6. Gulf of Alaska pollock fishery distributed over four seasons (30:15:30:25 percent allocation);
7. Closure of the Aleutian Islands to pollock fishing;
8. Atka mackerel fishery measures include a vessel monitoring system requirement, continuation of two equal seasons, and restrictions on harvests in critical habitat;
9. Closure of the groundfish fishery to federally permitted vessels within 3 nm of more than 75 important haulout sites identified under established criteria;
10. Two fishing seasons for BSAI and GOA Pacific cod, January 1 to June 10 (60 percent of the total allowable catch (TAC)) and June 11 to December 31 (40 percent of the TAC);
11. Reduction of the allowable catch for Gulf of Alaska pollock from the Council's recommended 2001 level by 10 percent; and
12. The 2001 Bering Sea pollock harvests in the Steller sea lion conservation area (SCA) are limited to no more than the metric ton amount authorized in the final 2000 harvest specifications.

These regulations were modified in the March 29 *Federal Register* notice (66 FR 17083) to allow for fishing within haulout and rookery areas for vessels using jig gear off Alaska, and on vessels less than 60' using fixed gear in the BSAI.

In addition, the emergency rule implemented the closed areas contained in the RPA on June 10, 2001, for the pollock, Pacific cod, and Atka mackerel fisheries. These will be implemented unless the Council recommends modifications to these closures. Note that the RPA Committee has recommended a suite of closure areas for the Council to consider. At this meeting, the Council will make final recommendations for the second half of 2001.

Update on independent reviews

After consultation with SSC members and the Council's Steering Committee, I have completed the Statements of Work (SOWs) and signed contracts to initiate the National Academy of Science (NAS) review and a short-term review by an independent team of scientists. Item C-2(e) is a copy of the SOW for the short-term independent review, for which we expect an initial report in June and a final report in September. Members of that review team are (1) Dr. Don Bowen (Chair) from the Bedford Institute of Oceanography, DFO, Nova Scotia; (2) Dr. Dan Goodman, Systems Ecologist, Department of Biology, MSU; (3) Dr. John Harwood, Sea Mammal Research Unit of the Gatty Marine Lab, University of St. Andrews, Scotland; and, (4) Dr. Gordon Swartzman, School of Fisheries and Center for Quantitative Science, UW. While several other leading scientists were contacted for this review, these four gentlemen were available in this short time frame and I believe will provide us a broad scientific perspective on these issues. As is described in the SOW, we will be utilizing their expertise through this fall when we are scheduled to make a final decision on the RPAs and experimental design.

The NAS study is also underway, though I do not yet know the specific scientists chosen for that review. The SOW for that review is attached as Item C-2(f). We eliminated the sub-task related to input on the experimental design, as we have several other avenues of input for that issue. We also wanted the NAS to be able to focus on the other major issues in question, and be able to provide us a report by June 2002.

Report of the Scientific and Statistical Committee

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From the RPA Committee's presentation, the SSC noted that an apparent issue is opening the SCA outside of 10 nm to pollock fishing in one season (rather than two) for the rest of the year. The SSC notes that the proposal does not affect the total removal of pollock, thus the question is one of regional impact of increased fishing effort outside of 10 nm in BiOp Areas 7 and 8.

The implementation of the AFA has resulted in fewer boats and a BS pollock fishery that extends over a longer time period. The AFA changes are recent and few data exist to allow speculation on the extent to which the proposal would concentrate fishing removals in the SCA and any effects of that concentration. The SSC notes that the pollock stock is very strong but it would be useful to see summer biomass distribution in the area to assess the probable exploitation rate relative to available biomass. If the result of the RPA committee's proposal is that less fishing takes place during summer in Areas 7 and 8, then chum salmon bycatch is likely to be lower than under the ER.

The SSC noted that the proposal offers more protection than the emergency rule in the GOA and the Aleutians, areas with steep declines in SSL numbers. The areas with relaxed protection are those with increasing SSL trends during the 1990s. The proposal is limited to six months. Thus the SSC finds that it is not possible to conclude that the effect of the entire proposal would be less protection for SSL than under the ER, but cautions that this is the opinion of the SSC and is not based on a carefully reviewed analysis.

The SSC advised the Council that it is working to revise its draft report on the review of the November 30, 2000 Biological Opinion and will submit a final report to the Council after all SSC members have had a chance to review it.

Report of the Advisory Panel

The AP recommends that the Council not include a separate and specific analysis of the options included in the September 2000 SSL cod fishery EA in the EIS for the 2002 SSL RPA. The AP further recommends that the Council instruct the RPA committee to consider the elements and options contained in the September 2000 EA/RIR as it develops RPA recommendations and alternatives for June.

Additionally, the AP recommends the Council delete Alternative 3.

Regarding SSL measures for second half of 2001:

The AP requests the Council adopt the RPA committee's recommendations for the balance of 2001 with the following revisions:

Bering Sea areas 7 and 8 and the Aleutian Island areas 12 and 13 should open September 1 for pot cod vessels over 60 ft.

The harvest of pot cod vessels under 60 feet would be deducted from the 1.4% quota when the pot fishery for vessels over 60 feet is closed.

The harvest Pot cod vessels under 60 ft would be deducted from the 18.4% quota when the pot fishery for vessels over 60 feet is open.

The AP wishes to express their appreciation and thanks to the RPA committee's chairman, members and agency staff for their efforts.

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Further, AP recommends that the Council close the Chiniak Gully as proposed by NMFS for experimental purposes. We further request the Council request the State of Alaska close the State water portion of this gully to pelagic trawling to ensure the effectiveness of the experiment.

The AP also requests that NMFS and ADF&G make available the sea lion telemetry data in a GIS database format in the most expeditious manner possible, such that the public may examine plots of individual animal tracks. The AP recognizes the importance of this information to the RPA development process and appreciates the preliminary work of NMFS and ADF&G to make this information available to the RPA committee.

Report of the SSL RPA Committee

The Council received an extensive report from the RPA Committee. Briefly, the Committee's recommendations for management measures for the second half of 2001, while reducing the amount of critical habitat, would provide more protection for sea lions because new telemetry data analysis shows that a large majority of at-sea foraging locations in the Bering Sea are in the nearshore areas inside 10 nm.

DISCUSSION/ACTION

Bob Mace moved to approve the recommendations of the Advisory Panel. The motion was seconded by Robin Samuelson.

Kevin O'Leary moved to add Alternative 3 back into the analysis. The motion was seconded by Linda Behnken and carried without objection. NOAA General Counsel pointed out that all reasonable alternatives should be included.

Council members indicated that they felt that the recommendations of the RPA Committee and the Advisory Panel fall within the guidelines of the current Biological Opinion and that re-consultation should not be required. Dr. Balsiger said that the Agency could not ensure implementation of the recommendations before June 10 when the closed areas in the Biological Opinion will be implemented, but that if the measures are approved by the Secretary they would do the best they can to avoid operational difficulties for the fleet.

The main motion, as amended, carried 9 to 1, with Balsiger voting no because an emergency rule is involved. Mr. Penney was absent.

NMFS is forming a constituency panel to review SSL research initiatives. Council members were asked to recommend panelists by the following week so the panel can meet early in May. The Council's SSL Steering Committee will review the recommendations and consult with NMFS before the panel is finalized.

C-3 Groundfish Programmatic SEIS

ACTION REQUIRED: Receive update.

I have attached a copy of an information sheet regarding publication of the Draft SEIS, noting the extension of the comment period to June 25, 2001. Steve Davis from NMFS will provide a status report to the Council at this meeting, though a more focused review and formal Council comment on the SEIS document would be scheduled for the June meeting in Kodiak.

Report of the Scientific and Statistical Committee

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The SSC has been asked to review specific portions of the SEIS, but noted that time constraints and the enormous size of the analysis will preclude a report by June. The SSC has assigned committee members various portions to review and will evaluate progress during its June meeting.

The Advisory Panel received an update but had no comments on this issue.

DISCUSSION/ACTION

Because of the size of the document and the heavy agenda for the Council's June meeting, Council members voted to send a letter to the Secretary of Commerce requesting an additional 160-day extension of the public comment period, subject to any legal constraints the agency may be under.

C-4 American Fisheries Act

ACTION REQUIRED

- (a) Initial review of a proposed amendment to allow pollock allocated by NMFS to one inshore cooperative to be harvested by inshore catcher vessels that are members of another inshore cooperative, with the approval of the cooperative initially assigned the pollock allocation by NMFS.
- (b) Review salmon bycatch interco-op agreement.

BACKGROUND

Co-op Leasing Proposal

The proposed amendment would allow members of cooperatives in the inshore BS/AI pollock fishery to harvest pollock assigned by NMFS to a cooperative to which they are not a member, with the permission of the cooperative that was initially assigned the quota. This is currently not allowed under the status quo. Status quo regulations were derived from Section 210(b)(1)(B) of the AFA which states that:

"... except as provided in paragraph (6), that such catcher vessels will deliver pollock in the directed pollock fishery only to such shoreside processor during the year in which the fishery cooperative will be in effect and that such shoreside processor has agreed to process such pollock, the Secretary shall allow only such catcher vessels (and catcher vessels whose owners voluntarily participate pursuant to paragraph (2)) to harvest the aggregate percentage of the directed fishing allowance under section 206(b)(1) in the year in which the fishery cooperative will be in effect that is equivalent to the aggregate total amount of pollock harvested by such catcher vessels...and shall prevent such catcher vessels (and catcher vessels whose owners voluntarily participate pursuant to paragraph (2)) from harvesting in aggregate in excess of such percentage of such directed fishing allowance."

Since that section of the AFA allows only members of an inshore cooperative to harvest any portion of that cooperative's pollock allocation, an amendment to the FMP is required. The authority to make the proposed change was granted to the Council under Section 213(c) of the AFA, which states that:

*"Changes to fishing cooperatives limitations and pollock CDQ allocations: The North Pacific Council may recommend and the Secretary may approve conservation and management measures in accordance with the Magnuson-Stevens Act -
(1) that supersede the provisions of this title, except for Sections 206 and 208 for conservation or to mitigate adverse effects in fisheries or on owners of fewer than three*

vessels in the directed pollock fishery provided such measures take into account all factors affecting the fisheries and are imposed fairly and equitably to the extent practicable among and within the sectors in the directed pollock fishery.”

The proposed action would not supersede the provisions of the AFA included under Sections 206 or 208. Therefore, with proper justification, the Council may recommend the proposed change to the Secretary of Commerce (SOC).

The Council is scheduled to review the analysis at this meeting. If the analysis is deemed to be adequate for release for public review, the Council will then be in a position to make a final decision on this issue in June. Should the Council approve the proposed amendment in June the document would then be forwarded on to the SOC.

Salmon Bycatch Interco-op Agreement

At the February meeting we received an initial report from Joe Sullivan and Brent Paine regarding efforts to develop a salmon bycatch interco-op agreement to manage and minimize salmon and herring bycatch. They committed to providing a final draft to the Council at this meeting.

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

Report of the Advisory Panel

The AP recommends the Council release for public review the EA/RIR/IRFA for Amendment 69 to allow an inshore pollock cooperative to contract with AFA CV's that are qualified for the inshore sector, but outside their cooperative, for the purpose of harvesting the cooperatives' BSAI pollock allocation with the following revisions:

1. Include the provision, overlooked in the analysis, that requires the processor's approval in addition to the coop's approval.
2. Adopt the revised industry problem statement.

With regard to the salmon bycatch interco-op agreement, the AP recommends the Council support the industry proposal as presented. Further, the AP recommends the interco-op group give consideration to distributing penalty proceeds to salmon research in the Bering Sea.

DISCUSSION/ACTION

Bob Mace moved to adopt the recommendation of the Advisory Panel to release BSAI Amendment 69 for public review. The motion was seconded by Bob Penney and carried without objection.

The Council received an update on the industry salmon bycatch interco-operative agreement from Joe Sullivan and John Gruver. A year-end report will be provided in December.

C-5 BSAI Crab Rationalization

ACTION REQUIRED

Review committee recommendations for developing a BSAI crab rationalization program.

BACKGROUND

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Since the February Council meeting, the Crab Rationalization Committee held two meetings, one in Seattle on February 15-16 and another in Anchorage on March 22-23. Minutes for both meetings are attached under Item C-5(a). During these two meetings, the Committee made significant progress toward defining elements and options for analysis of a rationalization program for the BSAI crab fisheries. The Committee feels that it has essentially completed its task and recommends that the Council task staff to initiate analysis of the proposed program.

As outlined in the elements and options, the proposed rationalization program consists of a three-component IFQ program that would allocate harvesting quota shares to the harvesting sector, processing quota shares to the processing sector and impose regional restrictions on both harvesters and processors. The Committee's proposal also includes several options for fitting the three components together. For example, in order to implement regionalization, both harvesting and processing quota shares may need to be categorized by region. While a rationalization program may be based on just one or two of the components, the Committee has not reached consensus on the relative desirability of a one-pie, two-pie or three-pie IFQ program. Thus, the Committee recommends that all three components be included in the analysis, recognizing that the Council may choose to adopt a subset of the three.

Regarding cooperatives as an alternative to an IFQ program, the Committee has not developed a set of options specific to co-op's. While this potential approach to rationalization was considered at length during the ad-hoc committee meetings, the majority of participants (especially harvesters) felt that an IFQ program offered a more elegant solution. As a result, the Committee devoted its time almost entirely to the development of elements and options for an IFQ program. Should the Council decide to include cooperatives as an additional alternative to the proposed IFQ program for purposes of analysis, the Committee would need to meet again to develop options specific for cooperatives.

On the topic of cooperatives and, more generally, the analysis of potential approaches to crab rationalization, staff seeks guidance from the Council on how and when to respond to the Act requesting the North Pacific Council to present its analysis to Congress. The legislative language is repeated below for convenience:

"The North Pacific Fishery Management Council shall examine the fisheries under its jurisdiction, particularly the Gulf of Alaska groundfish and Bering Sea crab fisheries, to determine whether rationalization is needed. In particular, the North Pacific Council shall analyze individual fishing quotas, processor quotas, cooperatives, and quotas held by communities. The analysis should include an economic analysis of the impact of all options on communities and processors as well as the fishing fleets. The North Pacific Council shall present its analysis to the appropriations and authorizing committees of the Senate and House of Representatives in a timely manner."

Since this request is essentially the full analysis that staff would prepare anyway for Council review and action, staff recommends that it proceed with its normal analysis rather than develop a separate analysis for Congress. This approach would leave open the possibility for staff to prepare a summary version of its full analysis (once completed) for purposes of fulfilling the Council's obligation to Congress.

On a separate topic, NMFS (Phil Smith) provided a brief update on the status of the crab buy-back program to the Committee during the March meeting. Recall that amendments to the statute governing the buy-back program are needed (1) to ensure all vessels that were intended to be included under the Council's recency proposal are included in the vessel certification provisions, (2) to ensure that replacement of vessels in the BSAI crab fishery would be allowed, and (3) clarify the eligibility requirements for participation in the buy-back program. Proposed technical amendments prepared by NMFS were reviewed with Dave Russell (from Senator Stevens' office) during a conference call on March 26. Meanwhile, NMFS is proceeding to implement the current law that sets eligibility standards for vessels to participate in the BSAI crab fisheries and requires a final buyback

rule to be in place by May 1. The proposed amendment (if passed) would extend this deadline to June 30 but retain the December 31, 2001 deadline for completion of the actual buyback.

Finally, during the Committee's meeting in March, representatives from ADF&G (Herman Savikko and Kevin Duffy) reviewed its letter dated March 22, 2001 to the Council discussing ADF&G's position on efforts to rationalize fisheries under the Council's jurisdiction. A copy of the ADF&G letter is included under Item C-5(b). In general, the ADF&G letter expresses support for rationalization but also outlines several concerns. The Committee considered the issues raised in the letter and also highlighted during two separate Q&A sessions with Mr. Savikko and Mr. Duffy as it finalized the elements and options for analysis. In addition, the Committee recommends that the Council request the State to work with staff to address two issues: (1) collection of economic data to monitor the impact of rationalization, and (2) funding sources for management, research and enforcement. The basis for these requests are discussed in ADF&G's letter as well as in the Committee's minutes for the March meeting. To the extent that the State provides the requested input to staff, both issues will be addressed more fully in the analysis.

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

Report of the Advisory Panel

The Advisory Panel recommended adoption of a problem statement and an extensive list of alternatives and options (please see AP Minutes, Appendix III to these minutes for those recommendations).

Report of the BSAI Crab Rationalization Committee

The Committee also recommended a set of alternatives and options for analysis. Please see those recommendations under Appendix VI to these minutes.

DISCUSSION/ACTION

Earl Krygier moved to direct staff to develop a scoping document that would include estimates of how much analytical time the various components of the various alternatives suggested by the Advisory Panel and provide the Council with enough perspective for each of the issues to allow the Council to develop elements and options in June. The motion was seconded by Dave Fluharty and carried without objection after discussion of the following points to be covered in the scoping paper. (Mr. Penney and Mr. O'Leary were not present.)

During discussion, other recommendations for the document were:

- The document should articulate the key issues involved and how the elements and options as proposed would address the various issues.
- The document should include a discussion of the Adak brown crab processing issue presented by industry.
- Where possible, identify ways to make the analytical task more manageable.
- Highlight any proposed options that may be problematic in terms of data requirements, analytical difficulty, or legal aspects, in light of the Council's desire for the analysis to be completed by December 2001.
- If possible, correlate the elements and options to the problem, i.e., conservation, economic, allocation, etc. and assess whether or not that element or option gets to the point or is feasible.
- Clarified that the analysis would include a full range of 0 to 100% under Section 2.4.1, annual distribution of IPQs.

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- With regard to the captain/crew proposal, should look at initial allocations to crew and ranges of 0, 10, and 20% for a quota share pool, and 0, 10 and 20% for an initial allocation to a crew pool; the pool would be distributed equally to qualifying crewmen using the years that are designated for initial recipients, and also the same options distributed proportionally for each fishery.
- Address the issue of controls on vertical integration, three options: (1) no controls on amount of CV shares or IFQs that the processors can buy; (2) an option that would not allow any purchases; and (3) purchases up to a cap. Additionally, a discussion of existing vertical integration.

It was pointed out that a quantitative discussion of the vertical integration issue would not be realistic by June. Ms. Behnken suggested that at least there should be some place holders for what the upper bound might be, and consider grandfathering, using options of 1, 5, and 10% at this point. She also stressed that if industry wants fast action they will have be forthcoming with data to help the analysts.

Earl Krygier agreed that ADF&G will provide assistance in developing the scoping paper.

Council members agreed that this issue should be placed early on the June agenda.

Linda Behnken moved to approve the problem statement provided by the Committee:

The crab fisheries in the Bering Sea/Aleutian Islands are fully utilized. Despite amendments to the LLP Program and AFA sideboards, capacity in these crab fisheries far exceeds available resources. The ability of crab harvesters to diversity into other fisheries has been severely curtailed under the LLP program and other management actions designed to bring stability to other gear groups and species. Many of the concerns identify by the NPFMC at the beginning of the comprehensive rationalization process in 1992 still exist for the BSAI crab fisheries. The race for fish continues to result in:

- 1. Resource/conservation management problems.**
- 2. Bycatch/handling mortality and dead loss.**
- 3. Excess harvesting capacity.**
- 4. Lack of economic stability.**
- 5. Safety issues.**

In the continued process of comprehensive rationalization, prompt action is needed to protect the crab resource and to promote stability for those dependent on the crab fisheries. In order to achieve a balanced resolution, the concerns of harvesters, processors and coastal communities may be addressed.

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

Dave Fluharty moved to send a letter to the Secretary of Commerce, with copies to the appropriate legislators, supporting the buyback program as part of the Council's rationalization plan and requesting timely action on that program. The letter should stress that the program will help conservation by reducing fishing pressure and will help crab fishermen who are in serious trouble. The motion was seconded by Linda Behnken and carried without objection. (Mr. Penney and Mr. O'Leary were absent.)

C-6 GOA Groundfish Rationalization

ACTION REQUIRED

Receive committee report.

BACKGROUND

The GOA Rationalization Committee met on March 20-21, 2001 for its second meeting to develop a problem statement and list of alternatives for analysis to rationalize the GOA groundfish fisheries. The minutes of its meeting are attached (Item C-6(a)). The committee has developed three problem statements for Council consideration:

- (1) to rationalize the GOA groundfish fisheries;
- (2) to eliminate latent licenses; and
- (3) effects of parallel State water fisheries on rationalizing Federal fisheries.

The committee will meet again on May 15-16 to develop management alternatives for analysis. Due to the complex interaction among target fisheries and bycatch and across regulatory areas, the committee may identify only a few test fisheries (e.g., Pacific cod, Pacific ocean perch) for initial attempts to rationalize the fisheries. The committee welcomes public comment and Council direction on its three draft problem statements and its potential approach for selecting test fisheries rather than attempting to analyze and implement a comprehensive rationalization scheme for the entire Gulf. The committee will provide final recommendations to the Council at its June meeting.

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

The Advisory Panel received the staff and Committee reports, but did not take any action on this agenda item.

GOA Groundfish Rationalization Committee Report

The Committee met March 20-21, 2001 and developed three problem statements to (1) rationalize the GOA groundfish fisheries; (2) eliminate latent licenses; and (3) address the effects of parallel State water fisheries on rationalizing Federal fisheries. At its next meeting the Committee will begin to develop management alternatives for analysis. Because of the complex interaction among target fisheries and bycatch, and across regulatory areas, the Committee may identify only a few test fisheries for initial attempts to rationalize the fisheries.

DISCUSSION/ACTION

Linda Behnken moved to adopt the Committee's problem statement to rationalize the GOA groundfish fisheries, with one minor change (noted by ~~strikeout~~):

The Gulf of Alaska ecosystem is complex and productive, supporting diverse communities of fish, seabirds, marine mammals, fishermen, processors and coastal communities. The Magnuson-Stevens Act (MSA) charges the Council with minimizing bycatch, protecting habitat, preventing overfishing, promoting safety at sea and enhancing opportunities for fishery dependent communities.

Increasing participation in Gulf of Alaska fisheries as well as increasing catching and processing capacity have intensified the race for fish with attendant problems of high bycatch, decreased safety, and reduced product value. In addition there are concerns about sea lion

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recovery, consequences of Bering Sea crab reductions, spillover effects from the American Fisheries Act (AFA), and habitat conservation requirements. All of these factors have made achieving MSA goals difficult and force re-evaluation of the status quo.

Amendments to the MSA, passed by Congress in December 2000, called for the North Pacific Fishery Management Council to examine the Gulf of Alaska groundfish fisheries to determine whether rationalization is needed. The statute specifically requires the Council to analyze individual fishing quotas, processor quotas, cooperatives, and quotas held by communities, and to include an economic analysis of the impact of all rationalization options on communities, processors, and the fishing fleet.

Alternative strategies for fisheries management in the Gulf need to be analyzed as required by the MSA amendments. These strategies must be developed in an open and accessible public process.

Specific objectives for GOA rationalization implementation include:

1. Meeting MSA conservation requirements (bycatch avoidance, habitat conservation, prevention of overfishing);
2. Improved ability of industry to adjust to ecosystem measures such as spatial and temporal management for sea lion protection
3. Promotion of safety at sea;
4. Increased utilization and improved product quality;
5. Community stability, including fish tax revenue;
6. Maintaining the character of an independent harvester fleet while allowing for meaningful reduction of excess capacity;
7. Fostering of a healthy, competitive processing environment;
8. Protecting both the harvesting and primary processing sectors from losing the relative value of those existing investments and maintain the existing market balance between the two;
9. Provide opportunities for coastal communities to directly participate in the economic benefits of the fisheries;
10. Recognize historic and recent participation; and
11. Accountability through performance reviews.

The examination will include an economic analysis of the impact of all options on communities, processors, and fishing vessel owners and crew.

The motion was seconded by John Bundy and carried with Mace objecting. Kevin O'Leary and Bob Penney were absent.

D. FISHERY MANAGEMENT

D-1 Staff Tasking

ACTION REQUIRED

Review status of tasking and Committees and provide direction as appropriate.

BACKGROUND

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At the February meeting the Council initiated some new amendment analyses, but with the provision that they would be pursued as staff and contracting resources became available. At that meeting you requested that in April we once again review staff tasking, with a more definitive assessment of existing projects, potential new projects, and available staff resources. You also wanted to have some further discussions of Council Committees at this meeting.

Committees

Item D-1(a) is an updated summary of Council Committees, and I suggest we walk through these, and assess where each Committee is in our process and whether adjustments or direction need to be provided by the Council.

The BSAI Crab Rationalization Committee was scheduled to make their recommendations by June, then disband unless extended by the Council. We probably need to assess, under C-6, whether they have completed their task for the Council. The CDQ Committee has not met for some time, and you have recently appointed a CDQ Policy Committee which is scheduled to meet April 26-27. While there is an existing CDQ Committee, there seems to be a desire to keep that as a separate Committee from the Policy Committee, but that may be something for the Council to consider. The Ecosystem Committee has not met for some time and perhaps the Council could discuss current direction to that Committee. I believe the Enforcement Committee, like the Finance Committee, would continue to meet on an as-needed basis.

The GOA Rationalization Committee is scheduled to report under C-6 and will be seeking any necessary Council direction. Further need for a Halibut Charter IFQ Committee will likely be determined by action under C-1. The Halibut Subsistence Committee may need to remain active, pending recommendations from the Board of Fish in June. The IFQ Cost Recovery Committee has not met in some time, though they are scheduled to meet annually to review the fee projections and associated issues. It may make sense to consider melding this Committee with the IFQ Implementation Team given the closely overlapping roles.

I am unsure where we stand with the Magnuson-Stevens Act Reauthorization Committee. Council members Benton and Behnken are the only two members listed for this Committee - as I mentioned under the ED report, reauthorization issues will be discussed at the upcoming meeting of Council Chairmen and EDs in late May. Perhaps at the June meeting we could report to you on that meeting and the Council can then determine how to proceed on this Committee. There is also listed a Russian (International) Committee whose status needs to be resolved (whether it is still necessary and updating the membership). The Observer Committee is running along smoothly I believe - as I reported earlier in the meeting we have not progressed as rapidly as anticipated, but we are resolving some intermediate issues that should pave the way for development of more comprehensive program adjustments.

The Socioeconomic Data Committee is still in place, but we determined earlier that this Committee would remain inactive until this fall. The SSL RPA Committee has also been appointed and of course has been very active coming into this meeting, and will be through this fall. From our discussions in February, it appears that a potential Research Funding Committee may be unnecessary at this time, given Council membership on the NPRB.

A general issue which has arisen in several Committee forums is that of substitutes sitting in when specified members are unavailable. In some cases the Council has named alternates, while in others that decision has been made by the individual Committee Chairs. In most cases there needs to be a continuity, which makes substitutes less than optimal. The Council could make a global policy in this regard, or continue to deal with it on a committee-by-committee basis, and/or defer to the Committee Chairs.

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Staff Tasking

Item D-1(b) is a slightly reorganized summary of existing and potential new projects. There are the items already tasked by the Council, some of which absolutely have to be done, and these are denoted as 'Existing Priority Projects'. A trade-off situation exists among some of the previously tasked projects and potential new projects. And, some of the previously tasked projects may no longer be necessary, or may no longer be priority items. Therefore, I have lumped these together (in the 'Pending Projects' category), with some notations of staff (or contract) resources available and projected completion dates. I need the Council to help me prioritize these projects, recognizing we can't get them all done on the timelines we ideally would like. **Item D-1(c)** is a summary of each staff members' projected tasking, and availability, through October. In the 'work weeks already committed' column, I have included only those items from the 'Existing Priority Projects' section of **D-1(b)**.

So, we do have some staff availability, though it is limited to specific staff members. For example, David Witherell and Cathy Coon are fully assigned to the SSL package between now and October - I am hoping their involvement in the EFH revisions will largely come after October. Maria Tsu has several weeks available, which I anticipate would be largely devoted to the Crab Rationalization initiative, which would also include some outside contract help. Jane DiCosimo and Nicole Kimball may have additional tasking after June related to the subsistence/LAMP process and a report from the Board of Fish scheduled for June. We do have substantial funding outside of our baseline budget for SSL and AFA related projects, and I already have budgeted some of our SSL money for outside assistance on the socio-economic portions of the RPA analysis. By assigning some of our staff payroll to SSL activities, and using SSL funds to cover their time, I may also be able to free up some of our baseline budget to contract help on other projects as well (noting some limitations in this regard).

We have some good applications for the economist position(s) on staff, and I will be interviewing in early May - the reason for the delay in closing this loop is because I want to include Dr. Marasco in that interview process, and he is on leave and unavailable until early May. I hope to have that additional staff on board by early to mid-summer.

Neither the Scientific and Statistical Committee nor the Advisory Panel address this agenda item.

DISCUSSION/ACTION

Committees: Linda Behnken suggested a member of the conservation community be added to the Observer Committee.

Regarding the resignation of the observer representative from the Advisory Panel, Chairmen Benton will canvass individual Council members and if an executive session is necessary, one will be scheduled for the June meeting.

Council members reviewed the current committee list, determining that most, if not all, are still relevant and should not be disbanded. However, the Chairman and Acting Executive Director were asked to review the committees and the Council's current committee policies and report back in June with any recommendations for changes.

Linda Behnken moved to establish an Essential Fish Habitat Committee to work with NMFS to develop elements, options and alternatives that could be used as part of the public scoping process on different approaches to identifying EFH, measures for mitigating fisheries impact on that habitat, and the other issues that have been required by the lawsuit. The motion was seconded by Dave Fluharty and carried without objection.

The Chairman said if possible the committee may be appointed in time for a committee meeting before the June meeting. Ms. Behnken suggested that staff member Cathy Coon be freed from some other duties in order to staff the new EFH committee.

Tasking

Linda Behnken moved to approve the staff's recommendation to combine into one amendment package the sharks and skates analysis with the analyses to separate BSAI and GOA 'other species' into their component groups. The motion was seconded by Robin Samuelsen.

John Bundy offered a friendly amendment to clarify the Council's original intent that the non-specific reserve was intended in part to provide adequate other species to allow reasonable CDQ fisheries and that the reduction in arrowtooth TAC had a large an unintended impact on other species quotas available to the CDQ groups. Further, that the impacts of this combined other species project on the CDQ program be analyzed as part of the analysis, including the likely ABC and TAC levels and their impacts in the future need to be part of the analysis and an option be added to remove other species from the CDQ program and doing away with the non-specific reserve. The motion was accepted as a friendly amendment to the main motion.

An alternative to remove 'other species' components from the CDQ program was also added.

Ms. Behnken said, however, in addition to these options if the staff, in reviewing what those impacts are, discover other potential solutions, that they also be included in the analysis.

The motion carried without objection. The analysis will be initially reviewed by the Council in October 2001.

Linda Behnken moved, with reference to the Gulf of Alaska salmon bycatch reduction measures, that staff tasking be delayed until at least December in order to allow time to gather data on the fisheries under the RPAs. The motion was seconded by Bob Penney and carried without objection.

Mr. Samuelsen requested that if there is any information available by October that staff provide it to the Council, particularly if data show a large increase in salmon bycatch. This was accepted as a friendly amendment to the motion.

When discussing tasking priorities the Council made the following determinations:

- BSAI crab rationalization is the first priority.
- Halibut subsistence and LAMPs would be second priority.
- The BSAI Pacific cod trawl LLP recency issue reaffirmed as a lower priority than the first two.
- The shortraker/rougheyeye retention analysis needs to be prepared as soon as possible, recognizing the staff situation. It was suggested there may be other agency staff that could at least help.
- The Pacific cod sideboards analysis may not be needed; take it off tasking list or put as very low priority.
- Although GOA groundfish rationalization is potentially a large tasking issue, the Council cannot determine the priority and timeline until after the committee has completed its work.
- The EFH issue will also potentially require major staff time and will have a timeline associated with it that the Council will have to adhere to. The new EFH committee may help get the Council started on that process.

**MINUTES
NPFMC MEETING
APRIL 2001**

Council members asked that an industry update on HMAP projects be placed on the June agenda.

E. ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 5:00 p.m. on Monday, April 16, 2001.

MINUTES

**150th Plenary Session
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
April 11-16, 2001
Anchorage, Alaska**

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- I List of Persons Giving Public Comment
- II Minutes of the Scientific and Statistical Committee
- III Minutes of the Advisory Panel
- IV Minutes of the Halibut Charter IFQ Committee
- V Final Council Action on Halibut Charter IFQ Program
- VI BSAI Crab Rationalization Committee Report