

MINUTES

175<sup>th</sup> Plenary Session  
North Pacific Fishery Management Council  
February 8-13, 2006  
DoubleTree Hotel- SeaTac  
Seattle, Washington

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# North Pacific Fishery Management Council

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Certified Stephanie D. Madsen  
Stephanie Madsen, Chair

Date: April 5, 2006

## MINUTES

175<sup>th</sup> Plenary Session  
North Pacific Fishery Management Council  
February 8-14, 2006  
Doubletree Hotel  
Seattle, Washington

The North Pacific Fishery Management Council met February 8-14, 2006, at the Doubletree Hotel-SeaTac in Seattle, Washington. The Scientific and Statistical Committee met February 6-8, and the Advisory Panel met February 6-10 at the same location. The following Council, staff, SSC and AP members attended the meeting:

### Council Members

Stephanie Madsen, Chair  
Sue Salveson for Jim Balsiger  
Dave Benson  
John Bundy, Vice Chair  
McKie Campbell/Earl Krygier  
Arne Fuglvog (Feb. 9-11)

Dave Hanson  
Doug Hoedel  
Roy Hyder  
Jeff Koenings/Bill Tweit  
Eric Olson  
CDR Mike Cerne for ADM Olson  
Ed Rasmuson

Absent: Lenny Corin; Stetson Tinkham

### NPFMC Staff

Gail Bendixen  
Cathy Coon  
Jane DiCosimo  
Elaine Dinneford  
Diana Evans  
Mark Fina  
Nicole Kimball

Chris Oliver  
Jon McCracken  
Jim Richardson  
Maria Shawback  
Diana Stram  
Bill Wilson  
Dave Witherell

Support Staff/Presentations

Lauren Smoker, NOAA-GCAK  
Lisa Lindeman, NOAA-GCAK  
Darrell Brannan  
Jay Ginter, NMFS-AKR  
Glenn Merrill, NMFS-AKR  
LT Dan Schaeffer, USCG-Kodiak  
Herman Savikko, ADF&G  
Allen Bingham, ADF&G  
Kaja Brix, NMFS-AKR  
Gregg Williams, IPHC  
Bruce Leaman, IPHC  
Libby Logerwell, AFSC

Ed Dersham, ADF&G  
Sue Aspelund, ADF&G  
Doug Vincent-Lang, ADF&G  
Jeff Passer, NOAA Enforcement  
Doug Vincent-Lang, ADF&G  
Jeff Hartman, NMFS-AKR  
Rachel Baker, ADF&G  
Kent Lind  
Bill Karp, AFSC  
Steve Barbeaux, AFSC  
Kelly Hepler, ADF&G

Scientific and Statistical Committee

Gordon Kruse, Chair  
Keith Criddle  
Steven Hare  
Mark Herrmann  
Sue Hills  
Anne Hollowed  
George Hunt

Pat Livingston, Vice Chair  
Seth Macinko  
Franz Mueter  
Steve Parker  
Terry Quinn II  
Farron Wallace  
Dave Woodby

Advisory Panel

Al Burch  
Lisa Butzner  
Joe Childers  
Cora Crome  
Craig Cross  
Tom Enlow  
Duncan Fields  
Bob Gunderson  
John Henderschedt  
Jan Jacobs

Bob Jacobson  
Simon Kinneen  
Kent Leslie  
Matt Moir  
John Moller  
Jeb Morrow  
Ed Poulsen  
Jim Preston  
Michelle Ridgway  
Lori Swanson

The following members of the public registered their attendance:

Gregg Nady  
Shawn Griggs  
Glenn Reed  
Gerry Merrigan  
Craig Cross  
Brent Paine  
John Bruce  
Stephen Taufen  
Heather McCarty  
Thorn Smith

Russell Pritchett  
Rob Wurm  
Kris Norosz  
John Henderschedt  
Frank Kelty  
Marcus Alden  
Theresa Peterson  
Shawn C. Dochtermann  
Darius Kasprzak

**A list of persons giving public comment during the meeting is attached as Appendix I to these minutes.**

**A. CALL TO ORDER**

Stephanie Madsen, Council Chair, called the meeting to order at approximately 8:04 a.m. on Wednesday, February 8, 2006.

Agenda. The agenda was approved as published.

Minutes. Minutes of the December 2005 meeting were approved with one correction: Ms. Madsen's first name was misspelled on page one.

**B. REPORTS**

The Council received the following reports: Executive Director's Report (B-1), NMFS Management Report (B-2); U.S. Coast Guard Report (B-3); NMFS Enforcement Report (B-4); ADF&G (included comment on BOF proposals and creel survey report (B-5), U.S. Fish and Wildlife Report (written only) (B-6); Protected Species Report (B-7), a report from the Shell Oil Co. on upcoming lease sales (B-8), and a report from the International Pacific Halibut Commission (B-9). Following are brief recaps of discussion or action take during reports:

Executive Director's Report

The Council received a request from the Northwest Arctic Borough to consider inclusion of several western Alaska coastal villages in the Western Alaska Community Development Quota Program. It was pointed out that the CDQ program was designed for communities on the Bering Coast and the communities mentioned are not within the management area outlined in the MSFCMA. The Council instructed the Executive Director to respond to the Borough clarifying Council authority and that if legislative authority was provided, the Council would then be in a position to consider addition of the communities in the request.

The Council also asked the Executive Director to follow up on the issue of the delay in initiation of the crab loan program to determine what actions are needed and who is responsible to get the program underway.

NMFS Management Report

Jay Ginter advised the Council that the agency has recently become aware that NMFS may be required by statute to generate a fee program for any program where there is an allocation to an entity and there may be a potential application of cost recovery fees to fishing cooperatives. There are several areas that need to be clarified, however, and NMFS staff will provide a discussion paper on the subject at the June 2006 meeting. Council members asked that agency staff provide information on the regulatory action that implemented the cost recovery program in 1996 Sustainable Fisheries Act, the latest report on the assessment for the halibut and sablefish IFQ program, how it is calculated and applied, and how the funds are spent.

In addition to the update on current amendments and the status of fisheries, the Council received a progress report from Glenn Merrill on the analysis for the proposed rockfish pilot program, which would award exclusive harvest privileges to voluntary cooperatives for rockfish species in the central GOA.

Dr. Koenings pointed out that the inseason report shows that the incidental catch rates for salmon in the Bering Sea pollock fishery are higher than those of 2005 in the Chinook salmon savings area and asked whether there is any information on the species composition or areas of origin for those salmon. Ms. Salveson responded that NMFS is considering hiring a contractor to conduct coded wire tag studies to gather this type of information.

#### U.S. Coast Guard Report

CDR Mike Cerne introduced Captain Custard, the new Chief of Response for the 17<sup>th</sup> Coast District in Juneau. CAPT Custard told the Council that the Coast Guard is very appreciative of the support and cooperation of the Council, NOAA Enforcement, and the State of Alaska and is encouraged by the Council's work on a comprehensive VMS requirement which will help achieve mutual goals of resource conservation and protection. Captain Rod Parker, Chief of Staff for Coast Guard District 13 of Seattle, also attended a portion of the meeting.

CDR Cerne provided the annual review of Coast Guard activities in the region for 2005. CDR Cerne noted several actions the Guard may take to compensate for loss of funds and/or vessels next year, including the possible use of some buoy tenders for enforcement and reallocating resources from maritime boundary surveillance to other areas because the declining activities in that area. Additionally, because there were no major violations in critical habitat enforcement, some reallocation of resources in that area may be possible. He noted that with crab rationalization the *opilio* fishery will be more spread out, in area and time, and will require a significant increase in Coast Guard resources. However, CDR Cerne noted that coordination with other enforcement agencies has been unprecedented and successful in this new program.

LT Dan Schaefer provided the Council with a brief review of the year-end report for the Coast Guard's Fishery Training Center in Kodiak.

#### NMFS Enforcement Report

Jeff Passer provided the 2005 annual report of NMFS enforcement activities in the Alaska region. Mr. Passer provided statistics on resolved cases and noted areas of concern, particularly electronic reporting problems, and possible highgrading in the crab fisheries. Council members were concerned about the statistics with regard to Steller sea lion harassment cases and requested more details on those cases in April.

#### Alaska Dept. of Fish & Game Report

Herman Savikko provided a report on the status of State fisheries of Council interest for 2005 and activity since the last Council meeting. The Council also received a report from Allen Bingham on the State's reporting system for sport-caught species. Doug Vincent-Lang also advised the Council on the changes being made for the logbooks for 2006, specific to halibut, which will include mandatory logbooks submitted on a weekly basis. The agency is working on ways to improve enforcement and dockside verification.

The Council received a report on the recent joint Council/Board of Fish meeting to discuss the Board's proposal for a State water Pacific cod fishery in the Aleutian Islands west of 170° longitude. During the joint meeting the aspects of the fishery, including gear types and possible impacts on Steller sea lion protection measures and the how the three percent TAC allocation might affect other Council actions on

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Pacific cod allocation. The Board is scheduled to take action on the proposal February 23-24 in Ketchikan.

The Council also received a letter from the Board of Fish advising that the Board will be considering regulatory actions covered under the Council/Board joint operating agreement for the crab fisheries. The Council did not have any recommendations on the Board's anticipated actions outlined in its January 20, 2006 letter to the Council which fall under Category 2 measures of the agreement.

Protected Species Report

Critical Habitat – Right Whale. Kaja Brix, NMFS, reviewed progress on the designation of critical habitat for the northern right whale. A public hearing will be held March 2<sup>nd</sup> or 3<sup>rd</sup>, reopening the public comment period with the publication of the *Federal Register* notice of the hearing. The new comment period would end a few days after the March public hearing.

FMP-Level consultation on groundfish fishery management plans. Council members were provided with a potential timeline for the consultation and related Council activities. Staff advised that the potential consultation for an exempted fishing permit should not delay the proposed timeline on the FMP-level consultation.

Shell Oil Presentation

Mr. Greg Nagy provided information to the Council on a 5-year leasing plan for the North Aleutian Basis, inviting the Council to provide comments during the public comment period. Chair Madsen indicated that when the EIS is available, the Council will review it and determine whether to comment.

IPHC Report

Bruce Leaman provided a report of the IPHC's annual meeting and plans for improving estimates of halibut abundance, particularly in the Bering Sea. In addition to coordinating with the NMFS trawl survey, this summer the IPHC will be creating an entirely new longline survey of the Eastern Bering Sea shelf involving a hundred stations covering approximately 150,000 square miles.

**FORMAT FOR COUNCIL MEETING MINUTES FOR 'C' AND 'D' AGENDA ITEMS**

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

**C. NEW OR CONTINUING BUSINESS**

**C-1 IR/IU—BSAI Amendment 80**

**ACTION REQUIRED**

- a) **Final action on Amendment 80 EA/RIR/IRFA**

**BACKGROUND**

Amendment 80 proposes to allocate rock sole, flathead sole, yellowfin sole, Al Pacific ocean perch, and Atka mackerel to the Non-AFA Trawl catcher processor sector. In addition, the proposed action would allocate PSC limits to the sector for use in their BSAI directed fisheries. The proposed action would establish a cooperative program for qualified Non-AFA Trawl catcher processor participants. To maintain existing fishing activity among non-allocated species in the BSAI and the GOA, sideboards are included in the proposed action. Finally, Amendment 80 includes options for increasing the CDQ program allocation of the five species noted above, secondary species taken incidental in these fisheries, and PSC limits.

In October 2005, the Council conducted a initial review of the EA/RIR/IRFA and selected a preliminary preferred alternative, noting that the alternative was still overly broad in many areas and needed further narrowing during final action. Staff has updated the EA/RIR/IRFA to reflect the inclusion of the preliminary preferred alternative and updated sections of the analysis the Council highlighted as needing additional information. The revised EA/RIR/IRFA for Amendment 80 was released for public review on January 13. A copy of this analysis was mailed to you at that time. The executive summary of this analysis is attached as Item C-1(a). In addition, a copy of the current alternatives, components, and options for Amendment 80 is attached as Item C-1(b). The Council is scheduled to take final action at this meeting.

The following bullets highlight issues of Amendment 80 that may need further clarification from the Council prior to final action:

- The problem statement may not fully address all issues proposed in this amendment package. In June 2005, the Council added the option of including eligibility criteria for trawl catcher vessels to operate in the limited access fishery for the allocated species. In October 2005, the Council selected in the preliminary preferred alternative to require trawl catcher vessels to have landed at least 150 mt of any groundfish species from 1995-2004 to be eligible to participate in any BSAI limited access fishery for the five allocated species. The effect of this proposed action would be to exclude 8 licenses from these fisheries. In addition, the problem statement may not fully address the proposed increase in CDQ allocations of the allocated species, all secondary species caught incidental in these directed fisheries, and PSC. The Council may want to revise the problem statement to reflect these proposed actions.
- One of the proposed options in Amendment 80 is to allocate PSC limits to the Non-AFA Trawl CP sector for use in their directed fisheries in the BSAI. At the same time, Amendment 85 (BSAI Pacific cod allocation) proposes to allocate separate halibut PSC limits to all BSAI trawl sectors for use in the BSAI Pacific cod fishery. Given the timing of the two proposed actions and the obvious overlap of allocating halibut PSC between the trawl sectors, the Council should clarify how halibut PSC will be addressed in the two actions in order to eliminate language conflicts between the two motions. Attached as Item C-1(c) is a discussion paper detailing the interaction of the two proposed actions and how the Council might clarify the language in both actions.



- **Amendment 80 includes options for harvest limits on Pacific cod in the BSAI. Simultaneously, the Council is working on the proposed Amendment 85 action, which would modify the current BSAI Pacific cod allocations to the various gear sectors, including an allocation to the Non-AFA Trawl CP sector. Once Amendment 85 is implemented, two changes could occur in the management of the sector's Pacific cod catch. First, the sideboard for Pacific cod would be removed, given that the sector would have an allocation of Pacific cod. Second, provided the Council clarifies its intent, the division of the sector sideboard between the cooperatives and the sector limited access fishery could be applied to the Amendment 85 Pacific cod allocation. This would simplify management of the allocation within the sector by continuing cooperative management of the cooperative allocations.**
- **The Council should clarify its intent on how entry into the cooperative program should be based. Currently, entry into the sector under the proposed action is vessel based. However, entry into the cooperatives under the proposed action is licensed based. The effect of these two different standards could create circumstances that are inconsistent with the "owner qualification" developed by the Capacity Reduction Program. As currently structured, a person qualified for the Non-AFA Trawl CP sector may be effectively precluded from fishing if the person does not have a cooperative endorsement and associated catch history to support an allocation to the sector's limited access fishery. The simplest and most direct method of establishing consistency would be to base cooperative eligibility on the Capacity Reduction Program eligibility criteria. If the Council wishes resolve the inconsistency and retain the current license based system for entry into a cooperative, the Council could modify their current action to base all qualification (including cooperative qualification) on vessel ownership. If the Council wishes to create incentives for participants to qualify for additional licenses for the program that meet a catch threshold, it could credit the licenses towards cooperative formation or credit the history from those licenses for distribution of the sector's allocation.**

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

### **Report of the Advisory Panel**

The AP recommended the Council not take final action on Amendment 80 at this meeting. The AP noted the need to make progress on the package and recommended several specific refinements to the components of the preferred alternative. [Please see AP Minutes, Appendix II to these minutes for the entire set of recommendations.]

### **COUNCIL DISCUSSION/ACTION**

[NOTE: Mr. Tweit and Mr. Krygier participated in this discussion for Dr. Koenings and Mr. Campbell, respectively.]

With regard to the proposed data gathering component, Lauren Smoker, NOAA General Counsel, advised that the Council does have authority under 303(A)(5) to collect data pertinent to fishery management actions. The program specified in the crab rationalization program was specifically mandated by Congress and some aspects of that program would not apply here. However, it is the opinion of General Counsel that it would be within the Council's authority to require collection of the types of data specified under Amendment 80.

The Council had also asked NOAA-GC to provide guidance on whether the Council has the authority to approve PSC allocation provisions in Amendment 80 in light of restrictions imposed by Congress under the moratorium on new IFQ programs. Ms. Smoker indicated that because the moratorium has been lifted, general authority to allocate is now back within the Council's purview, either under Section 313(g)(2) or Section 303(b)(6) of the MFCMA. She advised that the Council should identify which authority they are using making their decisions.

**Earl Krygier provided a 12-page motion (see Appendix III to these minutes). The motion was seconded by Ed Rasmuson.**

The following clarifications, amendments and edits were made to the motion:

- Clarified that the rollover provision applies only to non-Amendment 80 vessel limited access fishery, not the Amendment 80 limited access fishery. [Staff will clarify in the language of the analysis.]
- Component 6, Option 6.2: Revise the bolded, underline portion to read: **Any reduction in the non-AFA TRAWL catcher processor sector should not result in an increase in PSC allocation to any other sector.** (Clarification)
- Component 8: Amended to include an option of "or not later than November 1" to the original date of December 1. (Salveson/?) Carried without objection.
- Component 11, Option 11.3: Add a suboption: Grandfather provision for vessels that have historically harvested more than the use caps. (Tweit/Bundy) Carried without objection.
- Discussion regarding the AP language "third-party enforceability provisions." Staff clarified that the Advisory Panel's concern is that there would not be a mechanism to enforce violations in one cooperative by other cooperative members. Staff will explore options that may alleviate that concern.
- Component 12, Options 12.1 and 12.2: Each paragraph would begin "BSAI and GOA" sideboards; insert "Option 12.4" in front of section entitled "GOA sideboard provisions" which follows Option 12.3. (Salveson/Benson) Carried without objection.
- Clarified that the use of percentages in sideboard options will apply to both the Bering Sea and the Gulf of Alaska.
- Component 6, Suboption 6.1: Insert new suboption (6.1.4):

"Allocation of PSC to the non-AFA Trawl C/P sector shall be determined by that sector's percentage allocations of target species groups (contained in Component 3) multiplied by the trawl PSC amounts for those target species groups as set forth in the annual specifications.

"Sectoral PSC allocations will be calculated using a predetermined fixed target fishery bycatch rate, based on the 2002-2004 average consumption rates across the trawl sectors based on the lesser of the TAC or the previous year's catch, with initial allocations of the PSC to all trawl target fisheries adjusted pro rata such that their sum equals the overall trawl PSC allocation.

The following maximum and minimum allowances shall apply to the initial PSC allocations: Non-AFA trawl catcher processors shall receive an allowance of not less than 2200 mt of halibut and not more than 2450 mt of halibut. Non-H&G trawl sector shall receive an allowance of not less than 950 mt of halibut and not more than 1200 mt of halibut. Minimum and maximum allowances of crab PSC for each sector may be selected within the range of alternatives identified in the January 2006 Amendment 80 analysis.” (Benson/?) Carried without objection.

- Component 6, add paragraph to new Suboption 6.1.4:

Any roll over of halibut PSC to the non-AFA Trawl C/P sector shall be discounted by 5%. That is, if 100 mt of halibut is available for roll over, then 95 mt of halibut would be reallocated to the non-AFA Trawl C/P sector. Once the initial allocation has been determined, the non-AFA Trawl C/P sector may reallocate the PSC among the target species.” (Salveson/?) Carried without objection.

- Component 13: Retain all struck-out language under Issue 4 relating to the threshold rollover suboption.(Tweit/Benson) Carried, 9 to 2, with Krygier and Rasmuson voting against.
- Under “Other Elements” section: Delete Option (b) under “Transfer of Cooperative Allocations Between Cooperatives.” (Salveson/Fuglvog) Carried without objection. Ms. Salveson noted that suboptions (a) and (b) are essentially the same, however option (b) indicates inter-cooperative agreements approved by NOAA Fisheries, and NOAA Fisheries has no authority to approve civil contracts.
- Under “Other Elements” section: Delete the “Scope of Cooperative Program” paragraph (noting that the remainder of that section was already deleted under the main motion). (Tweit/Salveson) Carried without objection.
- Under “Other Elements” section: Last paragraph of this section was re-worded, as follows:  
  
“Council staff will work w/NOAA Fisheries staff on specific elements of the information collection of the socioeconomic data collection program and include it as an appendix to the analysis.” (Salveson/?) Carried without objection.
- Amend the motion to include Advisory Panel recommendation with regard to Atka mackerel and Aleutian Islands POP, as follows:  
  
Establish two options – one to allocate these species equally by area, the other to allocate these species based on historical catch by area. Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation. (Fuglvog/?) Carried without objection.
- Amend the Problem Statement: Accept the Advisory Panel’s changes, with the following exceptions: Add the phrase “and CDQ allocations” in meeting bycatch reduction objectives, and strike the underlined and bolded language “as well as increased CDQ allocation and the benefits associated with CDQ resources and bycatch management,” (Olson/Benson) Carried without objection

The Council noted for the record that bycatch issues in this amendment will be addressed under authority of Section 303(b)(6) of the MFCMA.

The following motions were made, but failed:

- Component 6, Option 6.3: Delete ranges of percentages. (Tweit/?) Failed, 7-4, with Benson, Bundy, Hyder and Tweit in favor. Council discussion indicated these ranges are not needed in the analysis.
- Component 11, Option 11.3: Strike current language and insert "A harvest cap option to track Option 11.2, including its suboption. (Bundy/Benson) Failed, 8 to 3, with Benson, Bundy, Tweit in favor. [Motion would also change focus to an entity rather than a vessel.]

The final motion, as amended, carried without objection. A copy is included as Appendix III-2 to these minutes.

## **C-2 BSAI Crab Rationalization**

### **ACTION REQUIRED**

Final Action.

### **BACKGROUND**

On March 2, 2005, the Secretary issued regulations to establish the Crab Rationalization Program (70 FR 10174). Crab fishing began under this Program on August 15, 2005. The program includes a system of arbitration to resolve disputes concerning the terms of delivery of landings of harvests made with Class A IFQ (which are required to be delivered to a processor holding unused IPQ).

Under the arbitration system, after a date certain, harvesters that are not affiliated with a processor through ownership or control linkages (unaffiliated harvesters) would be permitted to unilaterally commit delivery of harvests from Class A IFQ to a processor with available IPQ. Once committed, the IFQ holder would be permitted to initiate a binding arbitration proceeding if the parties are unable to agree to the terms of delivery. Under the current rule, arbitration must be initiated at least 15 days prior to a season opening.

Under the current schedule for stock assessments and TAC setting, IFQ and IPQ are typically not issued more than 15 days prior to a season opening, limiting the ability of IFQ holders to rely on the arbitration system. Although participants may voluntarily agree to extend the deadline for initiating arbitration, the current timeline does not reliably provide IFQ holders with the ability to use the arbitration system as intended. The proposed action would link the timing for initiating an arbitration proceeding to the issuance of IFQ and IPQ, providing participants with a reasonable and reliable opportunity to use the arbitration system.

The attached document [Item C-2(a)] contains a RIR/EA/IRFA of alternatives to amend the timing of certain elements of the arbitration system to resolve this administrative conflict, which prevents use of the arbitration system as intended. The Council has scheduled this item for final action at this meeting.

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

### **Report of the Advisory Panel**

The Advisory Panel recommended the Council adopt Alternative 2.

### **COUNCIL DISCUSSION/ACTION**

NOTE: Earl Krygier participated in this discussion for McKie Campbell.

#### **Earl Krygier moved to approve Alternative 2:**

**The timing for share matching and initiation of binding arbitration would be based on the issuance of IFQ and IPQ (including a 5-day assessment period for negotiated commitments). For a period of 5 days after the issuance of IFQ and IPQ (the assessment period), holders of Class A IFQ and holders of IPQ could voluntarily agree to commit their respective shares. After this 5-day assessment period, holders of uncommitted Class A IFQ may unilaterally commit that IFQ to any holder of uncommitted IPQ. During the 10-day period beginning 5 days after the issuance of IFQ and IPQ, any holder of committed Class A IFQ may unilaterally initiate a binding arbitration proceeding with the IPQ holder to which the IFQ are committed. The parties to the arbitration will meet with the arbitrator to schedule the submission of information to the arbitrator and the terms and timing for submission of last best offers. The arbitrator is required to release the decision of the arbitration within 5 days of the submission of the last best offers.**

The motion was seconded by Jeff Koenings and carried without objection.

It was noted for the record that the analysis supports this alternative and maintains the original intent of the program for arbitration.

#### **C-3 BSAI Pacific Cod Allocations**

##### **ACTION REQUIRED**

**Review discussion paper on eligibility in the trawl catcher vessel sectors; action as necessary.**

##### **BACKGROUND**

**The Bering Sea and Aleutian Islands (BSAI) Pacific cod TAC has been apportioned among the different gear sectors since 1994 (trawl, fixed, and jig gear split), and a series of amendments have modified or continued the allocation system. Currently, Federal regulations at 50 CFR 679.20(a)(7) authorize distinct BSAI Pacific cod allocations for the following sectors (BSAI FMP Amendments 46 and 77):**

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**51% fixed gear:**

(80% hook-and-line catcher processors)  
(0.3% hook-and-line catcher vessels)  
(3.3% pot catcher processors)  
(15.0% pot catcher vessels)  
(1.4% hook-and-line/pot vessels <60' LOA)

**47% trawl gear:**

(50% trawl catcher vessels)  
(50% trawl catcher processors)

**2% jig gear**

In December 2004, the Council approved a draft problem statement and preliminary components and options for a new fishery management plan amendment (BSAI Amendment 85) to modify the current BSAI Pacific cod allocations to the various gear sectors. Upon review of staff discussion papers at each Council meeting since then, the Council further revised the components and options for analysis. At the October meeting, the Council approved a reorganization of the amendment package into NEPA alternatives for analysis and modified the problem statement.

Amendment 85 to the BSAI FMP currently focuses on two primary issues:

- 1) BSAI Pacific cod allocations to all gear sectors (trawl, jig, hook-and-line, and pot); and
- 2) apportionment of the BSAI Pacific cod sector allocations between the BS and AI subareas.

The problem statement guiding BSAI Amendment 85 is comprised of the following two parts:

Initial Council review of the draft analysis is schedule for this meeting. The Analysis was mailed to you on January 17.

Note that the analysis supporting BSAI FMP Amendment 85 and regulatory amendments for this action is tentatively scheduled for Council final action in April 2006, depending on availability of the remaining data needs and other Council priorities. This schedule is in part predicated on the need to have Council final action in April in order to increase the likelihood that a final rule would be implemented by January 1, 2007, should the Secretary of Commerce approve the action. The type of action under consideration would be very difficult for NOAA Fisheries to implement mid-year.

(a) **Select a preliminary preferred alternative**

With Council final action scheduled for April 2006, the Council may consider selecting a preliminary preferred alternative and associated options at this February meeting. While not necessary in order to take final action in April, selecting a preliminary preferred alternative may be beneficial to the public in terms of understanding more clearly the combination of components under consideration. Should a preliminary preferred alternative and options be identified in February, staff could re-package the public review draft to highlight the effects of such an alternative. While the effects of all alternatives are provided in the current analysis, it may be helpful to have a defined section identifying the potential effects of the preliminary preferred alternative prior to final action. In particular, there exist a myriad of potential options when combining the options under Component 2 (allocations) with the options under Component 3 (seasonal apportionments). Identifying a preferred alternative would assist in narrowing the analysis of these and other components.

**Report of the Scientific and Statistical Committee**

The SSC noted some of the proposed actions reduce the catch shares of some participants while increasing the catch shares of other participants, whereas other proposed actions are intended to pre-allocate area-specific catch shares in anticipation of splitting the BSAI Pacific cod ABC and TAC into BS and AI components. The SSC recommended releasing the draft analysis for public review subject to several revisions. (See SSC Minutes, Appendix IV to these minutes, for the recommended revisions.)

**Report of the Advisory Panel**

The AP recommended the Council release the document for public review with the following additions/changes:

**Alternative 2**

Component 2

Sector catch data for the BSAI, BS, and AI 2004 and 2005 be included in the discussion of Component 2.

Component 3

Upon determination of the new overall allocations to the trawl and fixed gear sectors, maintain the current percentage of the ITAC allocated to the A season for trawl gear. Provided that any reduction in the overall trawl allocation resulting from the options would first be applied in the C season and then in the B season for trawl gear. Any reallocation to fixed gear would be applied to the A season.

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Any redistribution of trawl allocation In the B or C seasons will be made proportionally between the AFA CP, non-AFA CP, and AFA CV, non-AFA CV sectors based on their new allocation percentages.

In the event that this reallocation exceeds the 70/30 SSL seasonal apportionment, the Hook and Line Catcher Processors A season allocation will be adjusted as necessary by shifting A season allocation to the B season.

Delete suboptions 1 and 2.

Component 7

Adopt language recommended by staff regarding Options 7.1 and 7.2 on page 222 of the analysis.

Request that staff examine methods for allowing PSC savings in P. cod AFA CV sector to be used to harvest other groundfish species – specifically the YFS threshold fishery by AFA CV sector vessels.

The catch accounting for 2003 so that CV landings made by pot CPs are assigned to the CV sector in that year. The associated table in the analysis should include a caveat to this effect.

The catch accounting system should be modified such that future CV landings by pot CPs are counted against the pot CP sector.



**Part 2**

Add section 6.4 to the analysis based on the years 2002-2003.

**COUNCIL DISCUSSION/ACTION**

**Arne Fuglvog moved to approve the recommendations of the Advisory Panel with the following changes:**

- **Under Component 3, reformat and revise language to better reflect Council intent, particularly with respect to use of the words ‘reallocation’ and redistribution’. The last sentence of the first paragraph would be changed to reflect any ‘change of allocation. . .’ rather than ‘reallocation,’ and the last paragraph in this section would be changed to reflect any ‘reduction’ of trawl allocation, rather than ‘redistribution’.**
- **Delete second paragraph under Component 7. [Mr. Fuglvog thinks this issue should be addressed separately.]**

The motion was seconded by McKie Campbell.

**Dave Benson moved to re-insert suboptions 1 and 2 under component 3.** The motion was seconded and carried without objection. Mr. Benson noted he would rather see these options available for public comment at this time. Staff was advised to include these suboptions in the appropriate place in the analysis.

The main motion, as amended, carried without objection.

During discussion Council members requested that staff provide discussion of potential impacts of the split on halibut PSC usage in the harvest of cod. Ms. Kimball indicated that the SSC also suggested this and that she will try to provide that discussion in the next draft of the analysis. The Council discussed the possibility of splitting halibut PSC based on bycatch rates in each of the two subareas, but determined that this would be more appropriately addressed in the groundfish specifications process. Staff will try to provide some example scenarios for future Council discussion.

**Arne Fuglvog moved to select Alternative 6 as the preliminary preferred alternative under Part 2.** The motion was seconded by Eric Olson and carried without objection.

The Council also asked staff to include in the analysis a discussion relating to the different and/or unique reporting requirements between catcher vessels and catcher processors and enforceability of seasons between the sectors. Sue Salveson indicated that NMFS will need to change the catch accounting system to designate a vessel as a CP or CV to work its harvest accordingly off an allocation. This will most likely require a regulatory change. It will become more clear when the analysis is revised to include this discussion.

It was also noted that the Council should take into consideration the prospect of a Pacific cod State water fishery and that the analysis should address this possibility.

**C-4 GOA Groundfish Rationalization**

**ACTION REQUIRED**

Review reformatted elements and options and refine alternatives

**BACKGROUND**

At its April 2003 meeting, the Council adopted a motion preliminarily defining alternatives for the rationalization of the Gulf of Alaska groundfish fisheries. Since that meeting, the Council has undertaken the process of refining the alternatives for analysis. At its December 2005 meeting, the Council tasked staff with reformatting the alternatives to so that each sector is treated distinctively. This reformatting is intended to make the motion more accessible to stakeholders wishing to compare the alternatives and to facilitate further refinement of the alternatives by the Council. The reformatted elements and options were included in a Council mailing the week of the 23<sup>rd</sup> of January. At this meeting, the Council could review the reformatted elements and options, and if that reformatting is acceptable, continue process of refining the alternatives. In reviewing the reformatting, the Council should assess whether the division of the alternatives by sector is appropriate. For example, the reformatted alternatives separate trawl, fixed, and jig gear types for purposes of defining alternatives. The Council could elect to either consolidate sectors (such as low producing fixed gear vessels and jig gear vessels) or further divide sectors (such as separating longline and pot gear) if that arrangement is believed to be more appropriate for defining alternatives.

**Key to reformatting**

The reorganization of the motion is intended to serve two primary purposes. First, the motion is reorganized to allow comparison across alternatives. Second, the motion is reorganized to separate provisions that may differ across gear types to assist stakeholders in developing specific alternatives appropriate to the different gear types. To address both of these objectives, the reformatting is divided into three sections, with numbering appropriate to the section.

In general, the organization uses the following labeling. Provisions beginning with:

- G – apply to all alternatives and should (or could) be the same across all alternatives (i.e., provisions that define divisions among sectors)
- T – apply to all trawl gear alternatives and could be the same across all trawl alternatives (i.e., individual caps on use and holdings)
- F – apply to all fixed gear alternatives and could be the same across all fixed alternatives (i.e., individual caps on use and holdings)
- J – apply to all jig gear alternatives and could be the same across all jig alternatives

In addition, provisions specific to an alternative are included in a section devoted to that particular alternative. These provisions bear the following identifiers.

**Trawl Alternatives**

- T2A – IFQ/Cooperatives with Processor License Limitation
- T2B – IFQ/Cooperatives with Processor Linkages
- T2C – IFQ/Cooperatives with Harvest Share Allocations to Processors
- T3 – Cooperatives/Limited Access with Processor Associations

**Fixed Gear Alternatives**

- F2L – Low Producer – IFQ/Cooperatives
- F2HA – High Producer – IFQ/Cooperatives with Processor License Limitation
- F2HB – High Producer – IFQ/Cooperatives with Processor Linkages
- F2C – IFQ/Cooperatives with Harvest Share Allocations to Processors

**F3L1 –Low Producer – Sector Allocation with Limited Access Fishery**  
**F3L2 –Low Producer – Cooperatives/Limited Access**  
**F3 – Cooperatives/Limited Access with Processor Associations**

**Jig Gear Alternatives**

**J2 – Open Access**

**J3A – Jig Sector Allocation**

**J3B – Cooperatives/Limited Access with Processor Associations (the motion is unclear concerning whether this alternative applies to the jig sector)**

In addition to the alternatives listed here, the status quo (i.e., continued management under the LLP) would be analyzed for each sector.

**Refining the elements and options**

In addition to reviewing the reformatting, the Council could also continue the process of refining alternatives at this meeting. In the original reformatted elements and options, staff included discussion of the following provisions in the version of the elements and options attached:

**G-10. Individual Allocations – Eligibility**

**G-17. Transferability - Vessel Type Restrictions**

**T-1 and F-1. Transferability – Leasing**

**T-2 and F-2. Share Use – Owner-on-board**

**T2A-7, T2B-7, F2HA-7, and F2HB-7. Harvest Share Allocations – A share/B share allocations**

**T2A-10 and F2HA-9. Processor License Qualifications**

**T2A-13 and F2HA-12. License ownership restrictions on processors**

**T2B-2 and F2HA-2. Cooperative formation**

**T2B-10 and F2HB-10. Linkage (Linkages apply by area)**

**T2B-15 and F2HB-15. License ownership restrictions on processors**

**T3-4 and F3-4. Cooperative Formation - Catcher Vessel Cooperatives and**

**T3-7 and F3-7. Catcher Vessel - Cooperative/processor associations**

**T3-9 and F3-9. Cooperative Formation - Catcher Processor Cooperatives**

While several issues could be considered, these provisions might be ripe for decision without further analysis (including data analysis). If the Council would like further analyses concerning these or other issues, staff could also receive additional direction at this time.

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

**Report of the Advisory Panel**

The Advisory Panel provided a revised 35-page document showing recommended changes, and additions and deletions to the current suite of options. Please see the AP Minutes, Appendix II to these minutes for those recommendations.

[NOTE: Mr. Tweit participated in this discussion for Jeff Koenings; Mr. Fuglvog was not in attendance.]

**McKie Campbell offered a revised problem statement (see Appendix V-1 to these minutes).** The motion was seconded by Dave Benson and carried without objection. Mr. Campbell noted that the minor revisions better reflect Council intent for the rationalization of Gulf of Alaska groundfish fisheries.

**McKie Campbell offered a statement of intent for Alternative 3 (see Appendix V-2 to these minutes).** The motion was seconded.

**Sue Salveson moved to amend to revise the underlined and bolded statement in the second-to-last paragraph, to substitute the word ‘transfer’ for the word ‘auction’ in option (b).** The motion was seconded by McKie Campbell and carried without objection.

**McKie Campbell moved to approve the recommendations of the Advisory Panel, with changes (See Appendix V-3 to these minutes for the entire set of changes)**

The motion was seconded and amended, as follows:

- **Sue Salveson moved to amend to remove Option 3 under Section G-11, but to include in the analysis a discussion of the catch history broken out between 3 and 200 miles, the 0-3 miles parallel fisheries landings, and the 0-3 miles State-managed fishery histories, for comparison purposes.** The motion was seconded by McKie Campbell and carried without objection. [NOAA General Counsel Lisa Lindeman had recommended this option (Option 3) be deleted because it is not currently within the Council’s authority. She suggested that the public should not be led to believe that it is an option the Council could accomplish at this time.]

The Council discussed the statement of intent added under Section G-17, Transferability which would allow transfers by first degree of kindred. It was noted that this would need more definition and that staff will need to explore a legal definition for ‘first degree of kindred.’ Mr. Campbell stated that the State believes that this option is in the interest of public policy to promote stability within fisheries and promotes continuation of ownership of fishing vessels by members of the family who understand the management practices, safety issues, and conservations practices appropriate in the Gulf of Alaska. Additionally, it serves to minimize social disruption.

- **Bill Tweit moved to strike the intent language discussed above (in Section G-17, Alternative 3, Option 2).** The motion was seconded by Dave Benson and failed, 6-4, with Benson, Hyder, Tweit, and Salveson voting in favor.
- **Dave Benson moved to include a grandfather clause under Section T-1, Transferability: All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exception applies only to those initially issued quota shares.**

**In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of “owner on board” quota shares may, upon documentation and approval, transfer/lease his or her shares for a maximum period of 3 years out of any 10-year period.**

The motion was seconded and carried with one objection (Rasmuson (?))

- **Dave Benson moved to include the same ‘grandfather clause’ passed in the previous motion for the fixed gear sector, under Section F-1.** The motion was seconded and carried without objection.

The main motion, as amended, carried without objection. Amended motions on the Alternative 3 intent language and revised options and elements are included in Appendix V-4 to these minutes.

During discussion, Council members asked staff to address the following:

- Guidance and information on the reauthorization of the MSFCMA and effects some of the proposed changes might have on the current rationalization process the Council is addressing.
- The issue of anti-trust concerns (NOAA GC will research and advise Council). The Council stressed that its intent is to comply with those laws, not seek changes in them.
- Provide a critical path analysis—what has to be done and the sequence in which tasks have to be done. It was suggested that separate paths should be done showing progress with and without the resolution of the State parallel fishery issue. Mr. Campbell noted that several of the options the State is proposing will not require legislation and he does not think two separate paths are needed.
- Mr. Bundy referenced public comments relating to a previous staff analysis or discussion paper on impacts of the various elements and options, and asked if staff could update that document and provide it to the Council. Dr. Fina indicated that staff will look at beginning to update the discussion paper.
- Ms. Lindeman advised that the Council needs to address the recency issue as the analysis progresses in order to demonstrate that recent participation was taken into consideration before making final decisions.

#### **C-5 Observer Program**

##### **ACTION REQUIRED**

- a) **Initial review of analysis to restructure the funding and deployment mechanism in the North Pacific Groundfish Observer Program (BSAI Am. 86/GOA Am. 76)**
- b) **Review of Observer Advisory Committee (OAC) report**

##### **BACKGROUND**

- a) **Initial review of analysis to restructure the funding and deployment mechanism in the North Pacific Groundfish Observer Program**

##### **NOAA letter**

As part of the review of the analysis to restructure the North Pacific Groundfish Observer Program (observer program), NOAA Fisheries will present a letter (Item C-5(a)(1)) regarding observer compensation issues and the status of observers with regard to the requirements for overtime pay under the Fair Labor Standards Act (FLSA) and the Service Contract Act (SCA). This issue was brought to the forefront in a memo from Dr. Bill Hogarth in November 2003, which stated that NMFS maintains that fisheries observers are biological technicians and therefore eligible for overtime compensation under the FLSA. NMFS recently reaffirmed its position that observers employed by companies which contract directly with the agency or use Federal funds for provision of observer services must apply FLSA and SCA criteria to determine observer compensation requirements.

The NOAA letter outlines the ongoing concerns with not being able to provide a definitive assessment of observer costs under a new service delivery model. Costs may not be possible to assess until actual contracts between NOAA and observer providers are finalized. In addition, NOAA has not yet received a response from the Department of Labor on its request for clarification of the applicability of several FLSA provisions. The NOAA letter also outlines the

type of increased costs expected under any alternative other than status quo, as well as the need to ensure that funds are available to cover costs associated with oversight and management of a flexible, effective observer program. The existing observer program expires on December 31, 2007. NMFS recommends that during the time period in which uncertainties remain unresolved, the Council should consider selecting Alternative 2 (*indefinite extension of the existing observer program*) as the preferred approach under the current analysis.

#### Review of analysis to restructure the Observer Program

The Council has been working for several years to develop a new system for observer funding and deployment in the observer program. Under the new system, NMFS would contract directly with observer providers for observer coverage, and this would be supported by a broad-based user fee and/or direct Federal funding. The problem statement guiding the amendment identifies data quality and disproportionate cost issues resulting from the current program structure, in which vessels and processors contract directly with observer providers to meet coverage requirements fixed in regulation. Concerns with the existing program arise from the inability of NMFS to determine when and where observers should be deployed, inflexible coverage levels established in regulation, disproportionate cost issues among the various fishing fleets, and the difficulty to respond to evolving data and management needs in individual fisheries.

The proposed amendment (BSAI Amendment 86/GOA Amendment 76) is thus intended to address a variety of longstanding issues associated with the existing system of observer procurement and deployment. The Council's Observer Advisory Committee (OAC) drafted a problem statement to guide the amendment, which is provided in the Executive Summary of the analysis (attached as Item C-5(a)(2)).

The existing Observer Program, in place since 1990, establishes coverage levels for most vessels and processors based on vessel length and amount of groundfish processed, respectively. In designing the original program, the Council had limited options because the MSA did not provide authority to charge industry fees to pay for the cost of observers, and no Federal funds were provided. Because of the critical need for observers and the data they provide, the Council and NMFS proceeded with the Observer Program regulations (Amendments 13/18) that are largely unchanged today. These regulations were considered 'interim' at the time of implementation, as NMFS and the Council began to develop a new program (Research Plan) which would require all participants in the fisheries to pay a fee based on ex-vessel revenue from their catch, with NMFS contracting directly with the observer providers. Collection of the fee under the Research Plan was authorized by an amendment to the MSA (Section 313(b)(2)). The Council adopted this plan in 1992 and NMFS implemented the program in 1994. However, due to several concerns primarily related to observer costs to industry, the Council voted to repeal the program in 1995. The 1990 interim regulations continue to authorize the existing Observer Program today. These regulations have been extended several times, with the most recent amendment extending the program until December 31, 2007.

The alternatives under consideration in this amendment were developed through several Council and OAC meetings. In June 2005, the Council consolidated its suite of alternatives in order to eliminate redundancy between alternatives and better focus the analysis on the major policy issues facing the Council and NOAA Fisheries in developing a new groundfish observer program for the North Pacific. The Council approved the current suite of five alternatives in June 2005, and this is the first time the Council has reviewed an analysis of the revised alternatives. The proposed alternatives are as follows:

Alternative 1. No action alternative. Under this alternative, the current interim "pay-as-you-go" program would continue to be the only system under which groundfish observers would be provided in the groundfish fisheries of the BSAI and GOA. Regulations

authorizing the current program expire at the end of 2007, meaning that no action is not a viable alternative over the long-term.

- Alternative 2. ***Extension of the existing program.*** Under this alternative, the 2007 sunset date for the existing program would be removed and the program would be extended indefinitely with no changes to the service delivery model. By selecting this alternative, the Council would be deciding not to develop a new service delivery model and fee system to restructure the program.
- Alternative 3. ***GOA-based alternative. Restructured program for GOA groundfish and all halibut fisheries.*** A new ex-vessel value fee program would be established to fund coverage for GOA groundfish vessels and processors, and halibut vessels operating throughout Alaska. Regulations that divide the fleet into 0%, 30%, and 100% coverage categories would no longer apply to vessels and processors in the GOA. Fishermen and processors would no longer be responsible for obtaining their own observer coverage. NMFS would determine when and where to deploy observers based on data collection and monitoring needs, and would contract directly for observers using fee proceeds and/or direct Federal funding. Vessels would only be required to carry an observer when one is provided by NMFS. Under this alternative, all groundfish vessels and processors in the BSAI would continue to operate under the current "pay-as-you-go" system.
- Alternative 4. ***Coverage-based alternative. Restructured program for all fisheries with coverage less than 100% (Tiers 3 and 4).*** This alternative differs from Alternative 3 in that the program would be defined by coverage categories rather than geographic area. All vessels and processors assigned to Tiers 3 and 4 (i.e. that require less than 100% coverage) would participate in the new program throughout Alaska. Generally speaking this alternative would apply to all halibut vessels, all groundfish catcher vessels <125' LOA and all non-AFA shoreside processors. All vessels and processors assigned to Tiers 1 and 2 (100% or greater coverage) would continue to operate under the current "pay-as-you-go" system throughout Alaska.
- Alternative 5. ***Comprehensive alternative. Restructured program for all groundfish and halibut fisheries off Alaska.*** This alternative would establish a new fee-based groundfish observer program in which NMFS has a direct contract with observer providers for all GOA and BSAI groundfish and halibut vessels in the Federal fisheries. Under this alternative, vessels with 100% or greater coverage requirements would pay a daily observer fee and vessels with coverage requirements less than 100% would pay an ex-vessel value based fee. . The February 2006 Council meeting represents the first time the Council has been presented a draft analysis using the recently revised suite of alternatives and options.

The Council's action at this February meeting is to review the initial review draft of the analysis. The executive summary of the draft analysis, which includes the suite of alternatives and a list of primary decision points, is attached as Item C-5(a)(2). The analysis was sent to you on January 24. Final action is tentatively scheduled for the April 2006 Council meeting.

b) Review of Observer Advisory Committee report

At the Council's request, the OAC met to review the draft analysis on January 30 - 31 at the Alaska Fisheries Science Center in Seattle. Because of the timing of the OAC meeting, the report will be provided at the Council meeting.

### **Report of the Scientific and Statistical Committee**

Because of the numerous difficulties cited by NOAA Fisheries with three out of the five current alternatives, and its recommendation to select Alternative 2 (extend the current program) at this time, the SSC recommended that the Council accept that recommendation, but that the analysis of the other alternatives continue on a slower track so the Council may be in position to take action when current obstacles to implementation are resolved. The SSC noted that should the Council accept NOAA's recommendation, the problem statement will need to be revised as Alternatives 1 and 2 do not address the current one.

The SSC strongly recommended that this continue to be a priority issue and should be dealt with once the funding uncertainties are resolved. Please see the SSC Minutes, Appendix IV to these minutes, for additional comments and editorial comments on the analysis.

### **Report of the Advisory Panel**

The Advisory Panel recommended the following revised language for Alternative 2:

1. Under this alternative, the 2007 sunset date for the existing program would be removed.
2. Alternative 2 would be identified as the preferred alternative. The AP noted that Alternative 2 is not responsive to the problem statement.
3. The AP recommends that due to a continued need to restructure the observer program, a new amendment package modifying alternative 2 be identified. The focus of the new amendment package would be the Council's request to NMFS to construct an intra-agency process for developing use protocols for video monitoring equipment and recommendations for the implementation of video monitoring equipment in the Alternative 2 service delivery model.
4. The AP recommends that a new amendment proposing restructuring alternatives for the Observer Program should be considered by the Council at such time that: 1) legislative authority is established for fee-based alternatives; 2) the FLSA issues are clarified (by statute, regulation, or guidance) such that it is possible to estimate costs associated with the fee-based alternatives; and/or 3) the Council requests reconsideration in response to changes in conditions that cannot be anticipated at this time. Subsequent amendment packages regarding the Observer Program should include an option for the Federal funding of observers.

### **COUNCIL DISCUSSION/ACTION**

[NOTE: Earl Krygier participated in this discussion for McKie Campbell; Arne Fuglvog was not in attendance.]

**Sue Salvesson moved the following:**

**Add to the problem statement on page 7 of the analysis:**

**While the Council continues to recognize the issues in the problem statement above, existing obstacles prevent a comprehensive analysis of potential costs. Immediate Council action on a restructured program is not possible until information is forthcoming that includes clarification of cost issues that arise from Fair Labor Standards Act and Service**



**Contract Act requirements and statutory authority for a comprehensive cost recovery program. During the interim period, the Council must take action to prevent the expiration of the existing program on December 31, 2007.**

**Additionally, Ms. Salveson moved the recommendations of the Advisory Panel, with the following revision to item 3 of the AP motion:**

- 3. The Council requests that NMFS prepare a discussion paper on issues and internal agency process for the use of video equipment to complement and augment observer monitoring of the North Pacific groundfish fisheries under Alternative 2. Other ongoing issues that may be considered by the Council under the current service delivery model also should be identified.**

The motion was seconded and carried without objection.

Ms. Salveson noted that the Agency and the Advisory Panel have recommended Alternative 2 as an interim measure until information is available to complete the analysis and there is a better understanding of costs so the Council will be in a position to make decisions on the appropriate funding approach for a restructured observer program.

With regard to the revision to the AP recommendation regarding initiation of a new alternative to develop use protocols for video monitoring equipment, Ms. Salveson felt that a discussion paper would be more appropriate at this point in time rather than initiating a full analysis.

The Council indicated that a final decision on the rollover of the current program needs to be made as soon as possible in order to have the program continue without interruption.

#### **C-6 Halibut GHL**

##### **ACTION REQUIRED**

- a) Initial review of analysis to implement measures to reduce charter halibut harvests in Areas 2C and 3A**
- b) Review GHL Committee report**

##### **BACKGROUND**

##### **Review of analysis to implement GHL measures**

In October 2005, the Council initiated an analysis to reduce halibut charter harvests below the GHLs, as 2004 Alaska Department of Fish and Game (ADF&G) Sport Fish Division data indicated that the GHLs had been exceeded by 22 percent in Area 2C and less than 1 percent in Area 3A. Three alternative actions were evaluated for each area (see below). The analysis was distributed to the Council on January 13, 2006. The executive summary is provided under Item C-6(a). Final action is scheduled for April 2006. Implementation would occur prior to the 2007 charter fishing season, if approved by the Secretary.

##### **For Area 2C:**

**Alternative 1. No action**

**Alternative 2. Limit vessels to one trip per day, prohibit harvest by skipper and crew, and set an annual catch limit of six fish for individual clients.**

**Alternative 3. Limit vessels to one trip per day, prohibit harvest by skipper and crew, and set an annual catch limit of five fish for individual clients.**

**For Area 3A:**

**Alternative 1. No action**

**Alternative 2. Limit vessels to one trip per day.**

**Alternative 3. Limit vessels to one trip per day and prohibit harvest by skipper and crew.**

**GHL Committee**

**In October 2005, the Council announced it would appoint a new GHL Committee. The committee was charged with recommending possible GHL amendments that would, if adopted: (1) link GHL to abundance; (2) divide Areas 2C & 3A GHLs into sub-regions; (3) consider moratorium on new entrants. The committee was requested also to comment on a valid reporting system and comment on the initial review draft of the analysis to implement GHL management measures (described above). The committee met on February 1 and 2, 2006. Because of the timing of the meeting, the report will be provided at the Council meeting.**

**Report of the Scientific and Statistical Committee**

The SSC noted that the current Council approach to management of the charter-based sport fishery for halibut presents a clear example of the types of problems that can emerge when there are substantial temporal delays between prosecution of the fishery, generation of data on the magnitude of removals, and tweaking of management measures intended to influence the magnitude of future removals. The SSC remarked the inclusion of halibut in the charter logbook program in 2006 could serve as an instrument for more timely assessment of charter-based catches of halibut.

The SSC provided staff with several issues that should be addressed in the draft analysis before it is released for public review. Please see the SSC Minutes, Appendix IV to these minutes, for those recommendations.

**Report of the Advisory Panel**

The AP recommended the Council send out the analysis for public review with the following revisions:

Enhance the analysis of the economic effects of the alternatives on the commercial sector, charter boat sector and support services within coastal communities. As well, the analysis should note the impact of the GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.

Clarify that the Council may select any or all of the measures in the alternatives (i.e., the measures are not a "package deal" within the alternatives);

Add the option of using the 5-year average weight for calculating charter harvests.

As well, the AP recommends that the Council consider, as part of the GHL amendment package, sending a letter to the IPHC that would request the creation of a separate accountability system for guided sport and commercial harvests of halibut. This would remove the guided sport harvest from the "other

removals” line item in the IPHC calculation, and apply the GHL allocation directly to the net CEY of each area. The AP believes that the alternatives for keeping the guided sport halibut catch within the GHL and the process used to account for that catch are linked and need to be decided concurrently at final action.

The AP recommends that the Council initiate a new amendment package to address regulatory issues associated with the Charter halibut harvest. The package may include additional elements and options as recommended by the Stakeholder committee but at a minimum should include the following:

1. A list of options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.
2. A list of options to subdivide current halibut management areas 2C and 3A into sub-regions for halibut charter management purposes.
3. A list of options for linking the GHL to the annual IPHC harvest level for each management area—the so called stair stepping options that would change the GHL up and down as TAC changes.

### **COUNCIL DISCUSSION/ACTION**

**Arne Fuglvog moved to adopt a new problem statement:**

**Harvest by the guided sport halibut sector has exceeded the Guideline Harvest Level (GHL) recommended by the NPFMC and established by the Secretary of Commerce. The NPFMC adopted the GHL to address the open-ended reallocation of halibut from the commercial to the guided sport sector and to provide a measure of stability to the halibut industry and coastal communities while the NPFMC develops a long-term plan for the guided sport (GS) sector. Designing management measures to maintain stability and prevent the GS sector from exceeding the GHL during this interim period is the responsibility of the NPFMC.**

The motion was seconded by McKie Campbell and carried without objection.

**Arne Fuglvog moved to approve the first portion of the Advisory Panel recommendations:**

**Enhance the analysis of the economic effects of the alternatives on the commercial sector, charter boat sector and support services within coastal communities. As well, the analysis should note the impact of the GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.**

**Clarify that the Council may select any or all of the measures in the alternatives (i.e., the measures are not a “package deal” within the alternatives);**

**Add the option of using the 5-year average weight for calculating charter harvests.**

**As well, the AP recommends that the Council consider, as part of the GHL amendment package, sending a letter to the IPHC that would request the creation of a separate accountability system for guided sport and commercial harvests of halibut. This would remove the guided sport harvest from the “other removals” line item in the IPHC calculation, and apply the GHL allocation directly to the net CEY of each area. The AP believes that the alternatives for keeping the guided**

**sport halibut catch within the GHL and the process used to account for that catch are linked and need to be decided concurrently at final action.**

The motion was seconded by McKie Campbell.

Mr. Fuglvog advised that the intent, with regard to the portion of the motion addressing accountability, would be to include discussion in the analysis of the separate accountability alternative to give the public an opportunity to evaluate and comment on it. In April the Council would then have the opportunity to discuss the issue and consider action. Mr. Fuglvog also asked that staff address the comments of the SSC to the extent possible without delaying the public comment period.

**McKie Campbell moved to amend the motion to include the following statement:**

**The Council expresses its support for the State of Alaska, NMFS, and the IPHC to continue to explore options for the State of Alaska to manage regulation of methods and means of the guided sport fishery within allocations set by the IPHC and the NPFMC reporting back to the Council in April.**

The motion was seconded by Mr. Fuglvog and carried without objection. The main motion, as amended carried without objection.

Mr. Campbell's original intent was that this statement be included in a letter to the IPHC and/or NMFS. But, after discussion it was determined that IPHC and NMFS staff were present and aware of the Council's intent and that a letter would not be necessary. Lisa Lindeman noted that NOAA General Counsell is reviewing legal issues associated with State management and will continue with those efforts.

**Arne Fuglvog moved to approve the remainder of the Advisory Panel recommendations:**

**Initiate a new amendment package to address regulatory issues associated with the charter halibut harvest. The package may include additional elements and options as recommended by the Stakeholder committee but at a minimum should include the following:**

- 1. A list of options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.**
- 2. A list of options to subdivide current halibut management areas 2C and 3A into sub-regions for halibut charter management purposes.**
- 3. A list of options for linking the GHL to the annual IPHC harvest level for each management area—the so called stair stepping options that would change the GHL up and down as TAC changes.**

The motion was seconded.

**McKie Campbell moved to amend item # 3 of the motion, to read as follows:**

**“A list of options for linking the GHL to the annual IPHC harvest level for each management areas, either by making the GHL a fixed percentage of GHL, or through the stair stepping options that would change the GHL up and down as the TAC changes.”**

The motion was seconded by Arne Fuglvog and carried without objection. The main motion, as amended, carried without objection.

**C-7 American Fisheries Act**

**ACTION REQUIRED**

**Review AFA cooperative agreements and end of year cooperative reports**

**BACKGROUND**

Each year the AFA pollock fishery cooperatives are required to submit year-end reports summarizing their fishing activities from the preceding year. They are also required to submit cooperative agreements for the upcoming fishing year (we have interpreted this requirement such that the cooperatives submit information only if and to what degree such agreements have been modified from existing agreements). Due to the volume of these materials, a few copies of the complete reports will be made available at the meeting, and full copies are available from our offices. Co-op representatives will provide a joint, summary report to the Council at this meeting

Neither the **Scientific and Statistical Committee** nor the **Advisory Panel** received these reports or discussed this issue.

**COUNCIL DISCUSSION/ACTION**

John Gruver and Brent Paine provided the Council with an overview of the pollock cooperative year-end reports for the catcher vessel sector. Paul MacGregor provide the overview of the Hi-Seas Cooperative and catcher-processor year-end reports.

This was an informational item and no Council action was required.

**D. FISHERY MANAGEMENT PLANS**

**D-1(a-b) Chiniak Gully Experiment/EFP for AI pollock Hydroacoustic Assessment**

**ACTION REQUIRED**

- (a) Initial and final review of EA/RIR/IRFA for Chiniak/Barnabas pollock depletion study and take action as appropriate
- (b) Review proposed Exempted Fishing Permit for pollock survey/fishery in Aleutian Islands and take action as appropriate

**BACKGROUND**

**A. Chiniak Gully Closure**

At its December 2005 meeting, the Council received a report from NMFS on a regulatory proposal to continue a closure of trawl fishing in Chiniak Gully near Kodiak for a continuing experiment on effects of fishing on Steller sea lions. The closure in Chiniak Gully would provide a control area to evaluate localized depletion hypothesis for the pollock trawl fishery. The closure would occur from August 1 through September 20 for the years 2006 through 2010. This continued research is part of the fishery interaction studies conducted by NMFS to evaluate fishery effects on Steller sea lions.

NMFS has prepared a draft EA/RIR/IRFA on the continuation of this experiment; this analysis was sent out previously in a Council mailing (a summary of the analysis and a map of the area is Item D-1(a)(1)). The Council is scheduled to do an initial and final review of the proposed continued closure of Chiniak Gully to trawling during the period specified and to take action as appropriate.

#### **B. Exempted Fishing Permit for Pollock Survey and Fishery in Aleutian Islands**

NMFS has received a request from the Aleut Enterprise Corporation for an exempted fishing permit (EFP) to allow trawling for pollock in certain areas of critical habitat for Steller sea lions in the Aleutian Islands. The experimental design is to test the feasibility of using commercial fishing vessels for acoustic surveys of pollock in the Aleutian Islands. The project has been developed in cooperation with the Alaska Fisheries Science Center. A description of the proposed experimental fishery is in the attached Federal Register notice (Item D-1(b)(1)).

NMFS has prepared an Environmental Assessment of the proposed fishery experiment (Item D-1(b)(2)) which will be presented to the Council. NMFS staff will be available to answer questions. The Council is scheduled to review the application for the EFP and the EA and take action as appropriate.

#### **Report of the Scientific and Statistical Committee**

*Chiniak Gully Experiment.* The SSC noted that the main impact of the proposed action would be a relatively minor redistribution of trawl fishing effort on the east side of Kodiak Island. The SSC recommended the release of the analyses for public review, with some minor changes (see SSC Minutes, Appendix IV to these minutes for those recommendations).

#### **Review of Proposed EFP for an Aleutian Islands Pollock Survey**

The SSC noted that because written materials were not provided in advance a thorough review of the proposed research and draft EA was not possible. Nevertheless, the SSC is supportive of the proposed research and the EFP required for conducting it.

#### **Report of the Advisory Panel**

The Advisory Panel recommended approval of both the Chiniak Gully Experiment and the EFP for the Aleutian Islands pollock survey.

#### **Report of the Enforcement Committee**

The Enforcement Committee received a presentation on the Chiniak Gully experiment and recommended Council approval.

## COUNCIL DISCUSSION/ACTION

[NOTE: Mr. Tweit and Mr. Krygier participated in this discussion for Dr. Koenings and Mr. Campbell, respectively. Mr. Fuglvog was not present.]

In response to a question regarding the Council's role in approving exempted fishing permits, Sue Salvesson noted that although the Council's role is advisory, NMFS would probably not proceed if the Council expressed serious concerns or opposition.

### Chiniak Gully Experiment

**Ed Rasmuson moved to recommend approval of the experiment.** The motion was seconded and carried without objection. During discussion, the Council requested that NMFS reopen the areas as soon as possible when work is completed each year, or in years when research will not be conducted.

### AI Pollock EFP

There was some Council concern that staff resources to expedite a consultation on this particular issue may delay staff work on the FMP-level consultation and biological opinion. Ms. Salvesson advised that an actual biological opinion on the EFP has not yet been initiated, but the Agency is optimistic that such an opinion will determine that the project can be undertaken without compensatory fishery actions for Steller sea lion protection. She also noted that it is not believed that the FMP-level consultation process will be negatively impacted by staff work on this issue.

**Ed Rasmuson moved to recommend that the EFP be approved.** The motion was seconded by Eric Olson and carried with two objections (Bundy/Madsen).

[NOTE: The remaining D-1 agenda issues (D-1(c), (d), and (e)) were specific to the Scientific and Statistical Committee. Please see the SSC Minutes, Appendix IV to these minutes, for reports on those issues.]

## D-2 Research Priorities

### ACTION REQUIRED

#### Review research priorities

Revised research priorities have been prepared by the Plan Teams for groundfish (Item D-2(a)), crab (Item D-2(b)), and scallops (Item D-2(c)). The last time the SSC made a comprehensive review of research priorities was in April, 2003 (attached as Item D-2(d)). Research priorities for fish and invertebrates identified in the Nora's science plan are attached as Item D-2(e). After receiving comments from NMFS and the SSC at this meeting, the Council will forward the updated research priorities to NOAA for use in preparing its annual budget, as well as to the North Pacific Research Board.

#### Report of the Scientific and Statistical Committee

The SSC appointed a working group to draft an updated list of research priorities to be considered by the full SSC in April.

The **Advisory Panel** did not address this agenda issue.

## COUNCIL DISCUSSION/ACTION

The Council did not take any action on this issue, pending the report of the SSC in April. The Council discussed the use of graduate students to focus on specific areas of research. Several Council members thought this idea had merit and suggested that perhaps the Council should take a more active role in initiating research projects. CDR Cerne noted that he tasks Coast Guard students with research and offered help with any appropriate research the Council might want to consider.

### **D-3 Staff Tasking**

#### **ACTION REQUIRED**

- **Review tasking and committees and provide direction**
- **Discuss alternatives to change MRA for the non-AFA CP fleet**

#### **BACKGROUND**

##### **(a) Review tasking and committees and provide direction**

The list of Council committees is attached as Item D-3(a)(1). Item D-3(a)(2) is the three meeting outlook, and Item D-3(a)(3) and Item D-3(a)(4) are the summary of current projects, timelines, and tasking. The Council may wish to discuss tasking priorities to address previously tasked projects that have not yet been initiated, and potential additions discussed at this meeting, given resources necessary to complete existing priority projects.

Since the last meeting, the Chair has named committee membership for new Halibut Charter Stakeholder Committee. Both the Steller Sea Lion Mitigation Committee and the Observer Committee are in the process of being reconstituted relative to the revised focus and task of each committee. The first meeting of the Steller Sea Lion Mitigation Committee is scheduled for February 15-16 at the Alaska Fisheries Science Center in Seattle. The Ecosystem Committee met earlier this week, and will likely have recommendations for the Council on how to best proceed with development of special management for the Aleutian Islands and progress on the Aleutian Islands Ecosystem Forum. The Council may wish to act on those recommendations at this meeting. The Enforcement Committee also met this week, and their recommendations will have been addressed during discussion of specific agenda items, or there may be additional items from their report to address under staff tasking.

In 2004, the Council developed a work plan to bring groundfish management in line with its revised management policy (adopted as part of the PGSEIS). This workplan is reviewed by the Council at each meeting as part of the staff tasking agenda item, and is posted on the Council's website. The workplan, updated to reflect the current status of each item, and its relationship to the management objectives, is attached as Item D-3(a)(5).

##### **(b) Discuss Alternatives to change the MRA for the non-AFA CP fleet**

In December, the Council reviewed a discussion paper on changing the maximum retainable allowance (MRA) enforcement period. The Council decided to postpone consideration of alternatives until the February meeting (tentatively), following final action on Amendment 80. For reference, the discussion paper is attached as Item D-3(b).

Neither the **Scientific and Statistical Committee** nor the **Advisory Panel** addressed this agenda issue.



## COUNCIL DISCUSSION/ACTION

[NOTE: Mr. Tweit and Mr. Krygier participated in this discussion for Dr. Koenings and Mr. Campbell, respectively. Mr. Fuglvog was not in attendance.]

During Staff Tasking the Council received a report from the Ecosystem Committee on the following issues: (1) Ecosystem Forum in the Aleutian Islands, (2) Update on ecosystem committee efforts in other regions, and (3) the Aleutian Islands Fishery Ecosystem Plan. Staff pointed out that the Council cannot be involved in the ecosystem forum group and comply with the Federal Advisory Committee Act because it would involve a non-Federal group advising Federal agencies. Further information on this issue and possible ways of addressing it are found in the committee's minutes which are included as Appendix VI to these minutes.

### Committees

**Halibut Charter Stakeholder Committee:** The Chair appointed the following members to the new committee, to be chaired by Dave Hanson: Robert Candopoulos, Ricky Gease, John Goodhand, Kathy Hanson, Dan Hull, Joe Kyle, Chaco Pearman, Seth Bone, Larry McQuarrie, Rex Murphy, Greg Sutter, and Kelly Helper. The Halibut GHL Committee will be inactive pending the work of this new committee.

The following changes/additions were made to committee assignments:

**Council/Board Joint Protocol Committee:** Eric Olson was appointed to fill the third Council seat.

**IFQ Implementation:** Tim Hinkel (Deep Sea Fishermen's Union) has been appointed to replace David Soma.

**Non-Target Species Committee:** Peggy Murphy (AMCC) and Dr. Ken Goldman (ADF&G) were appointed.

**Observer Committee:** The Observer Committee has been reconstituted, with the following appointments: Joe Kyle (Chair); Jerry Bongen, Julie Bonney, Rocky Caldero, Gillian Stoker, Thorn Smith, Bob Alverson, Tracy Mayhew, Paul MacGregor, Brent Paine, Kathy Robinson, Susan Robinson, and Pete Riss. Appointment of a representative of the under 60-ft vessel category is pending.

**Stellar Sea Lion Mitigation Committee:** The committee has been reconstituted, with the following appointments: Larry Cotter (Chair), Jerry Bongen, Julie Bonney, Sam Cotten, Ed Dersham, Dustan Dickerson, Kevin Duffy, John Gauvin, John Henderschedt, Sue Hills, Terry Leitzell, Dave Little, Steve MacLean, Max Malavansky, Jr., and Art Nelson.

### VMS

The Council received a report from the Enforcement Committee which requested the Council discuss modifying existing Alternative 2 in the VMS analysis, to include additional language to the last two sentences, as follows (new language italicized and underlined): "A transmitting VMS would also be required on any other commercial fishing vessel that operates in the EEZ with authorized fishing gear (other than hand troll gear, handline gear, or power troll gear) defined in 50 CFR 679.2 A vessel would be considered "operating" any time it is not in a port. If the vessel is in a port, the vessel would be

considered “operating” during the *landing or transshipment* of fish or fish products.” Please see the Enforcement Committee Minutes, Appendix VII to these minutes, for additional comments.

Council members were reluctant to make changes to a previous action without advance notice to the public although NOAA General Counsel Lisa Lindeman indicated that it should not be a problem because the analysis will be going out for public comment at a later date. Mr. Hyder, Chair of the Enforcement Committee, indicated that the Committee would appreciate any indication of Council’s approval of the Committee taking the initiative to propose the change. Mr. Tweit indicated that he thought the proposed change would actually reduce the staff workload and if approved now would allow for a longer period of public involvement. CDR Cerne noted that the Enforcement Committee agenda noticed this issue and that Committee meetings are open to the public. He also noted that the main impetus in proposing the modification was to reduce the burden on staff for the analysis.

No action was taken on this issue.

#### List of Fisheries for 2006

The Council received information from staff that the proposed rule for the 2006 list of fisheries (required by the Marine Mammal Protection Act to categorize all U.S. commercial fisheries based on the level of serious injury or mortality to marine mammals) will be published soon, with a 30-day comment period. However, it is unknown whether this comment period will coincide with a Council meeting so that Council members can provide comments in a timely manner. Council members asked staff to review the list when published and, using previous Council comments, to prepare and submit comments on the 2006 list IF the public comment period does not overlap the April Council meeting. Ms. Salvesson advised that the NMFS-Alaska Region is proposing to Headquarters that in the future the Region have the opportunity to share their analyses for the annual List of Fisheries with the Council before submitting them to Headquarters so the Council will have an opportunity to review and provide comments before the proposed rule is published.

#### Board of Fishery Proposals/Comments

Council members agreed that the Executive Director should notify the Board of Fisheries of Council action on the exempted fishing permit for the study of pollock biomass in the Aleutian Islands near Adak and Atka. Mr. Hyder stated that he agrees that the Board should be advised of Council action, but should also be thanked for postponing action on their Proposal 399 and taking the time to meet with the Council on the proposal. Ms. Madsen said that she also thinks the Board should be advised of Council action on Amendment 85 and is moving forward with the potential of splitting the TAC. An additional item would be to advise the Board of the Enforcement Committee’s recommendation on the VMS requirement. Council concurred that staff should prepare a letter to the Board encompassing these points, as well providing a draft summary of the joint Board/Council meeting earlier in the month, and advising of the upcoming SSL Mitigation Committee meeting. Mr. Benson mentioned that the letter should also advise the Board that there were no public comments or concerns voiced regarding the proposed Norton Sound crab actions the Board plans to consider in March.

#### Other Issues Discussed

Eric Olson brought up a request made during public comments to include a analyze effects on communities of the 90/10 split and binding arbitration provisions of the Crab Rationalization program in the 18-month review of the program. Mr. Olson asked that the subject be put on the April agenda for discussion. It was pointed out that the program is scheduled for a thorough review after three years and

FINAL MINUTES  
NPFMC  
FEBRUARY 2006

that an earlier review of this issue would not allow adequate time to gather relevant information. Additionally, it was noted that there are community studies being conducted by outside contractors at this time which may be helpful in future Council discussions.

Ed Rasmuson brought up the concerns voiced by industry on the MRAs and how they would be handled under Amendment 80. Sue Salveson noted that in December NMFS provided a discussion paper on the applicability of MRAs within the context of Amendment 80. Within a cooperative environment, as under Amendment 80, MRAs would be moot. However, MRAs are still applicable to Amendment 80 vessels that choose not to join a cooperative, which could create a situation that would require those vessels to discard fish.

**Bill Tweit moved to initiate an analysis to examine alternatives to change the MRA for the non-AFA catcher processor fleet.** The motion was seconded by Ed Rasmuson and carried without objection. The intent would be to initiate the analysis for review in April, but NMFS may proceed according to staff availability. A progress report in April with some possible alternatives, but not a full analysis would suffice.

Ms. Salveson suggested that staff would need to provide the Council with the concept of MRA changes both before and after Amendment 80. If the Council takes action on Amendment 80 in April, she feels the two actions would need to proceed in parallel.

With regard to the April agenda, Chris Oliver pointed out that there are quite a few issues requiring lengthy Council review and/or action and asked for guidance on issues that might be delayed to the June meeting. After discussion, it was determined that the Executive Director should review the issues and provide Council members with a draft agenda for comments as soon as appropriate.

#### **ADJOURNMENT**

Council Chair Stephanie Madsen adjourned the meeting at approximately 2:24 p.m. on Tuesday, February 14, 2006.

NOTE: Minutes prepared by Helen Allen, A-Typical Office Support Services, under contract to the NPFMC.



PUBLIC COMMENTS  
NPFMC Meeting  
February 8-13, 2006  
Anchorage, Alaska

B Reports

Dorothy Childers, Alaska Marine Conservation Council  
Jim Ayers, Oceana

C-1 IR/IU

Dorothy Lowman, Consultant  
Arni Thomson, ACC  
Industry Group: Paul MacGregor, Brent Paine, Bill Orr, Dave Wood, Karl Haflinger  
Keith Bruton, O'Hara Corporation  
Brent Paine, United Catcher Boats  
Dave Fraser, Adak Fisheries  
Teresa Kandianis, Kodiak Fish Co.  
Don Iverson, Jubilee Fisheries  
Lori Swanson, Groundfish Forum  
Julie Bonney, Alaska Groundfish Data Bank  
Helena Park, North Pacific Fishing  
Susan Robinson, Fishermen's Finest  
Bill Orr, Iquique U.S.  
Nancy Kerchival, Tim Meintz, Cascade Fisheries  
Mike Szymanski, Fishing Company of Alaska

C-2 BSAI Crab Arbitration

Kale Garcia, Chris Hoeker, Bering Sea Crab Group  
Mark Lundsten, John Iani, Jake Jacobsen, Arbitration Organizations  
Arni Thomson, Alaska Crab Coalition  
Lenny Herzog, Alaska King Crab Cooperative

C-3 BSAI Pacific Cod Allocations

Ron Kavanaugh, F/V Sylvia Star  
Lori Swanson, Groundfish Forum  
David Fulton, Unalaska Native Fishermen's Assn.  
Gerry Merrigan, Prowler Fisheries  
Donna Parker, F/V Sea Storm  
Russell Pritchett, Independent Cod Trawlers Assn.  
Arni Thomson, ACC  
Thorn Smith, NPLA  
Frank Kely, City of Unalaska  
Brent Paine, United Catcher Boats  
Dave Fraser, Adak Fisheries  
Rob Wurm, Alaskan Leader Fisheries  
Paul MacGregor, At-Sea Processors Assn.  
Dave Little, Clipper Seafoods/Freezer Longliner Group  
Clem Tillion, Aleut Enterprise Corp.  
Mark Cooper, Midwater Trawlers Co-op  
Matt Hegge, F/V Ocean Bay

C-4 GOA Rationalization

Tim Blott, Ocean Beauty Seafoods  
Joe Sullivan, City of Kodiak  
Paul Gronholdt/Sam Cotten, Aleutians East Borough  
Craig Cochran, MTC  
Stoian Iankov, F/V Michelle Renee  
Roy Walkoff, Kodiak Fisherman  
Jim Skonberg, Kodiak Fisherman  
Julie Bonney, Alaska Groundfish Data Bank  
Al Burch, Alaska Dragers Assn.  
Howard Torsen, Kodiak/Ouzinki Fisherman  
Bob Krueger, GOA Fisherman  
Lori Swanson, Groundfish Forum  
Michael Martin, Elizabeth F. Inc.  
Jeremy Pikus, F/V Polar Star  
Heather McCarty/John Whidden, Island Seafoods  
Chuck McCallum, Lake and Peninsula Borough  
Jerry Bongen, Fair Weather Fisheries  
Shawn Dochtermann, Alaska Jig Association  
Steve Branson, Crewmen's Assn.  
Tim Henkel, Deep Sea Fishermen's Union  
Theresa Peterson, Alaska Marine Conservation Council  
Oleg Nikitenko  
Lu Dochtermann, F/Vs Northpoint & Stormbird  
Stephen Taufen, Groundswell Fisheries Movement  
Ken Tippett, Alaska Boat Company  
Ken and Chris Holland, F/V Point Oruga  
Public Comments 2-06.doc

C-4, GOA Rationalization, continued

Darius Kasprzak, F/V Malka  
Jennifer Vickstrom, F/V Irene H.  
Donna Jones, member, Alaska Jig Association  
Ron Kavanaugh, F/V Sylvia Star  
Lisa Robbins, F/V Lisa Gayle  
Jeff Stephan, United Fishermen's Marketing Assn.  
Nick Pestrakoff, Ouzinky Fisherman

C-5 Observer Program

Stephen Taufen/Lu Dochtermann  
Paul MacGregor, At-Sea Processor's Assn

C-6 Halibut GHL

Dan Hull, Cordova District Fishermen United  
Rex Murphy  
Bryan Bandioli, Alaska Charter Association  
Jim Preston  
Cora Crome, PVOA  
Jeb Morrow  
Gerry Merrigan  
Linda Behnken, Alaska Longline Fishermen's Assn.

D-1(a),(b) Chiniak Gully Research/Pollock EFP

Julie Bonney, Alaska Groundfish Data Bank  
Dave Fraser, Aleut Economic Corporation/Muir Milach  
Paul MacGregor, At-Sea Processors Assn.  
Stephen Taufen, Adak Power & Electric

D-3 Staff Tasking

Stephen Taufen/Lu Dochtermann  
Joe Sullivan, City of Kodiak  
Teressa Kandianis, Kodiak Fish Co./Lori Swanson, Groundfish Forum  
Brent Paine, United Catcher Boats  
Shawn Dochtermann, Alaska Jig Association

**ADVISORY PANEL MINUTES  
North Pacific Fishery Management Council  
February 6-10<sup>th</sup> Seattle Doubletree Hotel, SEATAC**

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

Al Burch	Bob Jacobson
Lisa Butzner	Simon Kinneen
Joe Childers	Kent Leslie
Cora Crome	Matt Moir
Craig Cross	John Moller
Tom Enlow	Jeb Morrow
Duncan Fields	Ed Poulsen
Bob Gunderson	Jim Preston
John Henderschedt	Michelle Ridgway
Jan Jacobs	Lori Swanson

The AP unanimously approved the minutes from their previous meeting.

**C-1 IRIU**

The AP recommends that the Council not take final action on Amendment 80 at this meeting. However, in light of the need to make progress on this important package, the AP recommends that refinements to components of the preferred alternative be incorporated into the analysis for final action in April. (The AP worked from the Council's October 2005 motion which is attached to the minutes.)

The AP recommends the following refinements:

**Component 2** - No changes. *Motion carried 19/0*

**Component 3** - Under 3.1, add language regarding soft cap management of an ICA that applies only to fixed gears. *Motion carried 19/0*

Move the section regarding catcher vessel eligibility out of Amendment 80 to the trailing amendment package (as identified in the development of Amendment 85) that will address this issue comprehensively. *Motion carried 20/0*

**Component 4** - No changes. *Motion carried 19/0*

**Component 6** - Add the following sub-option that could be applied to 6.1.1, 6.1.2 or 6.1.3:

The allocation of halibut associated with the yellowfin sole and cod fisheries may fluctuate with changes in TAC, except that under no circumstances will allocations associated with those species be reduced by more than 10% of the average use by the non-AFA trawl CP sector for the chosen suite of years.

Further, the following language should be added to the preamble in Section 6.2:

Any reduction in the non-AFA catcher processor sector should not result in an increase in PSC allocation to any other sector.

*Motion carried 12/6*



## *Minority Report*

*The undersigned members of the AP voted in favor of a substitute motion to add “rolling average” sub-option to the Amendment 80 analysis as described below:*

### *Rate-based Rolling Average PSC Allocations*

*The actual distribution of trawl PSC would follow the following procedure:*

- 1. At the end of each year, the three-year trawl fleet-wide average bycatch rates for each prohibited species in each of the Amendment 80 target species fisheries (plus cod) are computed: that is, the sum of each of the prohibited species used by the trawl fleet for the last three years in each target fishery is divided by the target catch in each of those fisheries over the last three years.*
- 2. Expected usage of a prohibited species in a particular target fishery for the following year is determined by multiplying this fleet-wide average bycatch rate by the most recent year’s catch or the next year’s TAC, whichever is lower.*
- 3. Once expected usage amounts have been determined for each target fishery, they are scaled either up or down proportionately so that the sum of all amounts equals the trawl allocation of that prohibited species.*
- 4. Sub-option – Establish a floor and ceiling for these distributions within the range of PSC allocation presently analyzed.*

*We believe that this sub-option may provide an effective means of accommodating the dynamics of fluctuating TACs and the resultant changes in trawl fishery requirements.*

*As addressed in the February, 2006 discussion paper provided by staff, it may prove difficult to establish fixed PSC allocations to the non-AFA trawl catcher processor sector that fully accommodate potential changes in TACs and the amount of PSC required to fund the associated fisheries. On response to this challenge, the undersigned minority supports a method of PSC allocation to the non-AFA trawl catcher processor sector that projects future PSC needs based on recent trawl fleet-wide bycatch averages applied to the next year’s TACs, allowing the “best fit” of current TACs and PSC sector allocations.*

*The minority does not believe that the rolling average PSC sector allocation is a disincentive to reduce bycatch rates. Rather, it is an incentive to reduce rates whenever possible, as PSC saving resulting in reduced bycatch rates in one fishery may result in additional PSC being assigned to other fisheries where, due to increased TACs, additional PSC may be needed.*

*The minority recognizes the fact that the current analysis contains a broad range of possible PSC sector allocations, and it supports the establishment of “floors” and “ceilings” within the context of a rolling average sub-option to insure some long-term certainty and stability for both the non-AFA trawl catcher processor and limited access sectors.*

*John Henderschedt, Tom Enlow, Craig Cross, Kent Leslie, Simon Kinneen, Jan Jacobs, Al Burch*

### **Component 7**

Add language to the end of the last sentence in Component 7 so that it reads:

Restrict LLPs that are used for eligibility in Amendment 80 (either to be included in the non-AFA CP sector or to be used in Amendment 80 co-op formation) from being used outside of the amendment 80 sector), except that any eligible vessel which is authorized to fish pollock under the AFA would still be authorized to fish under the statute. *Motion carried 20/0*

Add the following language:

Only history from eligible vessels will be credited in the program. The catch history credited to an eligible vessel will be catch history of that vessel. The catch history credited to an eligible vessel for the first license assigned to that vessel will only be the catch history of the eligible vessel. Any additional license assigned to an eligible vessel will be credited with the catch history during the Component 10 period of the eligible non-AFA trawl CP from which the license arose, except that no history can be assigned to more than one vessel at a given time. The catch history of any eligible vessel which has sunk, is lost or becomes inoperable, or becomes otherwise ineligible during or after the qualifying period will be credited to the license of that vessel.

*Motion carried 20/0*

### **Component 8**

In the description, change the second sentence to read: "Component 8 also establishes the number of vessels required..."

After the description, add the following:

A cooperative endorsement will be assigned to one license for each vessel meeting the qualification of Component 7. Additional licenses assigned to a vessel will not count toward the coop formation threshold, but will receive a cooperative endorsement provided that:

Remove 8a.1 and 8a.2 from Alternative 4.

In the 8b options, change "licenses" to "vessels"

*Motion carried 20/0*

**Component 9** - Remove 9.2 from Alternative 4. Add the following language:

Assign PSC within the sector to allocated target species and Pacific cod based on the average use of PSC in each target species from the years 1998-2004, expressed as a percent of the total PSC allocation to the sector.

Each eligible vessel will then receive an allocation percent of PSC for catch allocated target species and Pacific cod equal to its proportion of the catch history of the allocated fishery.

This PSC allocation will not change from year to year (i.e., will not fluctuate annually with the TAC.)

*Motion carried 19/1*

**Component 10** - In each option, substitute "license holder" with "vessel".

Remove options other than 10.8 from Alternative 4.

Add option 10.9 -

Select the highest percentage allocation by species, for each company using total catch of the vessel over the total catch of the sector for the following four suites of years: 1997-2003, drop 2; 1997-2004, drop 2; 1997-2004, drop 3; 1998-2004, drop 2. Different year scenarios may be chosen for different species. Add all of the percentages together and then adjust proportionally to 100%.

In the event that the non-AFA trawl CP sector receives an exclusive allocation of Pcod, that allocation will be divided between cooperatives and the sector's limited access fishery in the same manner (and based on the same history) as the division of the other allocated species within the sector.

*Motion carried 19/1*

**Component 11** - Add 40% to Option 11.2 *Motion carried 20/0*

**Component 12** - Maintain the existing preamble but delete the parenthetical.

Add a new 12.3 to Alternative 4–

In the BSAI, Pacific cod will be managed under existing sector apportionments, with rollovers, until new Pacific cod sector allocations are implemented. Pacific cod will be allocated between the cooperative and non-cooperative sub-sectors based on the same formula as Component 10.

In the BSAI, management of unallocated species should remain status quo.

**GOA Sideboard Provisions**

Strike “transferable” from preamble to GOA provisions.

In GOA Sideboard provision 1, place 10 in the place of the X.

Strike “[Component] 4” under GOA Sideboard Provisions 1, 3.A, 3.B, and 4.

Under Provision 2, the history of this vessel will not contribute to the non-AFA trawl sideboards and its catch will not be subtracted from these sideboards.

Add the following language:

Each coop contract will include a provision that that coop will not exceed its aggregate coop sideboard. The co-operative contract should also include third party enforceability provisions.

Note that the intent of the third-to-last point (“Sideboards apply to vessels (actual boats) and LLPs used to generate harvest shares that resulted in allocating a percentage of the amendment 80 species TACs to the non-AFA trawl CP sector.”) is to prevent double-dipping with respect to GOA history related to sideboards.

Delete the last point – this information has been included in the analysis.

*Motion carried 19/0*

Remove Gulf of Alaska provisions 3A and 3C from Alternative 4. *Motion carried 20/0*

**Component 13**

The AP recommends the Council add the following sub-option that would apply to all of the existing options under Component 13:

In order to allow the AFA catcher vessel fleet to use their PSC savings in traditional fisheries to fund participation in the yellowfin sole limited access and threshold fishery, the AFA catcher vessel PSC sideboards should be applied in the aggregate, rather than by specific fishery categories as they are presently structured. *Motion carried 19/1*

*A motion to add 13.5 – 175,000 mt and add Sub-option 2 – 50% Non-AFA Trawl CP sector and 50% limited access fishery – to Alternative 4 failed on a vote of 10/10*

The AP recommends making the following revisions to the Amendment 80 problem statement-

The Council’s primary concern is to maintain a healthy marine ecosystem to ensure the long-term conservation and abundance of the groundfish and crab resources. To this end, the Council is committed to reducing bycatch, minimizing waste, and improving utilization of fish resources to the extent

practicable in order to provide the maximum benefit to present generations of fishermen, associated fishing industry sectors, **including the CDQ sector**, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. Focusing on reduction of bycatch and the attendant benefits of cooperatives in meeting bycatch reduction objectives, **as well as increased CDQ allocation and the benefits associated with CDQ resources and bycatch management, are initial steps** towards rationalization of the BSAI groundfish fisheries. Bycatch reduction measures for the Non-AFA Trawl Catcher Processor sector is a priority focus in this step toward rationalization given this sector's historical difficulty in achieving acceptable bycatch levels. Allocations to this sector associated with cooperative management of catch and bycatch provide the opportunity for participants in this sector to mitigate the cost, to some degree, associated with bycatch reduction. In addition to reducing bycatch in one sector, assurance should be provided to minimize negative impacts on others.

*Motion carried 20/0*

Atka Mackerel and AI POP –

Establish two options – one to allocate these species equally by area, the other to allocate these species based on historical catch by area.

Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation.

*Motion carried 20/0*

Clarify in the 6<sup>th</sup> and 7<sup>th</sup> point under Other Elements to read:

Annual allocations to the cooperative would be transferable among **non-AFA trawl catcher processor** cooperative members

*Motion passed 20/0*

## **C-2 Crab Arbitration**

The AP recommends the Council adopt Alternative 2.

*Motion carried 19/0*

## **C-3 BSAI P.cod sector allocations**

The AP recommends the Council release the document for public review with the following additions/changes: *Motion passed 20/0*

### **Alternative 2**

#### Component 2

The AP recommends that the sector catch data for the BSAI, BS, and AI 2004 and 2005 be included in the discussion of Component 2. *Motion carried 19/0*

#### Component 3

Upon determination of the new overall allocations to the trawl and fixed gear sectors, maintain the current percentage of the ITAC allocated to the A season for trawl gear. Provided that any reduction in the overall trawl allocation resulting from the options would first be applied in the C season and then in the B season for trawl gear. Any reallocation to fixed gear would be applied to the A season.

Any redistribution of trawl allocation in the B or C seasons will be made proportionally between the AFA CP, non-AFA CP, and AFA CV, non-AFA CV sectors based on their new allocation percentages.

In the event that this reallocation exceeds the 70/30 SSL seasonal apportionment, the Hook and Line Catcher Processors A season allocation will be adjusted as necessary by shifting A season allocation to the B season.

Delete suboptions 1 and 2.

*Motion carried 20/0*

#### Component 7

The AP recommends adopting language recommended by staff regarding Options 7.1 and 7.2 on page 222. *Motion carries 20/0*

The AP also recommends Council request staff examine methods for allowing PSC savings in P. cod AFA CV sector to be used to harvest other groundfish species (specifically the YFS threshold fishery) by AFA CV sector vessels. *Motion carries 18/2*

Shoreside landings made by pot CPs are assigned to the pot CV sector allocation for 2003. The AP recommends that the associated table in the analysis include a caveat to this effect.

*Motion carried 15/1/4*

The AP recommends that the catch accounting system be modified such that future shoreside landings by pot CPs are counted against the pot CP allocation.

*Motion carried 20/0*

#### Part 2

The AP recommends adding under Alternative 6:

Option 6.4: 2002-2003. *Motion carried 18/0*

#### C-5 Observer Program

The AP recommends the following revised language for Alternative 2:

1. Under this alternative, the 2007 sunset date for the existing program would be removed.
2. The AP recommends identifying Alternative 2 as the preferred alternative. The AP would note that Alternative 2 is not responsive to the problem statement.
3. The AP recommends that due to the continued need to restructure the observer program, a new amendment package modifying alternative 2 be identified. The focus of the new amendment package would be the Council's request to NMFS to construct an intra-agency process for developing use protocols for video monitoring equipment and recommendations for the implementation of video monitoring equipment in the Alternative 2 service delivery model.
4. The AP recommends that a new amendment proposing restructuring alternatives for the observer program should be considered by the Council at such time that 1) legislative authority is established for fee-based alternatives, 2) the FLSA issues are clarified (by statute, regulation or guidance) such that it is possible to estimate costs associated with the fee based alternatives; and/or 3) the Council requests reconsideration in response to changes in conditions that cannot be anticipated at this time. All subsequent amendment packages regarding the observer program should include an option for the federal funding of observers.

*Motion passed 20/0*

### **C-6 Halibut GHL**

The AP recommends the Council send out the analysis for final review with the following revisions:

Enhance the analysis of the economic effects of the alternatives on the commercial sector, charter boat sector and support services within coastal communities. As well, the analysis should note the impact of the GHL overages, the potential impact if GHL control measures prove to be inadequate, and the potential benefits of adequate GHL measures.

Clarify that the Council may select any or all of the measures in the alternatives (i.e., the measures are not a “package deal” within the alternatives);

Add the option of using the 5-year average weight for calculating charter harvests.

As well, the AP recommends that the Council consider, as part of the GHL amendment package, sending a letter to the IPHC that would request the creation of a separate accountability system for guided sport and commercial harvests of halibut. This would remove the guided sport harvest from the “other removals” line item in the IPHC calculation, and apply the GHL allocation directly to the net CEY of each area. The AP believes that the alternatives for keeping the guided sport halibut catch within the GHL and the process used to account for that catch are linked and need to be decided concurrently at final action.

*Motion carried 20/0*

The AP recommends that the Council initiate a new amendment package to address regulatory issues associated with the Charter halibut harvest. The package may include additional elements and options as recommended by the Stakeholder committee but at a minimum should include the following:

1. A list of options for implementation of a moratorium on new entrants into the charter halibut fishery with a December 9, 2005 control date and with consideration of communities that may not have mature charter halibut businesses or histories.

2. A list of options to subdivide current halibut management areas 2C and 3A into sub-regions for halibut charter management purposes.

3. A list of options for linking the GHL to the annual IPHC harvest level for each management area—the so called stair stepping options that would change the GHL up and down as TAC changes.

*Motion passed 20/0*

### **D-1 (a) and (b) Experimental Fishing Permits.**

The AP approves the Chiniak Gully Experiment final review of the EA. *Motion passed 20/0*

The AP recommends the Council approve EFP for AI pollock hydroacoustic assessment. Motion passed 20/0.

**Gulf of Alaska Groundfish Rationalization AP motion  
February 11, 2006**

**G-2. Species**

Primary species by gear (allocated based on individual catch history):

Trawl:	Longline:
pollock	Pacific cod
Pacific cod	<del>pelagic shelf rockfish</del>
deepwater flatfish	<del>Pacific ocean perch</del>
rex sole	WGOA deep water flatfish (if turbot is
shallow water flatfish	targeted)
flathead sole	<del>northern rockfish</del>
arrowtooth flounder	<del>arrowtooth flounder</del> —Motion passed 19/0
northern rockfish	Pot:
Pacific ocean perch	Pacific cod
pelagic shelf rockfish	Jig:
Pacific cod	

For purposes of caps, use the following species aggregations:

Pollock, cod, aggregate rockfish and aggregate flatfish  
(from 2.2.3.1 and 3.2.3 and 3.3.2)

Entry Level Fishery: POP, Northern Rockfish and pelagic shelf rockfish for non-trawl catcher vessels

- An annual set aside for CV non-trawl gear capped at 2-5% of each of these target rockfish species
- The set aside will begin at 1% of the annual TAC
- The set aside amount will increase by one percentage point the following year in which the set aside quota is reached.

Secondary species by gear (allocated based on average sector/gear catch history):

Trawl:	Longline:	Pot:—
Thornyhead	Thornyhead	—Thornyhead
Rougheye	Rougheye	Rougheye
Shortraker	Shortraker	Shortraker
other slope rockfish	other slope rockfish	other slope rockfish
Atka mackerel	Atka mackerel	Atka mackerel
Sablefish		

(from 2.2.4 and 3.2.4)

Unallocated species will be managed under the existing MRA system and will be accommodated in the annual TAC-setting process.

Motion passed 19/0

**G-3. State and Parallel Fishery Allocation**

A portion of the TAC will be allocated to fisheries inside of 3 nm and will be subject to State management:

- Option 1. An amount equivalent to the total annual catch (for each groundfish species/group) from state waters (inside of 3 nautical miles [e.g., parallel and 25% Pacific cod fishery]) by all vessels will be managed directly by the State of Alaska Board of Fisheries as a TAC/GHL equivalent to:
- a. Highest amount taken in state waters by area
  - b. Highest amount taken in state waters by area plus 15%
  - c. Most recent four-year average harvest from state waters
- Option 2. All catch inside of 3 nautical miles by non-federally permitted vessels fishing the parallel fishery plus all catch under the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.

Option 3. Only the catch associated with the 25% state water cod fishery and the PWS Pollock fishery remains under the authority of the State of Alaska Board of Fisheries.  
(from 2.2.2.3 and 3.3.1.1)

The AP recommends that individual catch history harvested in the state waters parallel fishery be credited to eligible individuals in determining their proportional share of primary and secondary species allocated by the Council as part of the Gulf of Alaska federal fisheries management. It is the intent of the AP that stakeholders' parallel fishery history be counted for both sector splits and individual allocations in the federally managed fisheries. *Motion passed 20/0*

#### **G-4. Sector/Gear Designations**

C/P trawl	CV trawl
C/P longline	CV longline
C/P pot	CV pot
	jig

Option: Separate low producing CV longline and CV pot into high producing vessels and low producing vessels  
Low producing catcher vessel sector is

Suboption 1. fixed gear catcher vessels less than average qualified harvest history by gear and area

Suboption 2. fixed gear catcher vessels that are below the 75th percentile in qualified harvest history by gear and area

Suboption 3. (**applicable only to Alternative 3**) fixed gear catcher vessels under 60 feet that are below the 75th percentile of primary species qualified harvest history by gear and area.

High producing catcher vessels are the remainder and are divided into a catcher vessel longline and catcher vessel pot sector. Sector definitions apply throughout Alternative 3.

(from 2.2.3.1 and 2.2.3.2 and 2.2.3.2.1 and 3.2)

#### **G-5. Catcher Vessel/Catch Processor Designation Criteria**

##### **Alternative 2**

Harvest share sector designations:

Designate harvest shares (or QS/IFQ) as CV or CP. Annual CV harvest share allocation (or IFQ) conveys a privilege to harvest a specified amount. Annual CP harvest share allocation (or IFQ) conveys the privilege to harvest and process a specified amount. Designation will be based on actual amount of catch harvested and processed onboard a vessel by species.

(from 2.2.3.2.2)

##### **Alternative 3**

To be determined as a CP a vessel must have a CP LLP license and process no less than

- a) 90%
- b) 50%
- c) 25%

of its qualifying catch on-board on average over the qualifying period.

Option 1: determined by the aggregate of all species

Option 2: determined by primary species groupings in Section 3.3.5

(from 3.2)

#### **G-6. Sector Allocations - Primary Species**

##### **Alternative 2 and 3**

No explicit sector allocation calculation. Allocation to the sector is implicitly the sum of individual allocations

##### **Alternative 3**

~~Sector allocations will be based on the aggregate history of vessels in each sector during the qualifying period. Sector allocation qualifying periods and landing criteria (same for all gears in all areas).~~



- Option 1. 95-01
- Option 2. 95-02
- Option 3. 98-02

Suboption: for each sector drop the year of lowest tonnage.  
(from 3.2.1)

Sector Qualifying landing criteria (same for all gears in all areas)

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

(from 3.2.2)

The analysis will assess AFA vessels as a group. Motion passed 20/0

## **G-7. Sector Allocations – Secondary Species**

### **Alternative 2**

Allocation to the sector is determined by management at the individual level.

- Option 1. Allocation to the sector is based on individual allocations
- Suboption 1. Other slope rockfish in the Western Gulf will not be allocated, but will be managed by MRA and will go to PSC status when the TAC is reached.
  - Suboption 2. Deduct the secondary species catch from fixed gear types from TAC. If deduction is not adequate to cover secondary species catch in fixed gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.
- Option 2. Retain these species on bycatch status for all gear types with current MRAs.  
(from 2.2.4)

### **Alternative 3**

- Option 1: Sector ~~Individual~~ allocation for secondary species is based on each sector's average catch during the sector allocation qualifying period by area and primary species target fishery. Motion passed 20/0
- Option 2: Maintain current MRA management for secondary species.  
(from 3.2.4)

## **G-8. Sector Allocations – Halibut PSC**

### **Alternative 2**

#### Pot sector

Pot vessels continue their exemption from halibut PSC caps.

#### Hook and line sector

- Option 1. Modeled after sablefish IFQ program (no direct inseason accounting of halibut PSC). Holders of halibut IFQ are required to land legal halibut. Estimates of sub-legal and legal size incidental mortality are accounted for when setting annual CEY.
  - Option 2. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members).
  - Option 3. Continue to fish under halibut PSC caps.
- Suboption (to all options): Holders of halibut IFQ are required to land legal halibut. Halibut bycatch occurring without sufficient IFQs would count against halibut PSC allocations.

#### Trawl Sector

- Option 1. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members)
- Option 2. Continue to fish under halibut PSC caps.  
(from 2.2.5 and 2.2.5.1)

### Alternative 3

Option 1: ~~Sector~~ ~~Individual~~ allocation for halibut PSC is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery. *Motion passed 20/0*

Option 2: Maintain current halibut PSC allocations.

(from 3.2.4)

### G-9. Sector Allocations – Jig Sector

Option 1. The jig fishery would receive an allocation based on its historic landings in the qualifying years

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1 and 3.1)

Option 2. (**Applies only to Alternative 2**) Catch by jig would be accounted for in a manner similar to sport halibut harvests in halibut IFQ fishery.

Suboption: Cap jig harvest at \_\_\_% of current harvest of ~~Pcod~~ by ~~species and area~~:

1. 100%
2. 125%
3. 150%
4. 200%

(from 2.2.1) *Motion passed 20/0*

Option 3. \_\_\_\_\_% of TAC *Motion passed 14/6*

### G-10. Individual Allocations – Eligibility

#### LLP participation

Option 1. Eligibility to receive catch history is any person that holds a valid, permanent, fully transferable LLP license.

Basis for the distribution to the LLP license holder is: the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

A person who acquired an LLP license with GQP and EQP qualifications to remain in one or more GOA QS fisheries may obtain a distribution of QS for those fisheries based on the history of either (a) the vessel on which the replacement LLP is based prior to its transfer and any landings made on the vessel for which it was acquired subsequent to its transfer to that vessel, or (b) the vessel for which the LLP was acquired, NOT both. License transfers for the purposes of this provision must have occurred by June 1, 2005.

Option 2. Non-LLP (State water parallel fishery) participation

Suboption 1. Any individual who has imprinted a fish ticket making non-federally permitted legal landings during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

Suboption 2. Vessel owner at time of non-federally permitted legal landing during a State of Alaska fishery in a state waters parallel fisheries for species under the rationalized fisheries.

It is the intent of the Council that catch history, whether harvested in the state water parallel fishery or the federal fishery, will be credited a single time, either in the state or federal program.  
(from 2.2.2.2 and 3.3.3.1)

**G-11. Individual allocations – Qualifying landing criteria**

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

(from 2.2.2.1 and 3.3.2.2)

Suboption: **(Alternative 2 only)** catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

(from 2.2.2.1)

**G-12. Individual Allocations – Qualifying periods**

Qualifying periods (same for all gears in all areas) for allocations of shares or history

- Option 1. 95-01 drop 1, on a species by species basis
- Option 2. 95-02 drop 1, on a species by species basis
- Option 3. 95-02 drop 2, on a species by species basis
- Option 4. 98-02 drop 1, on a species by species basis
- Option 5. 98-03 drop 1, on a species by species basis

(from 2.2.2 and 3.3.2.2)

Suboption 1: **(Alternative 2 only)** For Pacific cod under all options consider only A season harvests for 2001 and 2002.

Suboption 2: **(Alternative 2 only)** For Pacific cod consider a sector allocation based on specified percentages prior to individual allocations.

(from 2.2.2)

**G-13. Individual allocations – Secondary Species**

**Alternative 2**

**Under both alternatives, allocations to and management of secondary species for halibut and sablefish IFQ holders would be governed by a separate motion.**

Option 1. Share Allocations

Option 1. Allocate shares to all fishermen based on fleet bycatch rates by gear:

Suboption 1. based on average catch history by area and target fishery

Suboption 2. based on 75th percentile by area by target fishery

~~Option 2.~~ Allocation of shares will be adjusted pro rata to allocate 100% of the annual TAC for each bycatch species. *Motion passed 20/0*

Suboption. Allocate these species for one gear type only (e.g., trawl). Deduct the secondary species catch of other gear types from TAC. If deduction is not adequate to cover secondary species catch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

(from 2.2.4)

**Alternative 3**

Option 1: Allocation of secondary species to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current MRA management for secondary species.

(from 3.2.4 and 3.3.3)

**G-14. Individual allocations – Halibut PSC**

**Alternative 2**

Option 1: Share allocations (if applicable to the sector and gear type)  
Each recipient of fishing history would receive an allocation of halibut mortality (harvest shares) based on their allocation of the primary species shares. Secondary species would receive no halibut allocation.

Initial allocation based on average halibut bycatch by directed primary species during the qualifying years. Allocations will be adjusted pro rata to equal the existing halibut PSC cap.

By sector average bycatch rates by area by gear:

- Option 1. Both sectors
- Option 2. Catcher Processor/Catcher Vessel

Option 2. Fleet management, specified in sector allocation of halibut (above)  
*(from 2.2.2.5)*

**Alternative 3**

Option 1: Allocation of halibut PSC to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector’s average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current PSC MPA management for secondary halibut species. *Motion passed 20/0*  
*(from 3.2.4 and 3.3.3)*

**G-15. Individual allocations – Halibut PSC reductions outside of cooperatives**

**Alternative 2**

Non-members of cooperatives would have halibut PSC reduced by:

- i 5%
- ii 15%
- iii 30%

Halibut PSC reduction will not apply to low-producing fixed gear participants.

All halibut PSC reductions under this section will remain unfished (in the water).  
*(from 2.2.5.3.1)*

**Alternative 3**

Halibut PSC allocated to the limited access fishery for non-members of cooperatives will be reduced by:

Option 1:

- a. 0 percent
- b. 10 percent
- c. 20 percent
- d. 30 percent

Option 2:

- a. 0 percent
- b. 5 percent beginning on the date of program implementation;  
an additional 5 percent beginning on the second year of program implementation;  
an additional 10 percent beginning on year 5 of program implementation; and

Note: this reduction may differ by sector  
*(from 3.6, Issue 1)*

**G-16. Transferability - Gear Restrictions**

**Alternative 2**

Harvest gear restrictions apply to primary species only.  
Primary species allocations may be used by other gear types except that:

- Option 1: No restrictions
- Option 2: Fixed gear allocations may not be harvested using trawl gear
- Option 3: Pot gear allocations may not be harvested by longline or trawl gear

(from 2.2.3.2.4)

**Alternative 3**

Option: Trawl GQ may be fished using fixed gear, if yes – appropriate mechanism to transfer GH/GQ across sectors needed.

(from 3.3.2, Option 1)

CP provision: Allow leasing within cooperative or pursuant to an inter-co-op agreement within CP sectors (no CP leases allowed across gear types.)

(from 3.4.7.3)

**G-17. Transferability - Vessel Type Restrictions**

**Alternative 2**

Restrictions on transferability of CP harvest shares

CP harvest shares maintain their designation when transferred to persons who continue to catch and process CP harvest shares at sea, if CP harvest shares are processed onshore after transfer, CP harvest shares convert to CV harvest shares.

When CP shares are redesignated as CV shares

CP harvest shares retain their gear designation upon transfer.

Purchaser must further identify which processing provision and regionalization provision apply to the shares, consistent with the gear type.

(from 2.2.3.3.2 and 2.2.3.3.3)

**Alternative 3**

Option 1. Restrictions on transferability of CP harvest shares:

CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access.)

~~Option 2: Re-designate CP GH as CV GH upon transfer to a person who is not an initial issuee of CP shares:~~

~~Suboption 1. all CP shares~~

~~Suboption 2. trawl CP shares~~

~~Suboption 3. longline CP shares Motion passed 16/4~~

(from 3.4.7 and 3.4.7.1 and 3.4.7.2)

*Minority Report*

*We, the minority of the AP, believe that Option 2 to re-designate CPGH upon transfer should continue to be an option for the Council's consideration and that, as a matter of public policy, the Council should work toward moving the GOA CPGH ashore. Signed: Matt Moir, Tom Enlow, Michelle Ridgway, Duncan Fields.*

**G-18. Transferability – Secondary Species**

Permit transfer of secondary species QS

Option 1. Primary species shares and secondary species shares are non-separable and must be transferred as a unit.

Option 2. Primary species shares and secondary species shares are separable and may be transferred separately; they are fully leasable across gear type and sector and are allocated annually based on primary species allocation. Motion carries 19/0

(from 2.2.4 and 3.3.3.3)

Option for trawl sablefish shares (**applies to Alternative 2 only**)

Allow trawl sablefish catch history to be issued as a new category of sablefish harvest shares (“T” shares) by area. “T” shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.

Suboption. These shares may be used with either fixed gear or trawl gear.

(from 2.2.4)

**G-19. Transferability – Halibut PSC – Long term transfers**

Option 1. Groundfish primary species QS/history and Halibut PSC QS/history are non-separable and must be transferred as a unit

Suboption. exempt Pacific cod

Option 2. Groundfish primary species harvest shares (QS) and Halibut PSC QS/history are separable and may be transferred separately

(from 2.2.5.4 and 3.3.3.3)

**G-20. Transferability – Halibut PSC – Annual transfers**

**Alternative 2**

Option A: Halibut PSC annual allocations are separable from primary groundfish annual allocations and may be transferred independently within gear types. When transferred separately, the amount of Halibut PSC allocation would be reduced, for that year, by:

Suboption 1. 0%

Suboption 2. 5%

Suboption 3. 7%

Suboption 4. 10%

Suboption 5: Exclude any halibut PSC transferred for participation in the incentive fisheries (includes transfers outside the cooperative).

Suboption 6: Exclude any halibut PSC transferred within a cooperative.

Option B: No leasing/annual transfer of halibut PSC outside of cooperatives.

All halibut PSC reductions under this section will remain unfished (in the water).

(from 2.2.5.3)

**G-21. Retention requirements (rockfish, sablefish and Atka mackerel)**

**Alternative 2**

Option 1. no retention requirements

Option 2. require retention (all species) until the annual allocation (or IFQ) for that species is taken with discards allowed for overages

Option 3. require 100% retention (all species) until the annual allocation (or IFQ) for that species is taken and then stop fishing

(from 2.2.3.3.9)

**G-22. Limited processing for CVs**

**Alternative 2**

Limited processing of groundfish species by owners of CV harvest shares of groundfish species not subject to processor landing requirements are allowed up to 1 mt of round weight equivalent of groundfish per day on a vessel less than or equal to 60ft LOA. (consistent with LLPs - 679.4(k)(3)(ii)(D))

(from 2.2.3.3.10)

**G-23. Processing by Catcher Processors**

**Alternative 2**

Option 1. CPs may buy CV share fish not subject to processor landing requirements.

- Suboption. 3 year sunset
- Option 2. CPs would be prohibited from buying CV fish.
- Option 3. CPs may buy incentive fish and incidental catches of CV fish not subject to processor landing requirements.
- Option 4. CPs may buy delivery restricted CV fish, if they hold a processing license.

A CP is a vessel that harvests CP shares under the program in a year.  
 (from 2.2.3.3.11)

**G-24. Regionalization**

**Alternative 2**

Catcher vessel harvest shares are regionalized based on the landings history during the regionalization qualifying period, not where it was caught.

If issued, all processing licenses (for shore-based and floating processors) will be categorized by region. Processing licenses that are regionally designated cannot be reassigned to another region. **(Applies to Alternatives 2A and 2B)**

Catcher processor shares and any incentive fisheries are not subject to regionalization.

In the event harvest shares are regionalized and the processor linkage option is chosen, a harvester's shares in a region will be linked to the processor entity in the region to which the harvester delivered the most pounds during the qualifying years used for determining linkages.

The following describes the regions established and fisheries that would be subject to regionalization:

- Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58°51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630)
- CGOA aggregate flatfish,
- CGOA aggregate rockfish and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

~~Secondary species shares~~

~~Secondary species shares would not be subject to regionalization Motion passed 20/0~~

Qualifying years to determine the distribution of shares between regions will be:

- Option 1. the preferred individual allocation qualifying period
- Option 2. 1999 – 2002

(from 2.2.9.1. and 2.2.9.1.1 and 2.2.9.1.2)

**Alternative 3**

If adopted, history will be categorized by region (for the fisheries identified below).

History that is regionally designated cannot be reassigned to another region.

Catcher vessel history is regionalized based on where the catch was processed, not where it was caught.

Catcher processor history is not subject to regionalization.

The history associated with a license would be regionalized based on the landings history associated with that license during the regionalization qualifying period.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58°51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.)

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

- CGOA Pollock (area 620 and 630),
- CGOA aggregate flatfish,
- CGOA aggregate rockfish, and
- CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

In the event GH is regionalized, a harvester will be eligible to bring its history in a region to a cooperative associated with the processor in the region to which the harvester delivered the most pounds during the cooperative formation qualifying period using species aggregations (i.e., pollock, Pacific cod, aggregate rockfish, and aggregate flatfish) and:

- Option 1. the cooperative/processor association period or
- Option 2. the individual allocation qualifying period.

(from 3.7.1)

Qualifying years to determine the distribution of GH between regions will be:

- Option 1. the years 1999-2002.
- Option 2. consistent with the qualifying period under cooperative formation in Section 3.3.5

(from 3.7.1.1)

#### **G-25. Skipper/Crew**

The AP requests Council direct staff to draft a discussion paper examining the structure and effects of skipper/crew provisions that:

- a. allocate a certain amount of quota to qualified skipper/crew
- b. requires that qualified skipper/crew be on board during the harvest of a percentage of a vessel's allocation.
- c. provide that, upon transfer of quota share/history, a percentage of the quota and/or transfer price is reserved for crew/skippers. *Motion carries 19/0*

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

Option 1. No skipper and/or crew provisions

Option 2. Establish license program for certified skippers. For initial allocation Certified Skippers are either:

- i. Vessel owners receiving initial QS or harvest privileges; or
- ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).

Suboption 1. include crew in the license program.

Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Under any alternative that establishes QS and annual harvest privileges, access to those annual harvest privileges is allowed only when fishing with a Certified Skipper onboard. Certified Skipper Licenses are non-transferable. They accrue to an individual and may not be sold, leased, bartered, traded, or otherwise used by any other individual.



- Option 3. (**Applies to Alternative 2 only**) Allocate to skippers and/or crew
- Suboption 1. Initial allocation of 5% shall be reserved for captains and/or crew
  - Suboption 2. Initial allocation of 10% shall be reserved for captains and/or crew
  - Suboption 3. Initial allocation of 15% shall be reserved for captains and/or crew

Defer remaining issues to a trailing amendment and assumes simultaneous implementation with rationalization program. (from 2.2.8 and 3.5)

## **G-26. Incentive species**

**Alternative 2 and Alternative 3** Motion passed 19/0

Incentive species are:

Arrowtooth flounder, deepwater flatfish, flathead sole, rex sole, shallow water flatfish.

- Option. The portion of historic unharvested West Yakutat Pacific cod TAC will be made available as an incentive fishery, subject to provision of incentive fisheries.

### Allocation of incentive species

Allocations of incentive species groundfish primary species harvest shares (QS) will be made to historical participants using the following threshold approach:

Allocate harvest shares as a fixed allocation in metric tons. The threshold is set as:

- Option 1. Total retained catch of the participants divided by the number of years in the qualifying period.
- Option 2. Total retained catch of the participants plus 25% divided by the number of years in the qualifying period.
- Option 3. Total catch of the participants divided by the number of years in the qualifying period.

If available TAC is less than the total fixed allocation in metric tons, then reduce allocations pro-rata amongst shareholders. If available TAC is greater than the threshold, available incentive fishery quota is amount by which the TAC exceeds the threshold.

### Eligibility to fish in the incentive fisheries

- A. The unallocated QS for the incentive fisheries are available for harvest, providing the vessel has adequate halibut PSC and secondary species.
  - Suboption: vessels must be a member of a GOA fishing cooperative to fish in the incentive fishery.
- B. Any holder of halibut or sablefish IFQ that has adequate IFQ or halibut PSC and secondary species.

### Catch accounting for and entry to the incentive fisheries

Use of allocated QS and incentive fishery quota

Owners of shares must utilize all their shares for an incentive species before participating in incentive fishery for that species.

- Option 1. The individual co-op member's apportionment of the allocated incentive species QS must be used prior to the individual gaining access to the incentive fishery unallocated portion. The co-op will notify NMFS when a vessel enters the incentive fishery quota pool.
- Option 2. The co-op's allocation of incentive species QS must be fished before gaining access to the unallocated portion of the incentive species quotas. The co-op members through a contractual coop agreement will address catch accounting amongst the co-op members.
- Option 3. For shareholders not participating in co-op, the unallocated incentive species are available for harvest once the individual IFQ holder's allocation of the incentive species has been used.

(from 2.2.6 and 2.2.6.1 and 2.2.6.2 and 2.2.6.3)

### **G-27. Sideboards**

GOA Groundfish sideboards under the crab rationalization plan, under the AFA, and the CGOA rockfish pilot project would be superseded by the GOA rationalization program allocations upon implementation.

On completion of a rationalization program in the BS, any sideboards from the GOA rationalization under this section will be superseded for the fleet subject to rationalization.

Participants in the GOA rationalized fisheries are limited to their aggregate historical participation based on GOA rationalized qualifying years in BSAI and SEO groundfish fisheries.

### **Alternative 2**

Vessels (Steel) and LLPs used to generate harvest shares used in a co-op may not participate in other federally managed open access fisheries in excess of sideboard allotments.

The Council should consider adding sideboards for the GOA jig fishery, which will not be included in the rationalization program.

Staff analysis of sideboard issues should examine the potential consequences of the creation of a double set of sideboards relating to BSAI fisheries for vessels already subject to AFA sideboards in BSAI fisheries.

*(from 2.2.2.12)*

### **Alternative 3**

Vessels (actual boats) and LLPs used to generate harvest shares used in a Co-op unless specifically authorized may not participate in other state and federally managed open access fisheries in excess of sideboard allotments.

*(from 3.9)*

### **G-28. Program Review and Data Collection**

#### **Data collection**

A mandatory data collection program would be developed and implemented. The program would collect cost, revenue, ownership and employment data on a periodic basis to provide the information necessary to study the impacts of the program for this and other Management Councils. Details of this program will be developed in the analysis of the alternatives.

#### **Program Review**

Preliminary program review at the first Council Meeting in the 3rd year and formal review at the Council meeting in the 5th year after implementation to objectively measure the success of the program, including benefits and impacts to harvesters (including vessel owners, skippers and crew), processors and communities, by addressing concerns, goals and objectives identified in the problem statement and the Magnuson Stevens Act standards. This review shall include analysis of post-rationalization impacts to coastal communities, harvesters and processors in terms of economic impacts and options for mitigating those impacts. Subsequent reviews are required every 5 years.

*(from 2.2.10 and 2.2.10.1 and 2.2.10.2 and 3.8 and 3.8.1 and 3.8.2)*

## Trawl Gear Alternatives

### T-1. Transferability - Leasing Alternative 2 and 3

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of trawl QS/GH who receive initial allocations of Pcod, pollock, or aggregate rockfish primary species less than:

- a. 65<sup>th</sup> percentile
- b. 70<sup>th</sup> percentile
- c. 75<sup>th</sup> percentile

Their initial allocation of primary species trawl QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of trawl QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%

*A motion to add a range 30%-90% failed 5/13/2*

- b. 40%
- c. 50%

of their aggregate primary species trawl QS/GH for Pcod, pollock, and aggregate rockfish must either (a) be fished by a vessel which the trawl QS/GH holder owns at least 20% of or (b) fished on a vessel with the trawl QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

(i.e. 75<sup>th</sup> percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

Option 1: ~~Apply leasing limitation only outside of cooperatives~~

Option 2: ~~Apply leasing limitation inside and outside of cooperatives~~

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% ~~same as "hired skipper" requirement in halibut/sablefish program.~~

#### For trawl catcher vessels

Option 1. ~~No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).~~

~~Suboption: Allowing leasing by initial recipients of QS (grandfather clause)~~

Option 2. ~~Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.~~

Option 3. ~~For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.~~

#### For trawl catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

*(from 2.2.3.3.5)*

### **Alternative 3**

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20%—same as “hired skipper” requirement in halibut/sablefish program.

#### For trawl catcher vessels

- Option 1. — No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).  
— Suboption: Allowing leasing by initial recipients of history (grandfather clause)
- Option 2. — Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.
- Option 3. — For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

#### For trawl catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

*Motion passed 15/2/2*

## **T-2. Share Use – Owner on board**

### **Alternative 2**

- Option 1: — Apply owner on board requirements only outside of cooperatives
- Option 2: — Apply owner on board requirements inside and outside of cooperatives

#### For trawl catcher vessels

A range of 0-70% of the trawl quota shares initially issued to fishers/harvesters would be designated as “owner on board.”

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exemption applies only to those initially issued quota shares

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of “owner on board” quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

*(from 2.2.3.3.7)*

## **T-3. Excessive share caps – individual caps on use and holdings**

### **Alternative 2**

Caps will be expressed as QS units indexed to the first year of implementation.

- Option 1. — Caps apply to all harvesting categories by species with the following provisions:
1. — Apply individually and collectively to all harvest share holders in each sector and fishery.
  2. — Percentage caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Trawl CV and/or CP (can be different caps)

Use cap based at the following percentile of catch history for the following species (i.e., 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify) pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, pelagic shelf rockfish

Suboption 1. — 75 %

~~Suboption 2. 85%~~

~~Suboption 3. 95%~~

~~Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.~~

#### Application of caps to intercooperative transfers

~~To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.~~

#### CP QS/IFQ conversion to CV QS/IFQ

~~CP shares converted to CV shares will count toward CV caps~~

~~Caps will be applied to prohibit acquisition of shares in excess of the cap. (from 2.2.3.3.6)~~

#### **Alternative 2 and 3**

History holdings of a co-op member to an individual shall be capped at:

- Option 1. 1% of the history by area, sector and species groups (pollock, Pacific cod aggregate rock fish, aggregate flatfish)
- Option 2. 3% of the history by area, sector and species groups
- Option 2.3 5% of the history by area, sector and species groups
- Option 3.4 20% of the history by area, sector and species groups
- Option 3-5 30% of the history by area, sector and species groups
- Option 4-6 no cap

~~Allocations to original issues would be grandfathered at the original level of history.~~

~~Apply individually and collectively to all harvest share holders in each sector and fishery.~~

~~Different caps can be chosen in the CV sector and the CP sector.~~

~~(from 3.4.3)~~

~~Motion passed 20/0~~

#### CP history conversion to CV history

~~CP history and annual allocations converted to CV history and annual allocations will count toward CV caps~~

~~Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.~~

~~(from 3.4.7.4)~~

#### **T-4. Excessive share caps – vessel use caps**

##### **Alternative 2 and 3**

##### Individual vessel use cap applies within coops

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

~~(from 2.2.3.3.6)~~

Cooperative vessel use cap

Co-op use caps for harvest shares on any given vessel shall be:

- Option 1. ~~Set at the same level as the individual vessel level.~~
- Option 2. ~~3 times individual vessel use cap.~~
- Option 3. ~~No use caps~~

(from 2.4.4.2)

**Alternative 3**

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

*Motion passed 19/0*

**T-5. Excessive share caps – vertical integration caps**  
**Alternatives 2A High and 2B High**

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.

(from 2.2.3.3.4)

**Alternative 2C**

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.

(from 2.3.2)

**Alternative 3**

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

**T-6. Excessive share caps – cooperative use caps**

**Alternative 2**

Set co-op use caps at 25 to 100% of total TAC by species

(from 2.4.4.1)

**Alternative 2 and 3**

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish.
- Option 2. 25% by area, sector and species groups
- Option 3. 45% by area, sector and species groups
- Option 4. no cap

(from 3.4.4)

Separate caps can be chosen for the CV and CP sector

*Motion passed 18/0*

## **T-7. Overage Provisions**

### **Alternative 2**

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overage up to 15% or 20% of the last trip will be allowed— greater than a 15% or 20% overage result in forfeiture and civil penalties. An overage of 15% or 20% or less, results in the reduction of the subsequent year's annual allocation or IFQ. Underages up to 10% of harvest shares (or IFQ).
- Option 2. Overage provisions would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be charged if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

## **T-8. Transferability – Eligibility to Receive**

### **Alternative 2**

Persons eligible to receive harvest history or shares by transfer must be:

For CP history/shares:

- 1) Entities eligible to document a vessel
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer
- 4) ~~Individuals eligible to document a vessel with at least 150 days of sea time~~

For CV history/shares:

- 1) ~~Individuals eligible to document a vessel with at least 150 days of sea time~~
- 2) ~~Initial recipients of CV or C/P harvest shares~~
- 3) ~~Community administrative entities eligible to receive shares/history by transfer.~~

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 2.2.3.3 and 2.2.3.3.1)

### **Alternative 3**

Persons qualified to receive history by transfer include:

- 1) processors that associate with initial cooperatives and
- 2) ~~for CP/CV history/shares:~~
  - a. ~~entities eligible to document a vessel~~
  - b. ~~initial recipients of CV or CP harvest shares~~
  - c. ~~community administrative entities eligible to receive shares/history by transfer~~
  - d. ~~individuals eligible to document a vessel with at least 150 days of sea time~~

~~Motion passed 19/0~~

- 3) ~~Option 1. US citizens who have had at least 150 days of sea time.~~
- ~~Option 2. Entities that meet U.S. requirements to document a vessel.~~
- ~~Option 3. Initial recipients of CV or C/P history~~
- ~~Option 4. individuals who are U.S. citizens.~~

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 3.4.2.1 and 3.4.2.2)

## **Alternative T2A – IFQ/Cooperatives with Processor License Limitation**

### **T2A-1. Voluntary Cooperatives**

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members) (from 2.4.1)

### **T2A-2. Cooperative formation**

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)  
(from 2.4.2.1)

### **T2A-3. Cooperative/processor affiliations**

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.  
(from 2.4.2.1.1)

### **T2A-4. Movement between cooperatives**

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

### **T2A-5. Duration of cooperative agreements**

Option 1. 1 year

Option 2. 3 years

Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum.

(from 2.4.2.3)

### **T2A-6. Rules Governing Cooperatives**

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by interco-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- Coop membership agreements will specify that processor affiliated harvesters affiliates cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).



- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- ~~The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.~~

*Motion passed 18/0*

*(from 2.4.3.1)*

**T2A-7. Harvest Share Allocations – A share/B share allocations**

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption : Processor affiliated vessels to receive entire allocation as A shares.~~ *Motion passed 19/0*

*(from 2.2.3.2.5)*

**T2A-8. Provisions for Processor License Limitation**

Apply processor provisions generally at the company level.

50-100% of CV harvest share allocation will be reserved for delivery to any licensed trawl processor

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.

*(from 2.3.1.1.1)*

**T2A-10. Processor License Qualifications**

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Eligible Processors – minimum annual processing

Trawl

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Trawl and fixed gear eligible processors

Processors that meet criteria for both the trawl processor license and fixed gear processor licenses will be issued a single trawl/fixed gear license

Processor history would be credited to (and licenses would be issued to):

Operator – must hold a federal or state processor permit.

Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

*(from 2.3.1.2.1 and new from December 2005 meeting)*

~~A licensed processor may operate an unlimited number of facilities under one license.~~ *Motion passed 19/0*

### **T2A-11. Transferability of eligible processor licenses**

Processor licenses can be sold, leased, or transferred.

Within the same region

(from 2.3.1.2.3)

### **T2A-12. Processing Use Caps**

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on

A share landings:

Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor

Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Processing caps apply at the entity level.

Initial issues that exceed the processor use cap are grandfathered at their current level Motion passed 19/0

(from 2.3.1.2.4)

### **T2A-13. License ownership restrictions on processors**

(Applies at the entity level) by region

Option 1. No restrictions

Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses

(from 2.3.1.2.6)

Processors may acquire additional licenses so that they hold a combination of licenses allowing them to process 'A' shares from both the fixed gear and trawl gear sectors. Owners of fixed licenses can buy trawl/fixed licenses, owners of trawl/fixed may not buy additional licenses. Motion passed 19/0

## **Alternative T2B – IFQ/Cooperatives with Processor Linkages**

### **T2B-1. Voluntary Cooperatives**

Cooperative membership is not required to receive an annual harvest share allocation. (i.e., IFQ will be allocated to non-members)

(from 2.4.1)

### **T2B-2. Cooperative formation**

Co-ops can be formed between

- 1) holders of trawl catcher vessel harvest shares in an area
- 2) holders of catcher/processor harvest shares in an area

Cooperatives are required to have at least 4 distinct and separate harvesters (using the 10% threshold rule)

(from 2.4.2.1)

### **T2B-3. Cooperative/processor affiliations**

Option 1. No association required between processors and co-ops

Option 2. CV cooperatives must be associated with

- a) a processing facility
- b) a processing company

The associated processor must be:

- a) any processor
- b) a limited entry processing license holder
- c) a limited entry processing license holder to which the share holder's shares are linked

Processors can associate with more than one co-op

Note: A processor association will not be required for a C/P cooperative.  
(from 2.4.2.1.1)

#### **T2B-4. Duration of cooperative agreements**

- Option 1. 1 year
- Option 2. 3 years
- Option 3. 5 years

Suboption 1: Duration is minimum.

Suboption 2: Duration is maximum. (from 2.4.2.3)

#### **T2B-5. Movement between cooperatives**

Harvesters may move between cooperatives at:

- Option 1. the end of each year.
- Option 2. the expiration of the cooperative agreement.
- Option 3. no movement in the first two years

(from 2.4.5)

#### **T2B-6. Rules Governing Cooperatives**

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by interco-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- ~~Coop membership agreements will specify that Processor processor affiliates affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.~~
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- ~~The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives. Motion passed 19/0~~

(from 2.4.3.1)

#### **T2B-7. Harvest Share Allocations – A share/B share allocations**

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor *to which the shares are linked*. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption – Processor affiliated vessels to receive entire allocation as A shares. Motion passed 19/0~~

(from 2.2.3.2.5)

**T2B-8. Provisions for Processor License Limitation**

Apply provisions generally at the facility (plant) level.

50-100% of CV harvest share allocation will be reserved for delivery to the linked licensed closed class trawl processor.

The Council requests that staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region.

*(from 2.3.1.1.1)*

**T2B-9. Processor License Qualifications**

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by area and region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

*Motion passed 17/0*

Eligible Processors – minimum annual processing

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Processor history would be credited to (and licenses would be issued to):

- Operator – must hold a federal or state processor permit.
- Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

If a processor meets the threshold for total purchased and processed groundfish for all their facilities combined, but does not meet the threshold for any one facility then the processor would be issued a license for the facility in which it processed most fish.

*(from 2.3.1.2.1)*

**T2B-10. Linkage (Linkages apply by area)**

A harvester's processor linked shares are associated with the licensed trawl processor to which the harvester delivered the most pounds of groundfish during the last \_\_\_ years of prior to 2004.

- \_\_\_\_\_ i. \_\_\_\_\_ 1
- \_\_\_\_\_ ii. \_\_\_\_\_ 2
- \_\_\_\_\_ iii. \_\_\_\_\_ 3

A harvester's processor linked shares are associated with the licensed fixed or trawl processor to which the harvester delivered the most pounds of primary groundfish species by area (Western Gulf, Central Gulf & West Yakutat (combined)) and region (North/South) during the

- a) \_\_\_\_\_ qualifying years.
- b) \_\_\_\_\_ most recent 1, 2, or 3 years from the qualifying years.
- c) \_\_\_\_\_ last \_\_\_ years of prior to 2004.

- i. 1
- ii. 2
- iii. 3

Suboption:

A harvester is initially eligible to join a cooperative in association with a processor who processed  
a) 80% or b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester linked shares are with the processor that processed the most qualified landings and the processor that processed the second most qualified landings on a pro rata basis

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

Option 1: If the processing facility with whom the harvester is associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
  - i. ~~any licensed processor~~
  - ii. ~~any licensed processor in the community~~
  - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Option 2: If the processing facility with whom the harvester is associated is no longer operating in the community, the harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
  - i. ~~any licensed processor~~
  - ii. ~~any licensed processor in the community~~
  - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

*Motion carries 15/2/2*

The AP recommends Council request staff provide a discussion paper addressing the effect of a use cap on the number of processors in a region. *Motion passed 19/0*  
(from 2.3.1.1.2)

#### **T2B-11. Movement between linked processors**

Any vessel that is linked to a processor, may with the consent of that processor, deliver A shares to another plant.

In the absence of consent, when a harvester moves from a linked processor, the harvesters shares are reduced 10% - 20% for a period of:

- i. 1 year
- ii. 2 years
- iii. 4 years

Suboptions:

- i. Penalty applies to A shares only.
- ii. Penalty applies to both A and B shares.
  - A. Full penalty applies to each move
  - B. Full penalty applies to the first move, subsequent moves are penalized at half of that rate.
  - C. Full penalty applies only to the first transfer (*A motion to strike "C" failed 6/11*)

### Minority Report

Alternative 2B is a linkage program that includes perpetual linkages between processors and vessels. If no penalty is imposed when a vessel moves between processors after the first move, then alternative 2B will become similar to the 2A alternative over time. Each alternative should be distinct from one another to meet the NEPA process requirements. The linkage requirement is intended to allow vessels and processors to manage their operations in a more economically efficient manner, balance the price negotiating leverage between sectors, and stabilize the distribution of landings amongst processors. We believe option C (Full penalty applies only to the first transfer) should be removed. Signed: Kent Leslie, John Henderschedt, Matt Moir, Bob Gunderson, Tom Enlow, and Al Burch.

The share reduction shall be redistributed to the shareholders associated with the processor that the shareholder left (if it continues to exist).  
(from 2.3.1.1.3)

### **T2B-12. Transferability of eligible processor licenses**

Processor licenses can be sold, leased, or transferred.

Within the same region

If the license is transferred outside the community of origin, then vessel linkages are broken and vessels are allowed to develop a new association with any licensed processor within the same community or, if no processor exists in the community, within the same region. ~~deliver to any licensed processor.~~ Motion passed 17/0  
(from 2.3.1.2.3)

### **T2B-13. License Transfers Among Processors In the same community**

Option 1. any share association with that license will transfer to the processor receiving the license.

All harvest share/history holders will be subject to any share reduction on severing the linkage, as would have been made in the absence of the transfer.

~~Option 2. any share associated with the license will be free to associate with any licensed processor.~~

~~Harvest share/history holders will be free to move among processors without share/history reduction.~~

Option 2. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for movement the first year; for the second year, half penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Option 3. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for the first year; for the second year, no penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Motion passed 17/0

(from 2.3.1.2.3.1)

### **T2B-14. Processing Use Caps**

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on

A share landings:

Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor

Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)  
Initial issues that exceed the processor use cap are grandfathered at their current level.  
Motion passed 17/0  
(from 2.3.1.2.4)

### **2B-15. License ownership restrictions on processors**

Applies at the entity level by region

- ~~Option 1. No restrictions~~  
~~Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses~~

Option 1. A maximum of one facility license

Option 2. A maximum of two facility licenses

Option 3. A maximum of three facility licenses

Option 4. An unlimited number of facility licenses

Initial issues that exceed the license ownership cap are grandfathered at their current level. Motion passed 17/0  
(from 2.3.1.2.6)

### **Alternative T2C – IFQ/Cooperatives with Harvest Share Allocations to Processors**

The AP made no changes to T2C

### **Alternative T3 – Cooperatives/Limited Access with Processor Associations**

#### **T3-1. Voluntary Cooperatives**

Voluntary cooperatives may form between eligible harvesters in association with processors. Harvesters may elect not to join a cooperatives, and continue to fish in the LLP/Limited Access fishery.  
(from 3.3)

#### **T3-2. Allocations to Individuals and Cooperatives**

On joining a cooperative that complies with all requirements for an initial cooperative, an individual will be allocated catch history as generic Gulf History (GH).

Each cooperative will receive an annual allocation of Gulf Quota (GQ) based on the GH of its members.  
(from 3.3.1 and 3.3.2)

#### **T3-3. Cooperative Eligibility - Catcher Vessel Cooperatives**

Catcher vessel co-ops may be established within sectors between eligible harvesters in association with an eligible processor. A harvester is initially eligible to join a cooperative in association with the processor to which the harvester delivered the most pounds of primary species by area (Western Gulf, Central Gulf, & West Yakutat combined) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last 4 years prior to 2004

Provisions applied to a, b, and c:

For the following species groups:

- Pollock
- Pacific cod
- Aggregate rockfish
- Aggregate flatfish
- All groundfish

Suboption for All groundfish: A harvester is initially eligible to join a cooperative in association with a processor who processed a) 80% b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester can enter into initial cooperatives with the processor that processed the most qualified landings and, the processor that processed the second most qualified landings on a pro rata basis.

Motion passed 16/0  
(from 3.3.5)

#### **T3-4. Cooperative Formation - Catcher Vessel Cooperatives**

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-75 percent of the eligible GH for each co-op associated with its processor  
Applies to CVs for processor associated cooperatives, if less than 4 distinct and separate harvesters are available to associate with the processor.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

(from 3.3.7)

#### **T3-5. Initial Cooperative Agreement Requirements**

Catcher vessel co-ops may be formed by eligible harvesters (the co-op) subject to the terms and conditions of a co-op membership agreement. In order to receive an allocation of GH under this program, co-ops must enter into a duly executed contractual agreement (Contract) with the processor the harvester is initially eligible to join a cooperative in associate with.

Contracts established under this section shall specify the terms and conditions for transferring GQ or GH from the cooperative, including mechanisms whereby a member exiting the co-op (or transferring GH from the co-op) compensates the remaining co-op members and/or the associated processor for exiting the co-op (or transferring GH from the co-op). Compensation can take on any form agreed to by the members and the associated processor, including permanent transfer of some or all GH generated by the existing participant to the remaining co-op members and/or the associated processor.

Following the initial co-op period, new GH can be generated by eligible harvesters that have never been co-op members only by joining a co-op in association with the eligible processor pursuant to the terms of an agreement that meets the requirements for an initial co-op. (from 3.3.11)

#### **T3-6. Duration of Initial Cooperative Agreements**

Duration of initial cooperative agreements:

- Option 1. 1 year
- Option 2. 2 years
- Option 3. 3 years
- Option 4. Any length agreed between the co-op participants.

~~Different options may apply to CV and CP coops~~ Motion passed 16/0  
(from 3.3.8)

#### **T3-7. Catcher Vessel - Cooperative/processor associations**

Option 1: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to deliver to ~~in the following order~~

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~



- 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region

Option 2: If the processing facility with whom the harvester *would be initially* associated is no longer operating in the community, the harvester is eligible to deliver to in the following order

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~
  - 1) The licensed processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
  - 2) Any licensed processor in the community
  - 3) The licensed processor to whom the harvester delivered the second most pounds in the region
  - 4) Any licensed processor in the region

*Motion passed 16/0*

CV cooperatives must be associated with an eligible processing facility  
Processors can associate with more than one co-op.

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

The eligible processor is:

- 1) prior to satisfying an exit requirement, a processor that the harvester is initially eligible to associate with in a cooperative, and
- 2) after satisfaction of an exit requirement, any processor

*(from 3.3.9)*

### **T3-8. Cooperative Eligibility - Catcher Processor Cooperatives**

Catcher processor co-ops may be formed by eligible CPs within each CP sector. No processor affiliation is required for CP co-op formation. *(from 3.3.6)*

### **T3-9. Cooperative Formation - Catcher Processor Cooperatives**

Cooperatives are required to have at least:

- Option 1. 4 distinct and separate harvesters (using the 10% threshold rule)
- Option 2. 50-100 percent of the GH of its sector.
- Option 3. Any number of eligible harvesters within the sector (allows single person co-op)

*(from 3.3.7)*

### **T3-10. Movement between cooperatives**

An initial cooperative formation period shall be established beginning with year one of program implementation and extended for the period identified below.

- Option 1. period is 1 year
- Option 2. period is 2 years
- Option 3. period is 3 years

Different options may apply to CV and CP sectors *Motion passed 16/0*

After the initial cooperative formation period, a holder of GH that meets the requirements of an initial cooperative agreement for exiting a cooperative may leave an initial cooperative and join a cooperative in association with any processor pursuant to a Contract that meets the requirements of rules governing cooperatives.

(from 3.3.12)

### **T3-11. Rules Governing Cooperatives**

The following provisions apply to all cooperatives:

- a. The harvesters that enter into a co-op membership agreement shall be the members of the co-op. The processor will be an associate of the cooperative but will not be a cooperative member.
- b. Except for CP cooperatives, a pre-season Contract between eligible, willing harvesters in association with a processor is a pre-requisite to a cooperative receiving an allocation of GQ. For an initial co-op, the Contract must meet the *initial cooperative agreement requirements*.
- c. The co-op membership agreement and the Contract will be filed with the RAM Division. The Contract must contain a fishing plan for the harvest of all co-op fish.
- d. Co-op members shall internally allocate and manage the co-op's allocation per the Contract.
- e. Subject to any harvesting caps that may be adopted, GH or GQ may be transferred and consolidated within the co-op to the extent permitted under the Contract.
- f. The Contract must have a monitoring program. Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut PSC mortality, as may be adjusted by inter-cooperative transfers.
- g. Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- h. Co-op membership agreements will specify that processor affiliated vessel harvesters cannot participate in price setting negotiations concerning price setting, except as permitted by general antitrust law, code of conduct, mechanisms for expelling members, or exit agreements.
- i. Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement. Harvesters that have never been a member of a cooperative must enter an agreement that meets all requirements for an initial co-op, as specified under *initial cooperative agreement requirements*.
- j. The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FMCA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives. *Motion passed 16/0*

(from 3.4.1)

### **T3-12. General Provisions Concerning Transfers of GH and GQ.**

Co-ops may engage in inter-cooperative transfers (leases) of GQ during and after the initial co-op formation period.

During the initial cooperative formation period, GH transfers will be permitted between members of the same cooperative, but not between members of different cooperatives.

Following the initial co-op formation period, members of a co-op may transfer GH to members of other co-ops.

All transfers will be subject to such terms and conditions as may be specified in the applicable Contract and any ownership or use caps or other conditions as may be established pursuant to this program.

For persons that join cooperatives for the first time after the initial cooperative formation period, the limits on transfers shall apply for the same period of time as the initial cooperative formation period.

(from 3.4.2)

### **T3-13. Transfers by catcher processors**

Transfers of GH or leases of GQ across CP gear types is

- a) not permitted
- b) permitted. *(from 3.3.10)*

### **T3-14. Use of Annual Allocations**

Any holders of history and cooperatives under this program are intended to comply with all existing laws concerning the documentation of vessels and entry of vessels to U.S. fisheries in fishing under the program. Holders of history unable to enter a vessel into U.S. fisheries may lease holdings or use holdings through cooperative membership to the extent permitted by the program, but not in contravention of current law pertaining to entry of vessels in U.S. fisheries. *(from 3.3.11)*

### **T3-15. LLP/Limited Access Fishery**

The allocation for each sector of primary species, secondary species, and halibut PSC to the LLP/Limited Access fishery will be those amounts remaining after allocation to the co-ops. Harvesters that choose not to participate in a co-op may continue to fish in the LLP/Limited Access fishery.

In the limited access fishery directed fishing will be permitted for primary species only. The current system of MRAs will be used for managing catch of secondary species and unallocated species. *(from 3.6)*

### **T3-16. Movement from a Cooperative to the LLP/Limited Access Fishery**

The LLP of any vessel that has entered a co-op and generated GH pursuant to this program may not be subsequently used, or transferred to another vessel, to fish in the LLP/Limited Access fishery for any primary *and* secondary species identified under this program unless all GH initially associated with the LLP is held by the LLP holder and is allocated to the LLP/Limited Access fishery.

Note: The intent of this provision is to prevent a vessel from entering a co-op, transferring its GH to the co-op and then subsequently taking its LLP and re-entering the open access fishery or transferring its LLP to another vessel to fish in the LLP/Limited Access fishery. *(from 3.6, Issue 2)*

### **T3-17. Processing Use Caps**

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species groups in Section 3.3.5
- Option 2. 50% of total harvest by area and primary species groups in Section 3.3.5
- Option 3. 75% of total harvest by area and primary species groups in Section 3.3.5
- Option 4. no cap

Processors eligible *to associate with an initial cooperative* will be grandfathered.

*There is no limit on the amount of fish that an eligible processor can buy from the open access fishery. Motion passed 17/0/1 (from 3.4.6)*

*The AP request that Council staff provide:*

- 1) *Distributions of Quota share by Area and Sector for aggregate rockfish and aggregate flatfish species groups for LLP catch history from 3 to 200 miles (EEZ, excludes parallel fish catch) for purposes of excessive share caps.*
- 2) *Distributions of Quota share by Area and Sector for pollock, Pacific cod, aggregate rockfish and aggregate flatfish species groups for LLP catch history from 0 to 200 miles (includes parallel fish catch) for purposes of excessive share caps.*
- 3) *Provide the number of potentially qualifying licenses by processing entity for 2A*
- 4) *Provide the number of potentially qualifying facility licenses by processing entity for alternative 2B*
- 5) *Potential Association combinations between processors and vessels for alternative 2 & 3*

*Motion passed 17/0*

*The AP requests staff separate CV and CP alternatives. Motion passed 18/0*

## Fixed Gear Alternatives

The AP recommends the Council request staff split the fixed gear sector into two distinct but parallel sectors, longline and pot. *Motion passed 17/0*

**NOTE: THE FOLLOWING CHANGES TO THE "F" SECTION APPLY TO THE POT SECTOR ONLY**

It is the intent of the AP that should the fixed gear longline sector and or the fixed gear jig sector wish to modify current alternatives for GOA Groundfish rationalization that they provide direction to the AP and Council. It is not the AP's intent to have these sectors impact the timeframe for decision regarding rationalization of the pot and trawl sectors. *Motion passed 19/0*

### F-1. Transferability - Leasing

#### Alternative 2 and 3

Active participation requirements for pot CVs (leasing restrictions):

1. For initial issuants of pot QS/GH who receive initial allocations of Pacific cod less than:

- The 65<sup>th</sup> percentile
- The 70<sup>th</sup> percentile
- The 75<sup>th</sup> percentile

Their initial allocations of pot p. cod QS/GH can be leased freely for the first 3 years of the program.

2. For the initial issuants of pot QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- 30%
- 40%
- 50%

of their pot QS/GH for pacific cod (a) be fished by a vessel which the pot QS/GH holder owns at least 20% of, or (b) fished on a vessel with the pot QS/GH holder onboard.

3. After 3 years from the start of this rationalization program the above option 2 applies to all QS/GH holders.

(i.e., the 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Motion: Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

#### For fixed gear catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

*Motion passed 15/2/2*

### F-3. Excessive share caps – individual caps on use and holdings

(from 2.2.3.3.6)

#### Alternative 2 and 3

History holdings of a co-op member shall be capped at:

- |           |   |
|-----------|---|
| Option    | .5% of the history by area, sector and species        |
| Option 1. | 1% of the history by area, sector and species groups, |
| Option 2. | 3% of the history                                     |
| Option 3. | 5% of the history by area, sector and species groups  |
| Option 4. | 20% of the history by area, sector and species groups |
| Option 5. | 30% of the history by area, sector and species groups |

Fixed Gear provisions  
GOA Groundfish Rationalization  
AP Minutes February 11, 2006

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Deleted: Option 1: Apply leasing limitation only outside of cooperatives¶  
Option 2: Apply leasing limitation inside and outside of cooperatives¶  
¶  
Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program. ¶

¶  
For fixed gear catcher vessels¶  
Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ). ¶  
Suboption: Allowing leasing by initial recipients of QS (grandfather clause)¶  
Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer. ¶  
Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested. ¶

¶  
For fixed gear catcher processors¶  
Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer. ¶  
(from 2.2.3.3.5)¶  
¶

... [1]

Deleted: F-2. Share Use – Owner-on-board¶  
Alternative 2¶

Option 1: Apply owner-on-board ... [2]

Deleted: Alternative 2¶  
Caps will be expressed as QS units indexed to the first year of implementation. ¶  
... [3]

Deleted: (pollock, Pacific cod aggregate rockfish, aggregate flatfish

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Option 4. no cap

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Allocations to original issuees would be grandfathered at the original level of history.

Apply individually and collectively to all harvest share holders in the pot p. cod sector.

Motion passed 19/0

(from 3.4.3)

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CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

(from 3.4.7.4)

**F-4. Excessive share caps – vessel use caps**

**Alternative 2 and 3**

Individual vessel use cap (applies within coops)

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Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

(from 2.2.3.3.6)

(from 2.4.4.2)

Motion passed 18/0

**Deleted: Cooperative vessel use cap¶**  
 Co-op use caps for harvest shares on any given vessel shall be:¶  
 Option 1. Set at the same level as the individual vessel level.¶  
 Option 2. 3 times individual vessel use cap.¶  
 Option 3. No use caps

**F-5. Excessive share caps – vertical integration caps**

**Alternatives 2A High and 2B High**

Harvest shares initial recipients with more than 10% limited threshold ownership by licensed processors are capped at 115-150% of initial allocation of harvest CV shares.

(from 2.2.3.3.4)

**Deleted: Alternative 3¶**  
 Vessel use caps on harvest shares harvested on any given vessel shall be set at ¶  
 i. 100%¶  
 ii. 150% ¶  
 iii. 200% ¶  
 the individual use cap for each species. Initial issuees that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

**Alternative 2C**

Up to 30% of CV shares shall be designated as “CVP” shares and eligible to be held by processors and CV recipients.

(from 2.3.2)

**Alternative 3**

Any processor holdings of history, using the 10% limited threshold rule, are capped at:

- Option 1. initial allocation of harvest CV and CP shares
- Option 2. 115%-150% of initial allocation of CV history
- Option 3. 115%-150% of initial allocation of CP history
- Option 4. no cap

(from 3.4.5)

**F-6. Excessive share caps – cooperative use caps**

**Deleted: Alternative 2¶**  
 Set co-op use caps at 25 to 100% of total TAC by species

(from 2.4.4.1)

### Alternative 2 and 3

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (~~poHoek, Pacific cod aggregate rockfish, aggregate flatfish.~~
- Option 2. 25% by area, sector Pcod
- Option 3. 45% by area, sector Pcod
- Option 4. no cap

Different caps can be chosen for CPs and CV

Motion passed 19/0

(from 3.4.4)

### **F-7. Block Program**

#### **Alternative 2**

Preserving entry level opportunities for P. cod

Each initial allocation of P.cod harvest shares based on the final year of the qualifying period to fixed gear catcher vessels below the block threshold size would be a block of quota and could only be permanently sold or transferred as a block.

- Option 1 10,000 pounds constitutes one block
- Option 2 20,000 pounds constitutes one block
- Option 3 No Block Program

Suboption. Lowest producer harvest shares earned as a bycatch in the halibut sablefish ITQ program would be exempt from the block program

Eligible participants would be allowed to hold a maximum of:

- Option 1 1 block
- Option 2 2 blocks
- Option 3 4 blocks

Any person may hold:

- Option 1 One block and any amount of unblocked shares
- Option 2 Two blocks and any amount of unblocked shares
- Option 3 Four blocks and any amount of unblocked shares

(from 2.2.7.1 and 2.2.7.2 and 2.2.7.3)

A motion to delete F-7 failed 15/4

### **FP-8. Overage Provisions**

#### **Alternative 2**

A 7 day grace period after an overage occurs for the owner to lease sufficient IFQ to cover the overage. Failure to secure sufficient IFQ would result in forfeiture of the overages and fines.

- Option 1. Overages up to 10% of the last trip will be allowed with rollover provisions for underages up to 10% of harvest shares (or IFQ).
- Option 2. Overages would not be applicable in fisheries where there is an incentive fishery that has not been fully utilized for the year. (i.e., no overages would be allowed if a harvest share (or IFQ) holder goes over his/her annual allocation (or IFQ) when incentive fisheries are still available).

(from 2.2.3.3.8)

Motion passed 19/0,

**F-10. Transferability – Eligibility to Receive**

**Alternative 2**

Persons eligible to receive harvest history or shares by transfer must be:

For history/shares:

- 4) Entities eligible to document a vessel
- 5) Initial recipients of CV or C/P harvest shares
- 6) Community administrative entities eligible to receive shares/history by transfer
- 7) Individuals eligible to document a vessel with at least 150 days of sea time

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

(from 2.2.3.3 and 2.2.3.3.1)

**Alternative 3**

Persons qualified to receive history by transfer include:

- 4) processors that associate with initial cooperatives and
- 5) For CP/CV history shares:
  - a) Entities eligible to document a vessel
  - b) Initial recipients of CV or CP harvest shares
  - c) Community administrative entities eligible to receive shares/history by transfer
  - d) Individuals eligible to document a vessel with at least 150 days of sea time

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity. (from 3.4.2.1 and 3.4.2.2)

Motion passed 19/0

**Alternative F2L – Fixed Gear Low Producer – IFQ/Cooperatives**

- Applies only to low producing fixed gear vessels
- Apply to all pot vessels
- Apply to all longline vessels

Low producing vessels are exempt from delivery requirements (from 2.3.1.1.1)

Motion passed 16/3

Minority Report

*It is inappropriate to add a new alternative to the fixed gear sector that would create a one pie IFQ program alternative for all vessels. According to the purpose and need statement: "The proposed action is to create a management program that improves conservation, reduces bycatch, and provides greater economic stability for harvesters, processors and communities." A one-pie IFQ alternative includes no protection for processors or communities and thus does not meet the intended goals of the program. The Council at one time considered a one-IFQ alternative and discarded it, because this alternative did not meet the intended goals of the program. Signed: John Henderschedt, Matt Moir, Tom Enlow.*

**The AP made no additional changes to the other Fixed gear sector alternatives**

**Deleted: F-9. Retention of halibut out of season**

**Alternative 2**

Halibut incidentally caught may be retained outside the halibut season from Jan. 1 to start of commercial fishery. Any person retaining halibut must have adequate halibut IFQ to cover the landing. Retention is limited to (range 10-20%) of primary species.

Option 1: In all GOA areas

Option 2: Limited to Areas 3A, 3B, and 4A.

The Council requests that staff notify the IPHC concerning these provisions.

(from 2.2.5.5)

**Deleted:**

**Deleted: CP**

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**Deleted:** For CV history/shares

<#>Individuals eligible to document a vessel with at least 150 days of sea time

<#>Initial recipients of CV or C/P harvest shares

Community administrative entities eligible to receive shares/history by transfer.

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**Deleted:** <#>Option 1. US citizens who have had at least 150 days of sea time

Option 2. Entities that meet U.S. requirements to document a vessel.

Option 3. Initial recipients of CV or C/P history

Option 4. individuals who are U.S. citizens

- Option 1: Apply leasing limitation only outside of cooperatives  
Option 2: Apply leasing limitation inside and outside of cooperatives

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).  
Suboption: Allowing leasing by initial recipients of QS (grandfather clause)
- Option 2. Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.
- Option 3. For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For fixed gear catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

*(from 2.2.3.3.5)*

**Alternative 3**

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20% -- same as "hired skipper" requirement in halibut/sablefish program.

For fixed gear catcher vessels

- Option 1. No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).  
Suboption: Allowing leasing by initial recipients of history (grandfather clause)
- Option 2. Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.
- Option 3. For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

**F-2. Share Use – Owner-on-board**

**Alternative 2**

- Option 1: Apply owner-on-board requirements only outside of cooperatives  
Option 2: Apply owner-on-board requirements inside and outside of cooperatives



For fixed gear catcher vessels

A range of 0-80% of the fixed gear quota shares initially issued to fishers/harvesters would be designated as "owner on board."

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

*(from 2.2.3.3.7)*

**Alternative 2**

Caps will be expressed as QS units indexed to the first year of implementation.

Option 1. Caps apply to all harvesting categories by species with the following provisions:

1. Apply individually and collectively to all harvest share holders in each sector and fishery.
2. Percentage-caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Longline and Pot CV and/or CP (can be different caps)

based on the following percentiles of catch history for the following species:

Pacific cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if Greenland turbot is targeted), northern rockfish

- |              |      |
|--------------|------|
| Suboption 1. | 75 % |
| Suboption 2. | 85%  |
| Suboption 3. | 95 % |

Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.

Application of caps to intercooperative transfers

To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.

CP QS/IFQ conversion to CV QS/IFQ

CP shares converted to CV shares will count toward CV caps

Caps will be applied to prohibit acquisition of shares in excess of the cap.

# Draft

## Amendment 80

### Council Motion

February 9, 2006

(AS MOVED)

#### Key to Text

Regular text – unchanged from October 2005 Council Motion as Approved

**Bold** – additions recommended by Council at February 2006 meeting

~~Strikeout~~ – deletions recommended by the Council

#### **Issue 1: Sector Allocation of BSAI Non-Pollock Groundfish to the Non-AFA Trawl Catcher Processor Sector and CDQ Program**

**\*Component 1** Allocate only the following primary target species to the Non-AFA Trawl CP sector: yellowfin sole, rock sole, flathead sole, Atka mackerel, and Aleutian Islands Pacific Ocean perch. Species could be added or deleted through an amendment process.

##### **Atka mackerel and AI POP**

**Establish two options – one to allocate these species equally by area, the other to allocated these species based on historical catch by area.**

**Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation.**

**Component 2** CDQ allocations for each primary target (Component 1) species in the program shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

Option 2.1 7.5%

\*Option 2.2 10%

Option 2.3 15%

CDQ allocations for secondary groundfish species (except Pacific cod) taken incidental in the primary trawl target fisheries shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following:

Suboption 2.1 7.5%

\*Suboption 2.2 10%

Suboption 2.3 15%

Suboption 2.4 At species specific percentages that reflect historical incidental catch rates in the directed fisheries for the primary species by the Non-AFA Trawl Catcher Processor sector during 1998-2003.

Suboption 2.5 The Council can select percentages for each of the secondary species allocated to the CDQ Program

**Component 3** Identifies the sector allocation calculation (after deductions for CDQs).

For purpose of allocation to the Non-AFA Trawl CP sector, each primary species allocation would be based upon the years and percentage of average catch history selected in Component 5 4 using one of the following:

\*Option 3.1 Total legal catch of the sector over total legal catch by all sectors

**Suboption: An ICA would be taken off the top to accommodate incidental bycatch that applies only to fixed gears.**

\*Option 3.2 Retained legal catch of the sector over retained legal catch by all sectors

**Suboption: Allocations would be managed as a hard cap for the Non-AFA Trawl CP sector, and for the Non-H&G sectors, an ICA would be taken off the top to accommodate incidental bycatch by the Non-H&G sectors.**

Option 3.3 Retained legal catch of the sector over total catch by all sectors

Legal landing means, for the purpose of initial allocation of QS, fish harvested during the qualifying years specified and landed in compliance with state and federal permitting, landing, and reporting regulations in effect at the time of the landing. Legal landings exclude any test fishing, fishing conducted under an experimental, exploratory, or scientific activity permit or the fishery conducted under the Western Alaska CDQ program.

Suboption 1 Allocations would be managed as a hard cap. When the allocation is reached, further fishing would be prohibited.

Suboption 2 Allocations would be managed as a soft cap. When the allocation is reached, species would be prohibited status.

The remaining portion of primary species included in this program would be allocated to the BSAI limited access trawl fishery. ~~LLP permits associated with trawl catcher vessels with (retained) catch history of at least:~~

~~(a) 1 landing~~

~~\*(b) 150 mt or~~

~~(c) 1,000 mt from 1995-2004 and with appropriate LLP endorsements may fish in the BSAI limited access trawl fishery. LLP permits associated with trawl catcher vessels who do not meet this threshold cannot participate in a directed fishery for the five allocated species.~~

~~\*General Limited Access Fishery~~

~~Referencing Table 3-29, a catcher vessel must have landed at least 150 mt of any groundfish species during the qualifying years to be eligible to participate in any Bering Sea trawl catcher vessel fisheries covered by this Amendment. Qualifying requirement is license based (not steel based).~~

\*Suboption Target Species and PSC Rollover: Any unharvested portion of the Amendment 80 target species or unharvested portion of PSC in the limited access fishery that is projected to remain unused, shall be rolled over to vessels that are members of Amendment 80 sector cooperatives.

**In addition, NMFS shall determine whether the Non-AFA Trawl CP sector will utilize the TAC or PSC allowance available to it. In the event that NMFS determines that a portion of a TAC or PSC allowance will not be utilized, it shall be reallocated to the BSAI trawl limited access fishery. PSC will be reallocated to the BSAI trawl limited access fishery in the same proportion as PSC that is allocated in the annual specs.**

NMFS shall perform a review on or before May 1 and August 1 each year, and at such other times after August 1 as it deems appropriate. In making its determination, NMFS shall consider current catch and PSC usage, historic catch and PSC usage, harvest capacity and stated harvest intent, as well as other relevant information.

**Component 4** Catch history years used to determine the allocation to the Non-AFA Trawl CP sector in Component 3.

\*Option 4.1 1995-2003

Option 4.2 1997-2002

Option 4.3 1998-2002

\*Option 4.4 1998-2004

Option 4.5 1999-2003

\*Option 4.6 2000-2004

\*Option 4.7 The Council can select percentages for each of the species allocated to the Non-AFA Trawl CP sector.

## **Issue 2: PSC Allowance for the Non-AFA Trawl Catcher Processor Sector and the CDQ Program**

**Component 5** Increase PSQ reserves allocated to the CDQ program (except herring and Chinook salmon) to levels proportional to the CDQ allocation of primary species under Component 2.

**Component 6** PSC allowances of halibut and crab to for the Non-AFA Trawl CP Sector.

Option 6.1 Apportion PSC to Non-AFA Trawl CP sector:

\*Suboption 6.1.1 Allocation based on historical usage of PSC by the Non-AFA Trawl Catcher Processor sector rather than the sector's allocation, with the remainder available to the other sectors.

Suboption 6.1.2 Allocation based on the PSC taken in the Non-AFA Trawl Catcher Processor sector directed fishery for allocated primary species plus Pacific cod.

Suboption 6.1.3 Percentage allocations (estimates for PSC associated with Pacific cod catch would be based on the process laid out in Component 3) selected in Component 3 multiplied by the relevant total PSC catch by all trawl vessels in each PSC fishery group for allocated primary species plus Pacific cod.

**Suboption 6.1.4 Allocation of PSC to the non-AFA Trawl CP sector shall be determined by that sector's percentage allocations of target species groups (contained in Component 3) multiplied by the trawl PSC amounts for those target species groups as set forth in the annual specifications.**

**Sectoral PSC allocations will be calculated using a predetermined fixed target fishery bycatch rate, based on the 2002-2004 average consumption rate across the trawl sectors based on the lesser of the TAC or the previous year's catch, with initial allocations of the PSC to all trawl target fisheries adjusted pro rata such that their sum equals the overall trawl PSC allocation.**

The following maximum and minimum allowances shall apply to the initial PSC allocations: Non-AFA Trawl CP sector shall receive an allowance of not less than 2,200 mt of halibut and not more than 2,450 mt of halibut. Trawl limited access sectors shall receive an allowance of not less than 950mt of halibut and not more than 1,200 mt of halibut. Minimum and maximum allowances of crab PSC for each sector may be selected within the range of alternatives identified in the January 2006 Amendment 80 analysis.

Any roll over of halibut PSC to the Non-AFA Trawl CP sector shall be discounted by 5%. That is, if 100 mt of halibut is available for roll over, then 95 mt of halibut would be re-allocated to the Non-AFA Trawl CP sector. Once the initial allocation has been determined, the Non-AFA Trawl CP sector may re-allocate the PSC among the target species.

Option 6.2 Select a Non-AFA Trawl CP sector PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 6.1. PSC reduction options can vary species by species. **Any reduction in the Non-AFA Trawl CP sector should not result in an increase in PSC allocation to any other sector.**

Suboption 6.2.1 Reduce apportionments to 60% of calculated level.

\*Suboption 6.2.2 Reduce apportionments to 75% of calculated level.

Suboption 6.2.3 Reduce apportionments to 90% of calculated level.

\*Suboption 6.2.4 Reduce apportionments to 95% of calculated level

\*Suboption 6.2.4.1 Start the reduction in the third year of the program.

Suboption 6.2.5 Do not reduce apportionments from calculated level.

\*Suboption 6.2.6 Phase in PSC reductions 5% per year for Suboptions 6.2.1–6.2.4.

Suboption 6.2.7 Reductions under Suboptions 6.2.1–6.2.4 apply only to vessels that participate in the Non-AFA Trawl CP sector's limited access fishery.

\*Option 6.3 The Council can select percentages and/or amounts for PSC allocated to the Non-AFA Trawl CP sector.

**Ranges for PSC allocations to the Non-AFA Trawl Catcher Processor sector are (from Tables 3-42 to 3-45 in the January 2006 analysis):**

Halibut: 68.36% - 77.22%

Red king crab: 45.89% - 51.38%

C. opilio: 44.45% - 50.50%

Zone 1 C. bairdi: 41.04% - 46.58%

Zone 2 C. bairdi: 25.22% - 28.14%

**If Amendment 85 is implemented prior to Amendment 80, the Non-AFA Trawl CP sector would receive an allocation of PSC in accordance with Amendment 85. Upon implementation of Amendment 80, no allocation of PSC will be made to the Non-AFA Trawl CP sector under Amendment 85.**

### **Issue 3: Cooperative Development for the Non-AFA Trawl Catcher Processor Sector**

Basis for the distribution to the LLP license holder is the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of catch history to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

**\*Component 7** The BSAI non-pollock groundfish CP buyback legislation establishes the vessels eligible to participate as a catcher processor in the BSAI non-pollock groundfish fisheries. The members of the Non-AFA Trawl Catcher Processor subsector are defined as the owner of each trawl CP:

- a.) that is not an AFA Trawl CP
- b.) to whom a valid LLP license that is endorsed for BSAI Trawl CP fishing activity has been issued; and
- c.) that the Secretary determines who has harvested with trawl gear and processed not less than a total of 150 mt of non-pollock groundfish during the period January 1, 1997 –through December 31, 2002.

This definition establishes the vessels that can participate in the Amendment 80 program.

**\*Restrict LLPs that are used for eligibility in Amendment 80 (either to be included in the Non-AFA Trawl CP sector or to be used in Amendment 80 co-op formation) from being used outside of the amendment 80 sector, except that any eligible vessel which is authorized to fish pollock under the AFA would still be authorized to fish under the statute.**

**Only history from eligible vessels will be credited in the program. The catch history credited to an eligible vessel will be catch history of that vessel. The catch history credited to an eligible vessel for the first license assigned to that vessel will only be the catch history of the eligible vessel. Any additional license assigned to an eligible vessel will be credited with the catch history during the Component 10 period of the eligible non-AFA trawl CP from which the license arose, except that no history can be assigned to more than one vessel at a given time. The catch history of any vessel that meets the non-AFA and catch criteria of Component 7 which has sunk, is lost or becomes inoperable, or becomes otherwise ineligible during or after the qualifying period will be credited to the license that arose from that vessel.**

**Notwithstanding the qualifying history of the vessel, no qualified vessel will receive an allocation under the program of less than:**

- 0.5 percent of the yellowfin sole catch history**
- 0 percent of the Atka mackerel catch history**
- 0.5 percent of the rock sole catch history**
- 0.1 percent of the flathead sole catch history**
- 0 percent of the AI Pacific Ocean perch catch history**

**Component 8** Establishes the licenses that would be authorized for participation in a cooperative and would receive a cooperative endorsement. Component 8 also establishes the number of ~~licenses~~ vessels required before the cooperative is allowed to operate. No later than December 1 **or November 1** of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year.

A cooperative endorsement will be assigned to one license for each vessel meeting the qualification of Component 7. Additional licenses assigned to a vessel will not count toward the coop formation threshold, but will receive a cooperative endorsement provided that:

~~In order to receive a cooperative endorsement:~~

~~\*Option 8a.1~~ ~~Qualified the license holders must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a an eligible~~ non-AFA trawl CP, and processed that fish between 1997 – 2002.

~~\*Option 8a.2~~ ~~Qualified the license holders must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a an eligible~~ non-AFA trawl CP, and processed that fish between 1997 – 2003.

\*Option 8a.3 ~~Qualified the license holders must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a an eligible~~ non-AFA trawl CP, and processed that fish between 1997 – 2004.

In order to operate as a cooperative, membership must be comprised of at least two or three separate entities (using the 10% AFA rule) and must be:

~~\*Option 8b.1~~ At least 15 % of the eligible ~~licenses vessels~~

\*Option 8b.2 At least 30% of the eligible ~~licenses vessels~~

Option 8b.3 At least 67% of the eligible ~~licenses vessels~~

Option 8b.4 At least 100% of the eligible ~~licenses vessels~~

Option 8b.5 All less one distinct and separate ~~license-holder vessel~~ using the 10% threshold rule

Option 8b.6 All less one eligible ~~license vessel~~

**Component 9** Determines the method of allocation of PSC limits and groundfish between the cooperative and eligible Non-AFA Trawl CP participants who elect not to be in a cooperative.

\*Option 9.1 Catch history is based on total catch

~~\*Option 9.2~~ Catch history is based on total retained catch

Assign PSC within the sector to allocated target species and Pacific cod based on the average use of PSC in each target species from the years 1998-2004, expressed as a percent of the total PSC allocation to the sector.

Each eligible vessel will then receive an allocation percent of PSC for catch of allocated target species and Pacific cod equal to its proportion of the catch history of the allocated fishery.

This PSC allocation will not change from year to year (i.e., will not fluctuate annually with the TAC).

**Component 10** Determines which years of catch history are used for establishing cooperative allocations. The allocation of groundfish between the cooperative and those eligible participants who elect not to join a cooperative is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and non-cooperative pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component would be indicated on the Sector Eligibility Endorsement, which indicates the license holder's membership in the Non-AFA Trawl CP sector. The aggregate histories would then be applied to the cooperative and the non-cooperative pool.

Option 10.1 1995-2003, but each ~~license-holder vessel~~ drops its 3 lowest annual catches by species during this period

- \*Option 10.2 1997-2003, but each ~~license holder~~ vessel drops its two lowest annual catches by species during this period
- Option 10.3 1998-2002, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period
  - Suboption 10.3.1 Each ~~license holder~~ vessel does not drop its lowest annual catch by species during this period Suboption: Cap would be applied on an aggregate basis.
- Option 10.4 1998-2003, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period
  - Suboption 10.4.1 Each ~~license holder~~ vessel drops two years during this period
- Option 10.5 1999-2003, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period
- \*Option 10.6 1997-2004, but each ~~license holder~~ vessel drops its two lowest annual catch by species during this period
- \*Option 10.7 1997 – 2004, but each ~~license holder~~ vessel drops its three lowest annual catch by species during this period
- \*Option 10.8 1998 – 2004, but each ~~license holder~~ vessel drops its two lowest annual catch by species during this period
- Option 10.9 Select the highest percentage allocation by species, for each vessel using total catch of the vessel over the total catch of the sector for the following four suites of years: 1997-2003, drop 2; 1997-2004, drop 2; 1997-2004, drop 3; 1998-2004, drop 2. Different year scenarios may be chosen for different species.**

**Add all of the percentages together and then adjust proportionally to 100%.**

**In the event that the Non-AFA Trawl CP sector receives an exclusive allocation of Pacific cod, that allocation will be divided between cooperatives and the sector's limited access fishery in the same manner (and based on the same history) as the division of the other allocated species within the sector.**

**Component 11** Determines if excessive share limits are established in the Non-AFA Trawl CP sector.

Option 11.1 There is no limit on the consolidation in the Non-AFA Trawl CP sector.

\*Option 11.2 Consolidation in the Non-AFA Trawl Catcher Processor sector is limited such that no single person (using the individual and collective rule) can hold catch history more than a fixed percentage of the overall sector apportionment history. The cap would be applied on a species by species basis (options: 20%; 30%, **40%**, or 50% of the sector's allocation).

\* Suboption: Cap would be applied on an aggregate basis

\*Suboption 11.2.1 Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

**Option 11.3 No vessel shall harvest more than 5%, 10%, 15% or 20% of the entire Non-AFA Trawl CP sector allocation.**

**Suboption 11.3.1 Vessels that are initially allocated a percentage of the sector allocation that is greater than the vessel use cap shall be grandfather at their initial allocation.**



**Component 12** Establishes measures to maintain relative amounts of non-allocated species until such time that fisheries for these species (~~including sector splits with rollovers of Pacific cod~~) are further rationalized in a manner that would supersede a need for these sideboard provisions. Sideboards shall apply to eligible licenses and associated vessels from which the catch history arose.

\*Option 12.1 **BSAI and/or GOA** sideboards for the Non-AFA Trawl CP sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the Non-AFA Trawl CP and limited access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.

\*Suboption 12.1.1 Sideboards would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.

\*Option 12.2 **BSAI and/or GOA** sideboards for the Non-AFA Trawl CP sector would be established by regulation by establishing percentages and/or amounts for the species/fisheries not included in this program. These measures maintain relative amounts of non-allocated species until such time that fisheries for these species are further rationalized in a manner that would supersede a need for these sideboard provisions.

\*Suboption 12.2.1 Sideboards would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.

\***Option 12.3** In the BSAI, Pacific cod will be managed under existing sector apportionments, with rollovers, until new Pacific cod sector allocations are implemented. Pacific cod will be allocated between the cooperative and non-cooperative sub-sectors based on the same formula as Component 10.

**In the BSAI, management of unallocated species should remain status quo.**

Option 12.4 GOA sideboard provisions

Sideboard provisions for Amendment 80 qualified non-AFA trawl CP sector with valid ~~transferable~~ GOA LLP with appropriate area endorsements are as follows:

\*1. Vessels associated with LLPs that have Gulf weekly participation of greater than ~~X~~ 10 weeks in the flatfish fishery during the years defined in Component ~~4~~ or 10 will be eligible to participate in the GOA flatfish fisheries.

\*2. If the analysis shows that one non-AFA trawl CP vessel has significantly higher participation in the GOA flatfish fisheries relative to other non-AFA trawl CP vessels, that vessel may be considered for an exemption from Amendment 80 halibut sideboards in the GOA and may participate fully in the GOA open-access flatfish fisheries. **The history of this vessel will not contribute to the Non-AFA Trawl CP sideboards and its catch will not be subtracted from these sideboards.**

\*Suboption: If a vessel is given an exemption to Amendment 80 GOA sideboards, they may not lose their Bering Sea Amendment 80 history.

\*3. Gulf-wide halibut sideboards for the deep and shallow complex fisheries would be established by season calculated based on:

- \*Option A: Bycatch rate approach for each of the target fisheries within each of the regulatory areas (610, 620, 630, 640) for the Amendment 80 qualified non-AFA trawl sector for the years defined in Component ~~4-01~~ 10
  - \*Option B: Actual usage for the Amendment 80 qualified non-AFA trawl sector for the years defined in Component ~~4-01~~ 10
  - \*Option C: The Council may select a percentage for halibut sideboards which is between options A and B.
- \*4. GOA Pollock, Pacific cod, and directed rockfish species (POP, NR and PSR) sideboards for the Amendment 80 qualified non-AFA trawl CP sector would be established using the years defined in Component ~~4-01~~ 10, where catch is defined as retained catch by Gulf area as a percentage of total retained catch of all sectors in that area.
- \*5. While the CGOA rockfish demonstration program is in place, the CGOA rockfish demonstration program takes precedence. The demonstration program would remove the need for catch sideboards for the CGOA directed rockfish species. The Amendment 80 CPs deep water halibut mortality sideboard cap for the 3rd seasonal allowance (in July) will be revised by the amount of the deep water complex halibut mortality allocated to the rockfish demonstration program for the Amendment 80 qualified non-AFA trawl CP sector while the demonstration program is in effect.
- \*6. Sideboards apply to vessels (actual boats) and LLPs used to generate harvest shares that resulted in allocating a percentage of the amendment 80 species TACs to the non-AFA trawl CP sector. **The intent is to prevent double-dipping with respect to GOA history related to sideboards.**
- \*7. On completion of a comprehensive rationalization program in the GOA, any GOA sideboards from Amendment 80 will be superseded by the allocations in the GOA rationalization program.

~~\*Examine GOA weeks fished data to determine whether there is an Amendment 80 vessel that fishes almost exclusively in the GOA and should receive an exemption from the Amendment 80 GOA sideboards.~~

**Suboption: Sideboards for PSC and GOA groundfish would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.**

**Each coop contract will include a provision that that coop will not exceed its aggregate coop sideboard. The co-operative contract should also include third party enforceability provisions.**

#### **Issue 4: Development of a Yellowfin Sole Threshold Fishery**

**Component 13** A threshold level may be established for yellowfin sole. ITAC below the threshold level would be allocated to the Non-AFA Trawl Catch Processor sector based on the formula determined in Components 3 and 4. ITAC in excess of the threshold level would be available to other sectors as well as to the Non-AFA Trawl CP sector. Threshold levels for other species may be developed at a later date. AFA sideboards do not apply to the YFS threshold fishery.

**The Council will allocate yellowfin sole above the threshold to participating sectors when the ITAC is anticipated to reach the threshold level.**

#### Threshold Rollover Suboption

Suboption 1: No rollover provision

Suboption 2: Any unharvested portion of the threshold reserve allocated to the limited access fishery that is projected to remain unused by a specific date (August 1 or Sept 1) shall be reallocated to the Non-AFA Trawl CP sector. Any unharvested portion of the threshold reserve allocated to the Non-AFA Trawl CP sector that is projected to remain unused by a specific date (August 1 or September 1) shall be reallocated to the limited access fishery.

\* Suboption 3: Allow rollovers of any portion of the yellowfin sole TAC that is projected by the NOAA Regional Administrator to go unused. The NOAA Regional Administrator would be responsible for determining both the amount and the timing of the rollover.

For yellowfin sole, the threshold would be:

Option 13.1 80,000 mt

Option 13.2 100,000 mt

\* Option 13.3 125,000 mt,

Suboption: 60% Non-AFA Trawl CP sector and 40% limited access fishery

Option 13.4 150,000 mt

Option 13.5 175,000 mt

Allocate the threshold reserve to the Non-AFA Trawl CP sector and the BSAI limited access fishery using one of following suboptions:

Suboption 1 30% Non-AFA Trawl CP sector and 70% limited access fishery

Suboption 2 50% Non-AFA Trawl CP sector and 50% limited access fishery

Suboption 3 70% Non-AFA Trawl CP sector and 30% limited access fishery

#### **Other Elements of Amendment 80**

This section provides additional specifics and elements for the Non-AFA Trawl CP cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80b would not supersede pollock and Pacific cod IR/IU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) would be applied to the cooperative as an aggregate on an annual basis and on those vessels who did not join a cooperative as individuals. All vessels in the sector, consistent with NMFS catch monitoring plan, would be required to have on board NOAA Fisheries approved scales to determine total catch and either maintain observer coverage of every haul for verification that all fish are being weighed or use an alternative scale-use verification plan approved by NOAA Fisheries.
- Non-AFA Trawl CP sector participants that did not elect to join a cooperative would be subject to all current regulations including all restrictions of the LLP and the GRS if approved.

- All qualified license holders participating in the fisheries of the Non-AFA Trawl CP sector for Amendment 80 species would need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license would also be enforced such that any replacement vessel entering the fishery would not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements would be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers would need to be reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser would be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among Non-AFA Trawl CP cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length.
- Transfer of Cooperative Allocations Between Cooperatives
  - Option a: Annual allocations to the cooperative will be transferable among Non-AFA Trawl CP cooperatives. Inter-cooperative transfers must be approved by NOAA Fisheries.
  - Option b: ~~Annual allocations to the cooperative will be transferable among Non-AFA Trawl CP cooperatives. Inter-cooperative transfers must be approved by NOAA Fisheries, in the absence of a NOAA Fisheries approved inter-cooperative agreement.~~
- Any non-trawl, or non-BSAI catches made by vessels fishing under a LLP with a Non-AFA Trawl CP sector endorsement will not be accounted for under Amendment 80. These catches would count towards the catch limits assigned to the sector the vessel was operating in at the time of harvest. Those catches would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the Non-AFA Trawl CP sector will not change as a result of the cooperative program developed in Amendment 80.
- ~~Scope of Cooperative Program Option a: The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the Non-AFA Trawl CP sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.~~
  - Option b: ~~The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the Non-AFA Trawl CP sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources may be managed within the defined cooperative program, but are not required. The defined cooperative program would not supersede existing regulations regarding these other marine resources.~~
- ~~PSC limits for the following species would be created and allocated between the Non-AFA Trawl CP cooperative(s) and those sector participants that did not elect to join a cooperative.~~
  - ~~BSAI Non-AFA Trawl CP multi-species halibut cap consisting of an apportionment of species identified in Component 1.~~
  - ~~BSAI Non-AFA Trawl CP multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~

- ~~BSAI Non-AFA Trawl CP multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).~~
- ~~BSAI Non-AFA Trawl CP multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~
- ~~BSAI Non-AFA Trawl CP multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~
- Bycatch limits for non-specified species or marine resources ~~specifically for this program~~ would not be established. However, if the Council deems that bycatch is unreasonable, specific regulations to minimize impacts would be considered.
- The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
- Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council ~~and the Non-AFA Trawl CP sector~~ should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
- A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of the program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
- ~~Task staff with evaluating which socioeconomic data can be developed and implemented under the Non-AFA Trawl CP Cooperative Program given the current Magnuson-Stevens Act restrictions. The evaluation should consider collecting~~ A socioeconomic data collection program will be implemented under the Non-AFA Trawl CP Cooperative Program. The program will collect cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. It is anticipated that the data collected under this program will be similar to the data collected under the BSAI crab rationalization program. Details of the collection will be developed in the analysis of the alternatives. **Direct staff to work with NOAA Fisheries Staff to develop specific elements for the collection of socio economic data collection program and include those elements in an appendix to the Amendment 80 EA/RIR/IRFA.**

~~The Council requests that NOAA GC provide an opinion as to the legality of the Amendment 80 PSC elements considered, specifically in regards to section 313 (g) of the Magnuson-Stevens Act, including any requirements to the program that would arise due to section 313 (g).~~

## Revised Amendment 80 Problem Statement

The Council's primary concern is to maintain a healthy marine ecosystem to ensure the long-term conservation and abundance of the groundfish and crab resources. To this end, the Council is committed to reducing bycatch, minimizing waste, and improving utilization of fish resources to the extent practicable in order to provide the maximum benefit to present generations of fishermen, associated fishing industry sectors, **including the CDQ sector**, communities, and the nation as a whole, while at the same time continuing to look for ways to further rationalize the fisheries. Focusing on reduction of bycatch and the attendant benefits of cooperatives **and CDQ allocations** in meeting bycatch reduction objectives are initial steps towards rationalization of the BSAI groundfish fisheries. Bycatch reduction measures for the Non-AFA Trawl Catcher Processor sector is a priority focus in this step toward rationalization given this sector's historical difficulty in achieving acceptable bycatch levels. Allocations to this sector associated with cooperative management of catch and bycatch provide the opportunity for participants in this sector to mitigate the cost, to some degree, associated with bycatch reduction. In addition to reducing bycatch in one sector, assurance should be provided to minimize negative impacts on others.



**Amendment 80  
Council Motion**

(As Approved) February 9, 2006

**Key to Text**

Regular text – unchanged from October 2005 Council Motion as Approved

**Bold** – additions recommended by Council

~~Strikeout~~ – deletions recommended by the Council

**Bold Underline** - additions consistent with AP motion

~~**Bold Strikeout/Underline**~~ – deletions consistent with AP motion

\* Options recommended by Council for inclusion in Alternative 4

**Key to Text**

Regular text – unchanged from October 2005 Council Motion as Approved

**Bold** – additions recommended by Council at February 2006 meeting

~~Strikeout~~ – deletions recommended by the Council

**Issue 1: Sector Allocation of BSAI Non-Pollock Groundfish to the Non-AFA Trawl Catcher Processor Sector and CDQ Program**

\***Component 1** Allocate only the following primary target species to the Non-AFA Trawl CP sector: yellowfin sole, rock sole, flathead sole, Atka mackerel, and Aleutian Islands Pacific Ocean perch. Species could be added or deleted through an amendment process.

**Atka mackerel and AI POP**

**Establish two options – one to allocate these species equally by area, the other to allocated these species based on historical catch by area.**

**Include in the analysis the use of an inter-cooperative agreement to address the daily catch restrictions of Atka mackerel in critical habitat without triggering SSL consultation.**

**Component 2** CDQ allocations for each primary target (Component 1) species in the program shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following.

Option 2.1 7.5%

\*Option 2.2 10%

Option 2.3 15%

CDQ allocations for secondary groundfish species (except Pacific cod) taken incidental in the primary trawl target fisheries shall be removed from the TACs prior to allocation to sectors at percentage amounts equal to one of the following:



Suboption 2.1 7.5%

\*Suboption 2.2 10%

Suboption 2.3 15%

Suboption 2.4 At species specific percentages that reflect historical incidental catch rates in the directed fisheries for the primary species by the Non-AFA Trawl Catcher Processor sector during 1998-2003.

Suboption 2.5 The Council can select percentages for each of the secondary species allocated to the CDQ Program

**Component 3** Identifies the sector allocation calculation (after deductions for CDQs).

For purpose of allocation to the Non-AFA Trawl CP sector, each primary species allocation would be based upon the years and percentage of average catch history selected in Component 5 4 using one of the following:

\*Option 3.1 Total legal catch of the sector over total legal catch by all sectors

**Suboption: An ICA would be taken off the top to accommodate incidental bycatch that applies only to fixed gears.**

\*Option 3.2 Retained legal catch of the sector over retained legal catch by all sectors

Suboption: Allocations would be managed as a hard cap for the H&G sector, and for the Non H&G sector, an ICA would be taken off the top to accommodate incidental bycatch by the non-H&G sector.

Option 3.3 Retained legal catch of the sector over total catch by all sectors

Legal landing means, for the purpose of initial allocation of QS, fish harvested during the qualifying years specified and landed in compliance with state and federal permitting, landing, and reporting regulations in effect at the time of the landing. Legal landings exclude any test fishing, fishing conducted under an experimental, exploratory, or scientific activity permit or the fishery conducted under the Western Alaska CDQ program.

Suboption 1 Allocations would be managed as a hard cap. When the allocation is reached, further fishing would be prohibited.

Suboption 2 Allocations would be managed as a soft cap. When the allocation is reached, species would be prohibited status.

The remaining portion of primary species included in this program would be allocated to the BSAI limited access trawl fishery. ~~LLP permits associated with trawl catcher vessels with (retained) catch history of at least:~~

~~(a) 1 landing~~

~~\*(b) 150 mt or~~

~~(c) 1,000 mt from 1995-2004 and with appropriate LLP endorsements may fish in the BSAI limited access trawl fishery. LLP permits associated with trawl catcher vessels who do not meet this threshold cannot participate in a directed fishery for the five allocated species.~~

~~\*General Limited Access Fishery~~

~~Referencing Table 3-29, a catcher vessel must have landed at least 150 mt of any groundfish species during the qualifying years to be eligible to participate in any Bering Sea trawl catcher vessel fisheries covered by this Amendment. Qualifying requirement is license-based (not steel-based).~~

\*Suboption Target Species and PSC Rollover: Any unharvested portion of the Amendment 80 target species or unharvested portion of PSC in the limited access fishery that is projected to remain unused, shall be rolled over to **vessels that are members of Amendment 80 sector cooperatives**.

**In addition, NMFS shall determine whether the Non-AFA Trawl CP sector will utilize the TAC or PSC allowance available to it. In the event that NMFS determines that a portion of a TAC or PSC allowance will not be utilized, it shall be reallocated to the BSAI trawl limited access fishery. PSC will be reallocated to the BSAI trawl limited access fishery in the same proportion as PSC that is allocated in the annual specs.**

**NMFS shall perform a review on or before May 1 and August 1 each year, and at such other times after August 1 as it deems appropriate. In making its determination, NMFS shall consider current catch and PSC usage, historic catch and PSC usage, harvest capacity and stated harvest intent, as well as other relevant information.**

**Component 4** Catch history years used to determine the allocation to the Non-AFA Trawl CP sector in Component 3.

\*Option 4.1 1995-2003

Option 4.2 1997-2002

Option 4.3 1998-2002

\*Option 4.4 1998-2004

Option 4.5 1999-2003

\*Option 4.6 2000-2004

\*Option 4.7 The Council can select percentages for each of the species allocated to the Non-AFA Trawl CP sector.

## **Issue 2: PSC Allowance for the Non-AFA Trawl Catcher Processor Sector and the CDQ Program**

**Component 5** Increase PSQ reserves allocated to the CDQ program (except herring and Chinook salmon) to levels proportional to the CDQ allocation of primary species under Component 2.

**Component 6** PSC allowances of halibut and crab to ~~for~~ the Non-AFA Trawl CP Sector.

Option 6.1 Apportion PSC to Non-AFA Trawl CP sector:

\*Suboption 6.1.1 Allocation based on historical usage of PSC by the Non-AFA Trawl Catcher Processor sector rather than the sector's allocation, with the remainder available to the other sectors.

Suboption 6.1.2 Allocation based on the PSC taken in the Non-AFA Trawl Catcher Processor sector directed fishery for allocated primary species plus Pacific cod.

Suboption 6.1.3 Percentage allocations (estimates for PSC associated with Pacific cod catch would be based on the process laid out in Component 3) selected in Component 3 multiplied by the relevant total PSC catch by all trawl vessels in each PSC fishery group for allocated primary species plus Pacific cod.

Suboption 6.1.4 Allocation of PSC to the non-AFA Trawl CP sector shall be determined by that sector's percentage allocations of target species groups (contained in Component 3) multiplied by the trawl PSC amounts for those target species groups as set forth in the annual specifications.

Sectoral PSC allocations will be calculated using a predetermined fixed target fishery bycatch rate, based on the 2002-2004 average consumption rate across the trawl sectors based on the lesser of the TAC or the previous year's catch, with initial allocations of the PSC to all trawl target fisheries adjusted pro rata such that their sum equals the overall trawl PSC allocation.

The following maximum and minimum allowances shall apply to the initial PSC allocations: Non-AFA Trawl CP sector shall receive an allowance of not less than 2,200 mt of halibut and not more than 2,450 mt of halibut. Trawl limited access sectors shall receive an allowance of not less than 950mt of halibut and not more than 1,200 mt of halibut. Minimum and maximum allowances of crab PSC for each sector may be selected within the range of alternatives identified in the January 2006 Amendment 80 analysis.

Any roll over of halibut PSC to the Non-AFA Trawl CP sector shall be discounted by 5%. That is, if 100 mt of halibut is available for roll over, then 95 mt of halibut would be re-allocated to the Non-AFA Trawl CP sector. Once the initial allocation has been determined, the Non-AFA Trawl CP sector may re-allocate the PSC among the target species.

Option 6.2 Select a Non-AFA Trawl CP sector PSC reduction option from the following that would apply to any PSC apportionment suboption selected in 6.1. PSC reduction options can vary species by species. **Any reduction in the Non-AFA Trawl CP sector should not result in an increase in PSC allocation to any other sector.**

Suboption 6.2.1 Reduce apportionments to 60% of calculated level.

\*Suboption 6.2.2 Reduce apportionments to 75% of calculated level.

Suboption 6.2.3 Reduce apportionments to 90% of calculated level.

\*Suboption 6.2.4 Reduce apportionments to 95% of calculated level

\*Suboption 6.2.4.1 Start the reduction in the third year of the program.

Suboption 6.2.5 Do not reduce apportionments from calculated level.

\*Suboption 6.2.6 Phase in PSC reductions 5% per year for Suboptions 6.2.1–6.2.4.

Suboption 6.2.7 Reductions under Suboptions 6.2.1–6.2.4 apply only to vessels that participate in the Non-AFA Trawl CP sector's limited access fishery.

\*Option 6.3 The Council can select percentages and/or amounts for PSC allocated to the Non-AFA Trawl CP sector.

**Ranges for PSC allocations to the Non-AFA Trawl Catcher Processor sector are (from Tables 3-42 to 3-45 in the January 2006 analysis):**

**Halibut: 68.36% - 77.22%**

**Red king crab: 45.89% - 51.38%**  
**C. opilio: 44.45% - 50.50%**  
**Zone 1 C. bairdi: 41.04% - 46.58%**  
**Zone 2 C. bairdi: 25.22% - 28.14%**

**If Amendment 85 is implemented prior to Amendment 80, the Non-AFA Trawl CP sector would receive an allocation of PSC in accordance with Amendment 85. Upon implementation of Amendment 80, no allocation of PSC will be made to the Non-AFA Trawl CP sector under Amendment 85.**

### **Issue 3: Cooperative Development for the Non-AFA Trawl Catcher Processor Sector**

Basis for the distribution to the LLP license holder is the catch history of the vessel on which the LLP license is based and shall be on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the distribution of catch history to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

**\*Component 7** The BSAI non-pollock groundfish CP buyback legislation establishes the vessels eligible to participate as a catcher processor in the BSAI non-pollock groundfish fisheries. The members of the Non-AFA Trawl Catcher Processor subsector are defined as the owner of each trawl CP:

- a.) that is not an AFA Trawl CP
- b.) to whom a valid LLP license that is endorsed for BSAI Trawl CP fishing activity has been issued; and
- c.) that the Secretary determines who has harvested with trawl gear and processed not less than a total of 150 mt of non-pollock groundfish during the period January 1, 1997 –through December 31, 2002.

This definition establishes the vessels that can participate in the Amendment 80 program.

**\*Restrict LLPs that are used for eligibility in Amendment 80 (either to be included in the Non-AFA Trawl CP sector or to be used in Amendment 80 co-op formation) from being used outside of the amendment 80 sector, except that any eligible vessel which is authorized to fish pollock under the AFA would still be authorized to fish under the statute.**

**Only history from eligible vessels will be credited in the program. The catch history credited to an eligible vessel will be catch history of that vessel. The catch history credited to an eligible vessel for the first license assigned to that vessel will only be the catch history of the eligible vessel. Any additional license assigned to an eligible vessel will be credited with the catch history during the Component 10 period of the eligible non-AFA trawl CP from which the license arose, except that no history can be assigned to more than one vessel at a given time. The catch history of any vessel that meets the non-AFA and catch criteria of Component 7 which has sunk, is lost or becomes inoperable, or becomes otherwise ineligible during or after the qualifying period will be credited to the license that arose from that vessel.**

**Notwithstanding the qualifying history of the vessel, no qualified vessel will receive an allocation under the program of less than:**

**0.5 percent of the yellowfin sole catch history**

**0 percent of the Atka mackerel catch history**

**0.5 percent of the rock sole catch history**

**0.1 percent of the flathead sole catch history**

**0 percent of the AI Pacific Ocean perch catch history**

**Component 8** Establishes the licenses that would be authorized for participation in a cooperative and would receive a cooperative endorsement. Component 8 also establishes the number of ~~licenses~~ vessels required before the cooperative is allowed to operate. No later than December 1 **or November 1** of each year, an application must be filed with NOAA fisheries by the cooperative with a membership list for the year.

**A cooperative endorsement will be assigned to one license for each vessel meeting the qualification of Component 7. Additional licenses assigned to a vessel will not count toward the coop formation threshold, but will receive a cooperative endorsement provided that:**

**~~In order to receive a cooperative endorsement:~~**

~~\*Option 8a.1~~ **Qualified** the license holders ~~must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a~~ **an eligible** non-AFA trawl CP, and processed that fish between 1997 – 2002.

~~\*Option 8a.2~~ **Qualified** the license holders ~~must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a~~ **an eligible** non-AFA trawl CP, and processed that fish between 1997 – 2003.

\*Option 8a.3 **Qualified** the license holders ~~must have caught~~ was used to catch 150 mt of groundfish with trawl gear on a vessel qualified as ~~a~~ **an eligible** non-AFA trawl CP, and processed that fish between 1997 – 2004.

In order to operate as a cooperative, membership must be comprised of at least two **or three** separate entities (**using the 10% AFA rule**) and must be:

~~\*Option 8b.1~~ At least 15 % of the eligible ~~licenses~~ vessels

\*Option 8b.2 At least 30% of the eligible ~~licenses~~ vessels

Option 8b.3 At least 67% of the eligible ~~licenses~~ vessels

Option 8b.4 At least 100% of the eligible ~~licenses~~ vessels

Option 8b.5 All less one distinct and separate ~~license-holder~~ vessel using the 10% threshold rule

Option 8b.6 All less one eligible ~~license~~ vessel

**Component 9** Determines the method of allocation of PSC limits and groundfish between the cooperative and eligible Non-AFA Trawl CP participants who elect not to be in a cooperative.

\*Option 9.1 Catch history is based on total catch

~~\*Option 9.2~~ Catch history is based on total retained catch

**Assign PSC within the sector to allocated target species and Pacific cod based on the average use of PSC in each target species from the years 1998-2004, expressed as a percent of the total PSC allocation to the sector.**

**Each eligible vessel will then receive an allocation percent of PSC for catch of allocated target species and Pacific cod equal to its proportion of the catch history of the allocated fishery.**

**This PSC allocation will not change from year to year (i.e., will not fluctuate annually with the TAC).**

**Component 10** Determines which years of catch history are used for establishing cooperative allocations. The allocation of groundfish between the cooperative and those eligible participants who elect not to join a cooperative is proportional to the catch history of groundfish of the eligible license holders included in each pool. Applicable PSC limits are allocated between the cooperative and non-cooperative pool in same proportions as those species that have associated PSC limits. The catch history as determined by the option selected under this component would be indicated on the Sector Eligibility Endorsement, which indicates the license holder's membership in the Non-AFA Trawl CP sector. The aggregate histories would then be applied to the cooperative and the non-cooperative pool.

Option 10.1 1995-2003, but each ~~license holder~~ vessel drops its 3 lowest annual catches by species during this period

~~\*~~Option 10.2 1997-2003, but each ~~license holder~~ vessel drops its two lowest annual catches by species during this period

Option 10.3 1998-2002, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period

Suboption 10.3.1 Each ~~license holder~~ vessel does not drop its lowest annual catch by species during this period Suboption: Cap would be applied on an aggregate basis.

Option 10.4 1998-2003, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period

Suboption 10.4.1 Each ~~license holder~~ vessel drops two years during this period

Option 10.5 1999-2003, but each ~~license holder~~ vessel drops its lowest annual catch by species during this period

~~\*~~Option 10.6 1997-2004, but each ~~license holder~~ vessel drops its two lowest annual catch by species during this period

~~\*~~Option 10.7 1997 - 2004, but each ~~license holder~~ vessel drops its three lowest annual catch by species during this period

\*Option 10.8 1998 - 2004, but each ~~license holder~~ vessel drops its two lowest annual catch by species during this period

**Option 10.9 Select the highest percentage allocation by species, for each vessel using total catch of the vessel over the total catch of the sector for the following four suites of years: 1997-2003, drop 2; 1997-2004, drop 2; 1997-2004, drop 3; 1998-2004, drop 2. Different year scenarios may be chosen for different species.**

**Add all of the percentages together and then adjust proportionally to 100%.**

**In the event that the Non-AFA Trawl CP sector receives an exclusive allocation of Pacific cod, that allocation will be divided between cooperatives and the sector's limited access fishery in the same manner (and based on the same history) as the division of the other allocated species within the sector.**

**Component 11** Determines if excessive share limits are established in the Non-AFA Trawl CP sector.

Option 11.1 There is no limit on the consolidation in the Non-AFA Trawl CP sector.

\*Option 11.2 Consolidation in the Non-AFA Trawl Catcher Processor sector is limited such that no single person (using the individual and collective rule) can hold catch history more than a fixed

percentage of the overall sector apportionment history. The cap would be applied on a species by species basis (options: 20%, 30%, **40%**, or 50% of the sector's allocation).

\* Suboption: Cap would be applied on an aggregate basis

\*Suboption 11.2.1 Persons (individuals or entities) that exceed the cap in the initial allocation would be grandfathered.

**Option 11.3 No vessel shall harvest more than 5%, 10%, 15% or 20% of the entire Non-AFA Trawl CP sector allocation.**

**Suboption 11.3.1 Vessels that are initially allocated a percentage of the sector allocation that is greater than the vessel use cap shall be grandfather at their initial allocation.**

**Component 12** Establishes measures to maintain relative amounts of non-allocated species until such time that fisheries for these species (~~including sector splits with rollovers of Pacific cod~~) are further rationalized in a manner that would supersede a need for these sideboard provisions. Sideboards shall apply to eligible licenses and associated vessels from which the catch history arose.

\*Option 12.1 **BSAI and/or GOA** sideboards for the Non-AFA Trawl CP sector would be established by regulation using the same years used to calculate the apportionment of PSC and groundfish between the Non-AFA Trawl CP and limited access pool until such time as these other fisheries are rationalized, when the allocations are determined in these newly rationalized fisheries.

\*Suboption 12.1.1 Sideboards would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.

\*Option 12.2 **BSAI and/or GOA** sideboards for the Non-AFA Trawl CP sector would be established by regulation by establishing percentages and/or amounts for the species/fisheries not included in this program. These measures maintain relative amounts of non-allocated species until such time that fisheries for these species are further rationalized in a manner that would supersede a need for these sideboard provisions.

\*Suboption 12.2.1 Sideboards would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.

\*Option 12.3 **In the BSAI, Pacific cod will be managed under existing sector apportionments, with rollovers, until new Pacific cod sector allocations are implemented. Pacific cod will be allocated between the cooperative and non-cooperative sub-sectors based on the same formula as Component 10.**

**In the BSAI, management of unallocated species should remain status quo.**

Option 12.4 GOA sideboard provisions

Sideboard provisions for Amendment 80 qualified non-AFA trawl CP sector with valid ~~transferable~~ GOA LLP with appropriate area endorsements are as follows:

\*1. Vessels associated with LLPs that have Gulf weekly participation of greater than ~~X~~ 10 weeks in the flatfish fishery during the years defined in Component ~~4~~ or 10 will be eligible to participate in the GOA flatfish fisheries.

\*2. If the analysis shows that one non-AFA trawl CP vessel has significantly higher participation in the GOA flatfish fisheries relative to other non-AFA trawl CP vessels, that vessel may be considered for an exemption from Amendment 80 halibut sideboards in the GOA and may participate fully in the GOA open-access flatfish fisheries. **The history of this vessel will not contribute to the Non-AFA Trawl CP sideboards and its catch will not be subtracted from these sideboards.**

\*Suboption: If a vessel is given an exemption to Amendment 80 GOA sideboards, they may not lease their Bering Sea Amendment 80 history.

\*3. Gulf-wide halibut sideboards for the deep and shallow complex fisheries would be established by season calculated based on:

- \*Option A: Bycatch rate approach for each of the target fisheries within each of the regulatory areas (610, 620, 630, 640) for the Amendment 80 qualified non-AFA trawl sector for the years defined in Component ~~4-01~~ 10
- \*Option B: Actual usage for the Amendment 80 qualified non-AFA trawl sector for the years defined in Component ~~4-01~~ 10
- \*Option C: The Council may select a percentage for halibut sideboards which is between options A and B.

\*4. GOA Pollock, Pacific cod, and directed rockfish species (POP, NR and PSR) sideboards for the Amendment 80 qualified non-AFA trawl CP sector would be established using the years defined in Component ~~4-01~~ 10, where catch is defined as retained catch by Gulf area as a percentage of total retained catch of all sectors in that area.

\*5. While the CGOA rockfish demonstration program is in place, the CGOA rockfish demonstration program takes precedence. The demonstration program would remove the need for catch sideboards for the CGOA directed rockfish species. The Amendment 80 CPs deep water halibut mortality sideboard cap for the 3rd seasonal allowance (in July) will be revised by the amount of the deep water complex halibut mortality allocated to the rockfish demonstration program for the Amendment 80 qualified non-AFA trawl CP sector while the demonstration program is in effect.

\*6. Sideboards apply to vessels (actual boats) and LLPs used to generate harvest shares that resulted in allocating a percentage of the amendment 80 species TACs to the non-AFA trawl CP sector. **The intent is to prevent double-dipping with respect to GOA history related to sideboards.**

\*7. On completion of a comprehensive rationalization program in the GOA, any GOA sideboards from Amendment 80 will be superseded by the allocations in the GOA rationalization program.

~~\*Examine GOA weeks fished data to determine whether there is an Amendment 80 vessel that fishes almost exclusively in the GOA and should receive an exemption from the Amendment 80 GOA sideboards.~~



**Suboption: Sideboards for PSC and GOA groundfish would be allocated between cooperative and non-cooperative LLP holders, based on the same formula as Component 10.**

**Each coop contract will include a provision that that coop will not exceed its aggregate coop sideboard. The co-operative contract should also include third party enforceability provisions.**

#### **Issue 4: Development of a Yellowfin Sole Threshold Fishery**

**Component 13** A threshold level may be established for yellowfin sole. ITAC below the threshold level would be allocated to the Non-AFA Trawl Catch Processor sector based on the formula determined in Components 3 and 4. ITAC in excess of the threshold level would be available to other sectors as well as to the Non-AFA Trawl CP sector. Threshold levels for other species may be developed at a later date. AFA sideboards do not apply to the YFS threshold fishery.

**The Council will allocate yellowfin sole above the threshold to participating sectors when the ITAC is anticipated to reach the threshold level.**

Threshold Rollover Suboption

Suboption 1: No rollover provision

Suboption 2: Any unharvested portion of the threshold reserve allocated to the limited access fishery that is projected to remain unused by a specific date (August 1 or Sept 1) shall be reallocated to the Non-AFA Trawl CP sector. Any unharvested portion of the threshold reserve allocated to the Non-AFA Trawl CP sector that is projected to remain unused by a specific date (August 1 or September 1) shall be reallocated to the limited access fishery.

\* Suboption 3: Allow rollovers of any portion of the yellowfin sole TAC that is projected by the NOAA Regional Administrator to go unused. The NOAA Regional Administrator would be responsible for determining both the amount and the timing of the rollover.

For yellowfin sole, the threshold would be:

Option 13.1 80,000 mt

Option 13.2 100,000 mt

\*Option 13.3 125,000 mt,

Suboption: 60% Non-AFA Trawl CP sector and 40% limited access fishery

Option 13.4 150,000 mt

Option 13.5 175,000 mt

Allocate the threshold reserve to the Non-AFA Trawl CP sector and the BSAI limited access fishery using one of following suboptions:

Suboption 1 30% Non-AFA Trawl CP sector and 70% limited access fishery

Suboption 2 50% Non-AFA Trawl CP sector and 50% limited access fishery

Suboption 3 70% Non-AFA Trawl CP sector and 30% limited access fishery

## Other Elements of Amendment 80

This section provides additional specifics and elements for the Non-AFA Trawl CP cooperative program. These specifics and elements are common for any cooperative program that might be developed.

- The cooperative program developed in Amendment 80~~b~~ would not supersede pollock and Pacific cod IR/IU programs.
- The Groundfish Retention Standards (GRS) (Amendment 79) would be applied to the cooperative as an aggregate on an annual basis and on those vessels who did not join a cooperative as individuals. All vessels in the sector, consistent with NMFS catch monitoring plan, would be required to have on board NOAA Fisheries approved scales to determine total catch and either maintain observer coverage of every haul for verification that all fish are being weighed or use an alternative scale-use verification plan approved by NOAA Fisheries.
- Non-AFA Trawl CP sector participants that did not elect to join a cooperative would be subject to all current regulations including all restrictions of the LLP and the GRS if approved.
- All qualified license holders participating in the fisheries of the Non-AFA Trawl CP sector for Amendment 80 species would need to have trawl and catcher processor endorsements with general licenses for BSAI and the additional sector eligibility endorsement. Length limits within the license would also be enforced such that any replacement vessel entering the fishery would not exceed the Maximum Length Overall (MLOA) specified on the license.
- Permanent transfers of Sector Eligibility Endorsements would be allowed if transferred with the associated Groundfish LLP. Sector Eligibility Endorsement, the associated groundfish LLP license, and associated catch histories would not be separable or divisible. All transfers would need to be reported to NOAA Fisheries in order to track who owns the Sector Eligibility Endorsements. The purchaser would be eligible to own a fishing vessel under MarAd regulations or must be a person who is currently eligible to own a vessel.
- Annual allocations to the cooperative will be transferable among **Non-AFA Trawl CP** cooperative members. Such transfers would not need to be approved by NOAA Fisheries. Any member of the cooperative will be eligible to use the catch history of any other member regardless of vessel length.
- Transfer of Cooperative Allocations Between Cooperatives
  - ~~Option a:~~ Annual allocations to the cooperative will be transferable among **Non-AFA Trawl CP** cooperatives. Inter-cooperative transfers must be approved by NOAA Fisheries.
  - ~~Option b:~~ Annual allocations to the cooperative will be transferable among **Non-AFA Trawl CP** cooperatives. Inter-cooperative transfers must be approved by NOAA Fisheries, **in the absence of a NOAA Fisheries approved inter-cooperative agreement.**
- Any non-trawl, or non-BSAI catches made by vessels fishing under a LLP with a Non-AFA Trawl CP sector endorsement will not be accounted for under Amendment 80. These catches would count towards the catch limits assigned to the sector the vessel was operating in at the time of harvest. Those catches would not necessarily be excluded from other rationalization programs.
- All catch history used for allocation and eligibility purposes will be legal and documented catch.
- Disposition of groundfish species not allocated to the Non-AFA Trawl CP sector will not change as a result of the cooperative program developed in Amendment 80.
- Scope of Cooperative Program ~~Option a:~~ The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the Non-AFA Trawl CP sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources will not be explicitly managed within the defined cooperative program. The defined cooperative program would not supersede existing regulations regarding these other marine resources.

~~Option b: The developed cooperative program will limit its scope to selected groundfish and prohibited species catches with trawl gear by qualified license holders in the Non-AFA Trawl CP sector in the BSAI. Groundfish species not included in the program as well as other non-specified fish species or marine resources may be managed within the defined cooperative program, but are not required. The defined cooperative program would not supersede existing regulations regarding these other marine resources.~~

- ~~• PSC limits for the following species would be created and allocated between the Non-AFA Trawl CP cooperative(s) and those sector participants that did not elect to join a cooperative.~~
- ~~○ BSAI Non-AFA Trawl CP multi-species halibut cap consisting of an apportionment of species identified in Component 1.~~
- ~~○ BSAI Non-AFA Trawl CP multi-species red king crab cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~
- ~~○ BSAI Non-AFA Trawl CP multi-species snow crab (*C. opilio*) cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries (includes apportionments of the trawl sablefish/turbot/arrowtooth limits).~~
- ~~○ BSAI Non-AFA Trawl CP multi-species Tanner crab (*C. bairdi*) Zone 1 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~
- ~~○ BSAI Non-AFA Trawl CP multi-species Tanner crab (*C. bairdi*) Zone 2 cap consisting of an apportionment of the current Pacific cod trawl cap and caps for the flatfish fisheries.~~
- Bycatch limits for non-specified species or marine resources **specifically for this program** would not be established. However, if the Council deems that bycatch is unreasonable, specific regulations to minimize impacts would be considered.
- The cooperative(s) will have adequate internal rules. Evidence of binding private contracts and remedies for violations of contractual agreements will be provided to NOAA Fisheries. The cooperative must demonstrate an adequate mechanism for monitoring and reporting prohibited species and groundfish catch. Participants in the cooperative must agree to abide by all cooperative rules and requirements.
- Specific requirements for reporting, monitoring and enforcement, and observer protocols will be developed in regulations for participants in the cooperative program and will not be the purview of the cooperative. The Council ~~and the Non-AFA Trawl CP sector~~ should specify their goals and objectives for in-season monitoring and program evaluation. Recordkeeping and reporting portions of the program can then be developed to ensure that goals and objectives of the program are met in a cost effective manner.
- A detailed annual report will be required from cooperative(s) formed. Fishery managers will review the annual report and determine if the program is functioning as desired. It is recommended that in-depth assessments of the program be undertaken under the auspices of the Council/NOAA Fisheries periodically (for example, every five years). In-depth studies will report the accomplishments of the program and indicate whether any changes are necessary.
- ~~Task staff with evaluating which socioeconomic data can be developed and implemented under the Non-AFA Trawl CP Cooperative Program given the current Magnuson-Stevens Act restrictions. The evaluation should consider collecting A socioeconomic data collection program will be implemented under the Non-AFA Trawl CP Cooperative Program. The program will collect cost, revenue, ownership, and employment data on a periodic basis to provide the information necessary to study the impacts of the program. It is anticipated that the data collected under this program will be similar to the data collected under the BSAI crab rationalization program. Details of the collection will be developed in the analysis of the alternatives. Direct staff to work with NOAA Fisheries Staff to develop specific elements for the collection~~

of socio economic data collection program and include those elements in an appendix to the Amendment 80 EA/RIR/IRFA.

~~The Council requests that NOAA GC provide an opinion as to the legality of the Amendment 80 PSC elements considered, specifically in regards to section 313 (g) of the Magnuson Stevens Act, including any requirements to the program that would arise due to section 313 (g).~~



**DRAFT REPORT  
of the  
SCIENTIFIC AND STATISTICAL COMMITTEE  
to the  
NORTH PACIFIC FISHERY MANAGEMENT COUNCIL  
February 6-8, 2006**

The Scientific and Statistical Committee met during February 6-8, 2006 at the Doubletree Hotel in SeaTac, WA . Members present were:

Gordon Kruse, Chair <i>University of Alaska Fairbanks</i>	Pat Livingston, Vice Chair <i>NOAA Fisheries—AFSC</i>	Keith Criddle <i>Utah State University</i>
Steven Hare <i>International Pacific Halibut Commission</i>	Mark Herrmann <i>University of Alaska Fairbanks</i>	Sue Hills <i>University of Alaska Fairbanks</i>
Anne Hollowed <i>NOAA Fisheries—AFSC</i>	George Hunt <i>University of Washington</i>	Seth Macinko <i>University of Rhode Island</i>
Franz Mueter <i>University of Washington</i>	Steve Parker <i>Oregon Department of Fish and Wildlife</i>	Terry Quinn II <i>University of Alaska Fairbanks</i>
Farron Wallace <i>Washington Dept of Fish and Wildlife</i>	Doug Woodby <i>Alaska Department of Fish and Game</i>	

Members absent:

Ken Pitcher  
*Alaska Department of Fish and Game*

### **Election of Officers**

Gordon Kruse and Pat Livingston were re-elected as SSC Chair and Vice-Chair, respectively, for the coming year.

### **C-3 Pacific Cod Allocations (BSAI Amendment 85)**

Nicole Kimball and Jim Richardson (Council Staff) presented an initial review draft EA/RIR/IRFA for Amendment 85 to the BSAI FMP. Public testimony was provided by Stephen Taufen (Groundswell Fisheries Movement), Clem Tillion (Aleut Enterprise Corp.), and Donna Parker (FV Sea Storm).

The proposed actions largely reflect recent patterns of directed and incidental catches. However, some of the proposed actions reduce the catch shares of some participants while increasing the catch shares of other participants, whereas other proposed actions are intended to pre-allocate area-specific catch shares in anticipation of splitting the BSAI Pacific cod ABC and TAC into BS and AI components. **The SSC recommends releasing the draft EA/RIR/IRFA for public review subject to the following recommended revisions:**

- Consideration of the alternatives should be expanded to include a discussion of the anticipated changes in the timing and distribution of landings and the associated impacts on communities.

- Discussion of the net benefits of changes in the CDQ share should acknowledge that the payment of CDQ royalties will reduce net revenues for firms that make the royalty payments.
- The biological basis for managing cod as separate BS and AI stocks rather than as a single BSAI stock needs to be elaborated. What evidence is there that the BS and AI stocks are separate? Is there evidence to suggest that cod form a single stock throughout the AI, or is there evidence to suggest that cod form a suite of independent or partially independent stocks along the length of the Aleutian Islands?
- The section that addresses the alternatives for pre-allocation of possible area-specific allocations of catch shares should include an expanded discussion of the effect that the choice of the time frame for determining eligibility will have on the composition of participants, the regional implications of these alternatives, recent trends in development of state waters fisheries, and the extent to which the alternatives favor or preclude local access to P-cod fisheries distributed along the Aleutian Island chain.
- The extent to which catches of cod in the crab bait fishery and halibut IFQ fishery are included in the ABC and stock assessments for cod should be clarified.

The SSC also received an oral presentation synthesized from publicly available data about prices, product forms, and import/export markets for Pacific cod. Although this information was not instrumental in differentiating among the alternatives, it provides context for the analyses. Because the alternatives could involve changes in the seasonal distribution of catches and product forms, examining these markets on a monthly or weekly time scale would have been more instructive. The SSC realizes that this data collection has just recently started and in the future looks forward to additional market data that is directed toward the management issue at hand.

### **C-5 Observer Program**

The SSC received a presentation from Nicole Kimball (Council staff), Bill Karp (AFSC) and Kent Lind (Contractor). This was an initial review of a revised analysis to restructure the funding and deployment mechanism in the North Pacific Groundfish Observer Program. The analysis is a restructuring of a suite of alternatives presented at the June 2005 Council meeting and the number of alternatives has decreased from seven to five.

Dr. Karp discussed a letter from NOAA Fisheries outlining numerous difficulties that essentially eliminated three of the remaining five alternatives at the present time due to cost and/or statutory authorization uncertainties. Many of the cost uncertainties relate to observer pay, including how to account for hours worked by the observer and whether they will be classified as professional or technician employees. As a result, NOAA recommended that the current structure of the Observer Program be retained and the Council should adopt the alternative (#2) that removes the sunset date as a short-term solution.

This preliminary draft is much improved from the earlier preview drafts, providing better explanation and discussion of the benefits of observer coverage (p.77-80). The alternatives are appropriate and cover the main issues. However, given the complexity of the comprehensive alternative (Alternative 5), it might be appropriate to develop a suboption for a phase-in of BSAI as a whole or BSAI 100% covered and greater vessels. Alternative 3 needs to be labeled as a restructured GOA and BSAI rollover option since a BSAI rollover is part of this alternative. Summaries of the alternatives also need to better label the type of fee collection (exvessel based fee/daily obs coverage fee). For instance, this isn't clear in the description (p.iii) of Alternatives

3 and 4. The SSC looks forward to hearing the results of the video monitoring pilot projects, which were presented to the observer committee.

**The NOAA recommendation that the Council select Alternative 2 alters the playing field for this analysis. The SSC suggests taking a fast track/slow track approach with regard to the alternatives.** Alternatives 1 and 2 can be moved forward on a fast track to safeguard the Observer Program for the near term. For this fast track analysis, an extended examination of the impacts of selecting Alternative 1 is required. The work to date on Alternatives 3-5 should be continued and brought forward. However, by proceeding at a slower pace, this analysis is positioned to respond to any progress made on the aforementioned obstacles to implementation. **Should a fast track/slow track approach be taken, the Problem Statement for Alternatives 1 and 2 would need to be revised as neither of those alternatives address the current Problem Statement.**

Given the obstacles to restructuring the Observer Program, the uncertain costs and concern over NMFS control over placement of observers, it may be worthwhile revisiting the possibility of hiring observers as federal employees. An alternative along these lines was considered and discarded about five years ago in previous attempts to redesign the Observer Program. Given the current uncertainties, at the very least it would be worthwhile revisiting the arguments advanced against an Observer Program comprised of federal employees.

**With regard to the expanded discussion of the benefits of observer coverage and the newly proposed slow/fast track for the alternatives, the SSC would like to reiterate the importance of the data collected by observers and the improvements that would result from being able to allocate observer effort temporally and spatially under Alternatives 3-5.** The PSEIS-selected alternative identified the improved data quality and management that would accrue under a new observer delivery model. **The SSC strongly recommends that this continue to be a priority issue that should be dealt with once the funding uncertainties are resolved.** Failing to do so would compromise our ability to evaluate stock status and the Council's management of groundfish resources.

The SSC suggests the following editorial corrections to the document:

- P. x Table ES-3 What are the units of Observer cost (Millions?).
- P. xii Conclusions. There is no mention under Alternative 2 (rollover alternative) that it would not advance the objectives in the PSEIS selected alternative. There needs to be more emphasis on the importance of advancing the observer program-related objectives of the PSEIS. This could be reiterated in many places such as the introduction (p 1) and in the discussion of impacts of the alternatives.
- P.17. Alt 3, first box at top. There is an incomplete sentence. Perhaps this should be "...for each GOA vessel class."
- The benefits accruing to the halibut vessels resulting from the fees that will be paid need to be clarified.
- P. 28. Table 2.3-2 Report the average and confidence intervals between observer reports and WPR. The last column indicates that there is a bias between the two types of reporting, but it does not indicate if the bias is large. This could be quantified differently. Note the misspelling of "yellowfin" sole in the species column.



- P.73 Ecosystem considerations section. The text is unclear with regard to whether aggregate indicators and/or ecosystem issues in the individual stock assessment chapters were used for significance determinations; it appears that ecosystem issues were used. Significance determinations of ecosystem impacts also need to consider the aggregate effects across the fisheries of each target groundfish species. Thus, total catch, discards, etc. are aggregate indicators that should be considered.

## C-6 Charter Halibut GHL

Jane DiCosimo (Council Staff) and Jonathan King (Northern Economics) presented an initial review draft analysis of action and no-action alternatives related to the charter-based sport fishery for halibut in IPHC management areas 2C and 3A. There was no public testimony.

**The SSC suggests the following issues be addressed before the draft analysis is released for public review:**

- Discussion of the no-action alternative should be expanded to include estimates of the losses (quantity and value) to the commercial fishery and consumers due to reductions in the commercial TAC if the charter-based sport fishing overages were to continue at the levels observed in 2004. While this type of comparative static analysis ignores variations in halibut biomass, exvessel and wholesale prices, and demand for charter-based sportfishing, it can provide a useful basis for characterizing the effects of the no-action alternative. Although there are many factors that affect the demand for charter-based halibut sportfishing trips, the 20-year average annual rate of increase in halibut sportfishing catches (about 6.2% in 2C and about 5.5% in 3A) could be used as a reasonable projection of the future rate of increase in charter-based sportfishing catches of halibut under the no-action alternative. Five- and ten-year projections of growth in charter-based sportfishing catches of halibut could be combined with information about 2004 exvessel and wholesale prices to generate comparative static estimates of losses to the commercial fishermen and consumers under the no-action alternative.<sup>1</sup>

To maintain balance in this review of the no-action alternative, there should be a discussion of changes in angler surplus that could be anticipated from the projected increase in charter-based sportfishing for halibut.<sup>2</sup> Because the number of halibut sportfishing charter service providers is large and barriers to entry are low, halibut sportfishing charter service providers can be assumed to behave as “perfect competitors.” Consequently, the principal source of net national benefits from the charter halibut fishery is angler surplus—the difference between the benefits that anglers derive from sportfishing for halibut onboard charter boats and the costs that they incur. While the magnitude of changes in regional economic benefits will vary, it is unlikely that the changes in regional expenditures will result in changes in net national benefits. Moreover, increases in regional expenditures associated with increases in charter-based sportfishing are likely to be offset by decreases in regional expenditures associated with commercial fishing. This evaluation of the no-action alternative should also recognize that the commercial fishery has consistently underharvested the commercial TAC,

<sup>1</sup> Estimates of consumer surplus could be based on models of halibut demand reported in: Herrmann M. and K.R. Criddle. 2006. An econometric market model for the Pacific halibut fishery. *Marine Resource Economics*. 21:xxx-xxx (forthcoming).

<sup>2</sup> These estimates could be ballparked using models reported in: Criddle K.R., M. Herrmann, S.T. Lee and C. Hamel. 2003. Participation decisions, angler welfare, and the regional economic impact of sportfishing. *Marine Resource Economics* 18:291-312.

thus it would be reasonable to deduct the average commercial catch underage from the projected charter-based sportfishing overage in the determination of potential losses to the commercial fishery.

- Discussion of the potential impact and efficacy of the action alternatives should reflect an anticipation that halibut sportfishing charter service providers and their clients will respond strategically to the proposed management measures. For example, it should be anticipated that some anglers will substitute bare-boat charters and other self-guided activities for charter halibut trips if such trips become less attractive due to restrictive annual bag limits. It should also be anticipated that some charter service providers, and some anglers, would shift their effort to alternative fisheries or alternative recreation services and activities. Similarly, it should be anticipated that some anglers faced with restrictive bag limits in area 2C may shift their effort to area 3A. These strategic responses will reduce the efficacy of the proposed action alternatives and will reduce the potential opportunity costs to the halibut charter industry and its customers of the proposed action alternatives.
- While the analysis suggests that most of the proposed actions would have failed to reduce charter-based catches of halibut to the GHL in 2004, the analysis suggests that alternative 3 might reduce charter-based catches in area 3A to below the GHL. Discussion of this finding should note that this outcome would result in a loss of angler surplus.
- The study should extend its evaluation of the effects of the different alternative halibut measures to 2002 and 2003. Although the trend in guided sportfishing halibut trips is upward, a comparison of the 2004 findings for two additional years will prove useful when discussing the robustness of the 2004 findings.

The SSC notes that the approach the Council has adopted to management of the charter-based sport fishery for halibut presents a clear example of the types of problems that can emerge when there are substantial temporal delays between prosecution of the fishery, generation of data on the magnitude of removals, and tweaking of management measures intended to influence the magnitude of future removals. This type of problem is commonly known as a delayed feedback loop. Delayed feedback loops exhibit cyclic overshoot and undershoot around the intended target, but control rules can be designed to dampen the oscillation if the system is stationary and deterministic. If the system includes a random element, or a trend or other nonstationarity, management actions will tend to exacerbate cyclic overshoot and undershoot. The upshot of this is that it is unlikely that catches in the charter-based halibut sport fishery can be constrained to intended targets when there is a 1-2 year delay between prosecution of the fishery and generation of data regarding the magnitude of removals and another 1-2 year delay between when the data are available and management measures are selected and implemented. One solution to the delayed feedback problem is to shorten the delays. In the case of management of the charter-based halibut sport fishery, this would involve development of indices of removals that can be used to estimate catches as the season progresses coupled with the adoption of management measures that could be automatically triggered if removals were projected to exceed the GHL. The SSC is pleased to learn that ADF&G will resume inclusion of halibut in the charter logbook program in 2006; the logbook data could serve as an instrument for more timely assessment of charter-based catches of halibut.

Finally, the SSC observes that the inexorable consequence of a GHL that is non-binding within a season, coupled with management instruments for limiting catches by the charter-based halibut sport fishery that are potentially ineffectual, is that the Council should anticipate an ongoing *de facto* reallocation of catches from the commercial fishery to the charter-based sport fishery for halibut. If the charter-based sport fishery were subject to binding limits under an IFQ program, the reallocation between commercial and charter-based fisheries would take place through

voluntary transactions in a market. In the absence of tradable harvest shares, the Council will, consciously or unconsciously, serve as the arbitrator between the commercial and charter industries with actions taken to benefit one sector resulting in uncompensated costs to the other sector. Within such a political market, each sector is left with an individually rational but collectively irrational incentive to squander potential benefits of increased shares in an endeavor to influence the Council's active or passive decisions.

Minor editorial notes:

- The first paragraph on page 19 seems to be a holdover from the document used as a template for this analysis and does not appear to be relevant to this analysis.
- There are numerous instances in the document where “analysts” should be replaced with “analysis” or “analyses”.

#### **D-1(a) Chiniak Gully Experiment**

Libby Logerwell (AFSC) gave a presentation on an EA/RIR/IRFA for a regulatory amendment to close trawl fishing in Chiniak Gully from August 1 as late as September 20 during three out of the next five years (2006-2010). The proposed closure is intended to facilitate continued research on the effects of fishing on the local abundance and distribution of pollock, which may affect the availability of pollock as prey for Steller sea lions.

The main impact of the proposed action would be a relatively minor redistribution of trawl fishing effort on the east side of Kodiak Island. The EA examined potential effects of this redistribution on target species, marine mammals, and EFH and concluded that there would be no significant effects. The RIR estimated potential costs associated with the action, including potential revenue losses due to displacement of fishing vessels and the costs of the experiment itself. Benefits of the research are impossible to quantify, but include an improved understanding of the impacts of fishing on Steller sea lions, which may help NOAA fisheries design more effective and potentially less costly (to industry) RPAs to protect Steller sea lions.

**The SSC recommends release of the EA/RIR/IRFA for public review with the following minor changes:**

- Some inconsistencies were noted in Tables 4.1-1 and 4.1-2, which describe the criteria for determining significance of impacts to target species and marine mammals. These tables describe potential adverse impacts, while stating that “there is no beneficial impact”. Clearly, the redistribution of fishing activity may have beneficial as well as adverse impacts relative to the status quo. For example, a potentially beneficial impact on Steller sea lions in the closed area is the possible reduction in competition and disturbance as described on p. 25.
- Results from the 2000 and 2002 experiments were not included in the summary of past research because commercial removals from Barnabus Gully, the treatment site, were negligible. However, these results nevertheless provide valuable information on the within-season variability in abundance and distribution that should be included.

**The SSC supports this proposed research and looks forward to seeing the results.** If and when the studies are conducted, the SSC urges the investigators to make every attempt to complete two full “passes” before and two full “passes” after the opening of the commercial fishery. The SSC also re-iterates concerns expressed in minutes from December 2005:

“The SSC recognizes the importance of evaluating localized depletion and potential effects on Steller sea lions but has some concerns about the confounding effects of natural variation in pollock abundance and distribution making it difficult to actually evaluate fishery effects. A suggestion was made that it might be beneficial to switch experimental and control areas.”

#### **D-1(b) Review of proposed EFP for an Aleutian Islands pollock survey**

Steve Barbeaux (AFSC) gave presentations on (1) a proposed study to test the feasibility of using commercial fishing vessels for acoustic surveys of pollock in the Aleutian Islands, (2) a draft Environmental Assessment of the proposed experiment, and (3) an application for an exempted fishing permit requested by the Aleut Enterprise Corporation to support the proposed experiment. Public testimony was received from Sandra Moeller (Aleut Enterprise Corporation), Dave Fraser (consultant), and Dr. Jim Norris (consultant).

The SSC commends AFSC and the Aleut Enterprise Corporation for their creative collaboration on a promising feasibility study, which has the potential to improve our understanding and management of pollock in the Aleutians. The EFP is necessary to allow the applicant to harvest pollock in areas currently closed to fishing. These harvests are necessary to verify acoustic data and to compensate the participants for conducting the survey. The draft EA did not identify any significant effects of the proposed action on marine mammals or prohibited species. Nevertheless, because the experiment takes place in Steller sea lion critical habitat, an ESA Section 7 consultation has been initiated and must be completed prior to issuing the EFP.

Because written materials were not provided in advance, a thorough review of the proposed research and draft EA by the SSC was not possible. **Nevertheless, the SSC is supportive of the proposed research and the EFP required for conducting the research.**

#### **D-1(c) Other species assessments: Grenadiers, Sharks, Sculpins, Squids, and Octopuses**

##### General considerations

The SSC received presentations on 5 “other species” assessments, introduced by Jane DiCosimo (NPFMC). Preliminary assessments of these species assemblages were prepared as part of ongoing efforts by the Council family to develop innovative approaches for species and assemblages that are not targeted in groundfish fisheries.

Public testimony was provided by Jon Warrenchuk (Oceana), who supported splitting out these species from “other species” and recommended considering squid as a forage fish and banning development of a targeted squid fishery. Gerry Merrigan (Prowler Fisheries) expressed concern that OFL calculations for sharks could become constraining even though no conservation concern exists, and recommended that the new assessments should list the various precautionary assumptions used.

Some general issues emerged in consideration of these assessments. First, it is not surprising that these species suffer severe data limitations that inhibit the ability to evaluate population status. Uncertainties are pervasive about the range of species in the complex, spatial distributions, species identifications, differences by sex, size, and age, and the applicability of information borrowed from related species or areas. **In general, the analysts have made reasoned choices**

**about interim values for population parameters, but it is clear that much additional data must be collected for prudent management.**

Second, a common feature of these assessments is that a choice must be made between managing under Tier 5 (based on a biomass estimate) and Tier 6 (usually based on average catch). Determination of a Tier 5 OFL is problematic due to survey limitations or lack of a robust estimate of natural mortality. Use of average catch in Tier 6 could be problematic for several reasons: (1) the time series of catches may be of indeterminate accuracy due to difficulties in species identification, (2) the time series may be short because catch monitoring did not separately identify the species in the past, or (3) the bycatch of the species may be very low in relation to its population size, so that average catch is not a meaningful measure of an overfishing limit. The application of Tier 6 calculations could unreasonably constrain any directed fishery that might develop, and overly restrictive OFLs could unreasonably constrain other fisheries, such as the cod pot fishery that takes octopus as bycatch. **In these situations, the SSC recommends that the analysts consider reasonable alternative approaches (such as a reasonably low catch that buffers bycatch needs in groundfish fisheries), as permitted in the definition of Tier 6: “OFL = the average catch from 1978 through 1995, unless an alternative value is established by the SSC on the basis of the best available scientific information.”** The SSC looks forward to reviewing such alternatives.

While the intention would not be to implement ABCs and OFLs for these complexes for 2007, the SSC requests revision of these other species assessments for presentation to the plan teams in September 2006 and the SSC in October 2006 for another iteration of review and refinement of status determination criteria (tier designation, OFL, and ABC). In preparing revised assessments, the SSC recommends that the authors clearly articulate the assumptions, including those that afford precaution in the assessment of biomass or estimation of ABC and OFL (e.g., choice of M, assumed discard mortality rate, survey coverage relative to distribution of the stock catchability adjustments).

#### BSAI and GOA Grenadier

David Clausen (AFSC) presented the results of his analysis of grenadiers, presently in the non-specified category of species in the groundfish FMPs. The SSC thanks the author for his efforts to gather the information on this group of species. The SSC notes that this is a data-poor assemblage of species and that research efforts should be made to gather additional information on the stock status and life history.

The SSC requests that the author prepare a more complete description of the potential market for grenadiers. The author reported that previous studies have shown that the palatability of giant grenadier is relatively low. However, it is reported that a small market for grenadiers exists in Europe.

The natural mortality rate (0.074) used for the Tier 5 evaluation was based on maximum age (56) derived from samples from giant grenadier from Alaska. The estimate of maximum age for giant grenadier is similar to estimates for roundnose grenadier (70 yrs) and Pacific grenadier (60 – 70 yrs). The SSC encourages the author to pursue efforts to collect additional baseline life history information including maximum age by region. The author noted that age structures have been collected and the SSC recommends that these samples be aged in the near future.

The author also evaluated the maturity of grenadiers captured in the longline survey. Results of this analysis indicate that the survey only captures mature fish. The SSC notes that this

preliminary result suggests that the grenadiers captured in the sablefish fishery may also be mature. The SSC encourages the author to collect maturity data for fish captured in the sablefish fishery to evaluate this possibility. In addition, the SSC requests that sex and length frequency data be collected from the commercial fishery. The SSC requests that the author examine the evidence for the depth stratification of the sexes and the sex ratio of the survey.

The SSC requests that the author expand the discussion of the survey relative to the range of the species. The SSC concurs that the biomass estimates based on slope surveys for the GOA and EBS are useful. However, the AI trawl survey does not cover the depth range of grenadiers. The SSC reviewed the author's proposal to estimate expansion factors for the AI based on relative population weight (RPWs) from the sablefish longline survey. The SSC requests that, if this technique for expansion is used, the author should carefully review the rationale for excluding the GOA results from this effort. The SSC also notes that the ROV data from the Aleutian Islands could be used to evaluate the fraction of the range covered by the survey.

#### Management considerations:

The grenadier complex constitutes a major component of the deep-water system and serves as both important prey and predator species. It is interesting that the sum of the average survey biomass estimates for the BSAI and GOA is near 2 million mt, making grenadiers one of the most abundant species in the North Pacific. Furthermore, it seems to be abundant in all three areas (BS, AI, and GOA). The complex is currently non-specified, so the Council should formally evaluate whether this complex should become an FMP species. The high catch rate of grenadiers (mostly in the sablefish fishery), its high discard mortality rates, and the potential for development of a market are additional reasons to consider bringing this complex into the BSAI and GOA FMPs.

The SSC concurs with the author's recommendation that the three grenadier species (giant grenadier, Pacific grenadier and popeye grenadier) be managed as a complex. Of these, giant grenadier is the dominant species in the survey and could be used as the index for this complex. Based on an analysis of the depth distribution of these three species, it is likely that the catch is also dominated by giant grenadier, as the other two species generally occur deeper than depths fished by current fisheries.

The SSC considered the issue of whether the ABC and OFL for these stocks should be based on Tier 5 or Tier 6. Tier 6 estimates are based on catch only from 1994 onward, but this does not seem problematic. The SSC considers that available data for grenadiers in the GOA and BS are sufficient to set harvest recommendations on a Tier 5 basis so that one option would be to manage grenadiers as Tier 5 for the EBS and GOA and tier 6 for the AI. Further work is needed to estimate biomass in the AI, including further consideration of RPW data.

In estimating ABC and OFL, the authors used a very conservative estimate of  $M = 0.05$  that results in an OFL and ABC of 75% and 50% of  $M$  respectively. The uncertainty adjustment should be made to the ABC and not the OFL (because OFL is formally defined in Tier 5 as the product of  $M$  and biomass).

As bycatches seem to be dominated by mature females, suggesting that there is sex segregation by depth, the SSC encourages the author to evaluate the implications of a single sex fishery. The SSC also requests that the author consider a recent publication by Devine et al. (2005) that documents a case in the Atlantic where grenadiers were overfished.

## BSAI and GOA Sharks

Dean Courtney (AFSC) presented an update of information on the status and trends of BSAI and GOA shark species.

The SSC requests that the authors describe what is known about the distribution and the migratory behavior of these species. This will help evaluate the utility of various surveys to adequately index shark biomass. The SSC also encourages research on the spatial and temporal distribution of sharks, including depth distribution and segregation by sex.

The author noted that there has not yet been a significant market for sharks from the BSAI or GOA. The SSC requests that the authors include a description of the potential markets for these species. For example, world markets exist for dogfish.

Catch data exist from the “pseudo-blend” 1990-1998, “improved pseudo-blend” 1997 – 2002 and from NMFS Alaska Regional Office 2003-2005. The authors should develop a single set of best catch estimates for sharks in consultation with AFSC and Regional office staff. Catches are categorized as spiny dogfish, Pacific sleeper shark, salmon shark, and unidentified shark.

The author noted that none of the sleeper sharks sampled during the longline survey were mature in the GOA region. In addition, the author noted that several requests have been made to collect age and size composition data for sharks.

Although, the quality of the catch information for this species is quite good for observed fisheries, there are potentially substantial catches in the halibut and other unobserved fisheries; estimates of these catches should be included in the analysis. Observers identify the species composition of the catch. The SSC encourages the authors to include bycatch estimates from halibut and other fisheries.

The author recommends managing Pacific sleeper shark as an indicator species for the BSAI shark assemblage. In the BSAI, Pacific sleeper shark is the dominant species. In the GOA, spiny dogfish and Pacific sleeper shark dominate and salmon sharks are a minor component. The author noted that one option would be to manage spiny dogfish in the GOA as a separate species and manage Pacific sleeper shark as part of the other shark assemblage.

The SSC notes that the natural mortality rate used in the assessment comes from an Atlantic dogfish species that does not live as long as dogfish on the west coast. Thus, the use of this value of mortality may not be appropriate. The SSC inquired about the possibility of obtaining estimates of maximum age for Alaskan shark species. The author noted that he is conducting aging studies on sharks from Alaska to establish a maximum age and hopes that results from this effort will be available in the fall.

The author noted that the biomass estimates for sharks are uncertain and variable. Salmon sharks are highly migratory and potential seasonal residents in the GOA and BSAI. Current biomass estimates do not suggest evidence of a conservation concern for the GOA stocks. Biomass trends are stable. The SSC encourages using the longline survey data for biomass estimates. Also, the SSC requests that authors include the coefficient of variation in the survey.

The SSC requests that the author provide information that would allow estimation of Tier 5 and Tier 6 management of sharks as a complex or as individual species. They note that the authors

could consider development of tier 5 biomass estimates for the abundant species and a tier 6 alternative recommendation for the others.

### GOA Sculpins

Todd TenBrink (AFSC) presented this assessment, which is a useful compilation of information about species, catch history, survey biomass, life history, and status determination criteria. The sculpin complex is dominated by three of the largest sculpin species groups (yellow Irish lord, a group of *Myoxocephalus sp.*, and bigmouth sculpin). CVs for survey biomass of these groups are very low, suggesting high precision. Most sculpin species show no trend since 1984, except bigmouth sculpins have declined. A conservative estimate of natural mortality of 0.19 has been made for all species. Consequently, ABC and OFL can be determined under Tier 5. There is a need for better life history information about sculpins, because life histories vary by species. Some field studies in the Bering Sea have been proposed to NPRB, although no studies are under consideration for the GOA. Further retrospective analyses of sculpin biomass would be useful to explore spatial and species patterns.

### GOA Octopus

The SSC received a presentation by Elizabeth Connors (AFSC) of a preliminary SAFE report on Gulf of Alaska octopus stocks that she coauthored with Elaina Jorgensen (AFSC). The purpose of the report was to review available information in the event that GOA octopus stocks are to be split out from the other species complex for single species or assemblage management. The SSC appreciates the authors' efforts to assemble the GOA octopus stock assessment data and to clearly identify the issues.

The authors provided estimates of potential ABCs and OFLs for all octopus species considered together as a group under both Tier 5 and Tier 6 designations. The authors identified several concerns with these estimates and the SSC highlights the following for further consideration. The first concern is that the species composition of the commercial catch is not well defined. However, due to the large size of the animals captures, mostly in the cod pot fishery, it is suspected that the predominant species is *Enteroctopus dolfeini*, the giant Pacific octopus. A related problem is that the NMFS trawl survey primarily catches much smaller octopuses, presumably a different species or species assemblage. This discrepancy seriously compromises the use of trawl survey data in a Tier 5 calculation of catch limits for the larger species taken primarily in commercial pots. The SSC recommends increased effort to sample octopus catches to clarify the species composition.

A second concern is the need to include catch information from state waters, which may harbor a large fraction of the octopus resource. State fish ticket data on octopus landings should be included.

The lack of life history data is also a concern. For the giant Pacific octopus, it is suspected that the animals undergo a seasonal mating migration. Yet it is not known when this occurs, if this would seasonally alter the distribution of octopus between state and federal waters, or how this would affect biomass estimates. The estimate of natural mortality is also uncertain, with  $M=0.53$  adopted because it is the most conservative estimate for *E. dolfeini*.



## GOA Squids

The SSC received a presentation by Sarah Gaichas (AFSC) of a draft stock assessment for the GOA squid complex. The GOA squid complex includes at least 18 species distributed mainly along the shelf break. The authors did an excellent job describing life history and ecosystem considerations in the document. They used available catch history, survey data, and life history characteristics for the assemblage to estimate the ABC and OFL for both Tier 5 and Tier 6 levels.

Because squids are not a fishery-targeted assemblage, landings records are not indicative of useful catch limits for Tier 6. Due to poor survey estimates for squids, Tier 5 is problematic for a number of reasons. The biomass estimate must be qualified because squid spatial and temporal distributions are not known compared to survey effort distribution. In addition, the survey history is only useful for 2003 and 2005 because the 2001 survey did not sample the eastern GOA and prior surveys (e.g., 1999) are unlikely to reliably indicate current biomass for such short-lived species.

Traditional methods to estimate natural mortality do not yield estimates commensurate with the high-turnover rates of these species. The author's creative use of the Baranov catch equation to estimate natural mortality within a year is a constructive approach. The SSC also encourages opportunistic sampling of landed catch of squid taken in the pollock fishery in Kodiak to help provide needed biological samples. Sampling by the observer program should also be explored.

The SSC notes the significant role of the squid complex as a major forage source for several groups, such as sperm and beaked whales, grenadiers, and sablefish. This ecosystem information should be incorporated into a well-described precautionary approach to setting the ABC and OFL.

### **D-1(d) Species Assessment of Concern**

The SSC received a presentation by Rebecca Reuter (AFSC) on the preliminary results from the Species Assessment of Concern analysis. A standard set of information was collected using a questionnaire completed by stock assessment scientists and fishery biologists for a wide variety of target and non-target species. The intent of the analysis was to evaluate whether this approach could provide a method for identifying species of concern. **The SSC had considerable discussion and concludes that the tabular approach and metrics used were insufficient to assess conservation concerns.** The reasons for this include the fact that some questionnaire rank scores are too subjective and the questionnaire collected other information that bears on whether a concern really exists, but these caveats were not represented in the table. For instance, the validity of the biomass estimates and natural mortality values are not factored into the (C/B)/M calculation. For many species, there is simply no information to make a reasoned evaluation of their status. This lack of information must be made explicit in a summary table to avoid misleading inferences. **Although it is useful to have all these species on a table, the SSC recommends that a more thorough evaluation be used to help direct further research and explore other methods to assess species with little information, including the best available information from the SAFEs.**

### **D-1(e) Workshop on Lower Trophic Level Modeling**

The SSC conducted a workshop on lower trophic level modeling, organized by Jeff Napp (FOCI, AFSC) and Phyllis Stabeno (FOCI, PMEL). **The workshop provided an excellent opportunity for the SSC to interact with AFSC and PMEL staff on new and ongoing modeling studies conducted by the FOCI group.** Jim Overland provided an overview of recent trends in climate

that suggest a very different climate regime for the Bering Sea and a continuing warming trend (although 2006 seems to be a cold year with early ice formation). Al Hermann reported on the Regional Ocean Modeling System (ROMS) models for the Bering Sea and Gulf of Alaska. ROMS model output can be used to provide indices of transport and mixing processes and can be linked to lower trophic level models. Sarah Hinckley described an NPZ model that is driven by an earlier version of the ROMS model, which in turn drives an individual-based model for pollock in the western Gulf of Alaska. Janet Duffy-Anderson presented ongoing research on several flatfish species that provides good evidence for an important role of larval advection in the recruitment process. Bern Megrey presented some results from a basin-wide NPZ model that includes age-structured dynamics of Pacific saury (western Pacific) and Pacific herring (eastern Pacific). The model has been used to examine saury and herring dynamics in a number of specific locations around the Pacific Rim. Jeff Napp and Phyllis Stabeno provided an overview of projects funded through the North Pacific Climate Regimes and Ecosystem Productivity (NPCREP) initiative. These include monitoring efforts in the Bering Sea to continue and expand existing time series such as Mooring 2 on the southeastern Bering Sea shelf, statistical approaches to develop and refine aggregate ecosystem indices for the Bering Sea and Gulf of Alaska, attempts to incorporate such indices into stock assessments, and a project to make real-time data available to stakeholders through the Internet.

The SSC was impressed with the range of modeling activity conducted by FOCI researchers and recognizes the value of these models for incorporating observations and producing indices of physical processes (such as transport or mixing processes) and biological indices such as recruitment indices for pollock or flatfish. The SSC expressed concerns over the adequacy of data used to parameterize and tune models, or for “ground truthing” existing and new models. Like all models, these models are only as good as the data going into them. Thus, there is a critical need to maintain existing time series to verify models and to collect new data as needed. Also, there is a need for additional field studies on the biology, life history, and ecology. The SSC felt that improved coordination between modelers, field researchers and the user community is required to improve physical and lower trophic level models and increase their utility in a management context. For example, existing models should be used to inform new scientific programs, such as BEST.

**The SSC recommends that workshops of this nature be continued on a regular basis at the February Council meetings when the issue of research priorities is generally discussed.** As recommended for the workshop held during the February 2005 meeting, the SSC recommends that “...PowerPoint presentations and short summaries of each talk be posted on a website so that the information can be made broadly available to other interested members of the Council family who were unable to attend.”

#### **D-2 Research Priorities**

Diana Stram (Council Staff) and Jim Ianelli (AFSC, GOA Groundfish Plan Team Chair) presented the research priorities for the Groundfish Plan Teams. No public testimony was received.

The SSC acknowledges that there are many purposes for the NPFMC’s research priorities. It was noted that we could attempt to identify research issues that are of high priority to the NPFMC and of critical need for attention. It was also suggested that the list could use NPRB’s categories of pressing fisheries management issues and long-term ecosystem research. Alternatively, the latter list could be refined to emphasize research needed to advance ecosystem approaches to management. It was noted that review of progress on previous research might be informative. The SSC reviewed its 2003 list and identified what progress had been made on topics included in

the list. An SSC working group was formed to draft an updated list of research priorities to be considered by the full SSC in April. The following SSC members will serve on the working group: Gordon Kruse, Sue Hills, George Hunt, Keith Criddle, Anne Hollowed, Franz Mueter, and Doug Woodby.

### **Other SSC Topics**

#### Rockfish Presentation

The SSC received a presentation from Paul Spencer (AFSC) on his recent work to model the hypothetical effects of a disproportionate contribution to productivity by older female Pacific ocean perch. This work, also presented at the 2005 Lowell Wakefield Symposium and the 2006 Western Groundfish Conference, incorporates laboratory observations that suggest black rockfish larval survival rates increases with age of the spawner. The analysis show that the reduction in reproductive output is counterbalanced by an increase in resiliency in the stock recruitment curve resulting in stable *Fmsy* estimates for three different measures of reproductive output. The SSC questioned the applicability of data on one species (black rockfish) to another species (POP) and the extrapolation of laboratory results to the field. The SSC notes that larval viability studies have been initiated for POP from the Kodiak area by the Alaska Fishery Science Center in cooperation with the University of Oregon. Measures of oil globule sizes may also be a useful index of larval viability in field-collected specimens. The SSC appreciates these efforts and is looking forward to further analyses as Alaska-specific information becomes available.

#### Review of Economic Research

Ron Felthoven (AFSC, Economic and Social Science Research Program) presented an overview of ongoing and recently concluded economic and socioeconomic research conducted or coordinated by the AFSC ESSRP. Harrison Fell (University Washington and AFSC ESSRP) presented results of an analysis of trends in wholesale pollock prices.

The breadth and diversity of research projects is impressive. While many of the projects address basic research questions, many projects are directly applicable to retrospective and prospective evaluation of regulatory actions adopted by or contemplated by the Council. **The SSC strongly encourages Council staff to consult with AFSC ESSRP at early stages in the preparation of regulatory analyses to incorporate results from applicable AFSC ESSRP studies.** In addition, the SSC encourages the AFSC ESSRP to include accessible summaries of ongoing and recently completed studies as the body of the Economics SAFE, retaining the current tables as appendices. The SSC also encourages the Council and AFSC to explore the possibility of organizing occasional economics and social science research workshops that would help facilitate exchange of recent research findings among agency and university economists relevant to Council managed fisheries.

State of Alaska Motion on Gulf Rationalization Problem Statement

February 2006

Problem Statement

To guide the identification of a rationalization program for the Gulf of Alaska groundfish fisheries, the Council has developed the following purpose and need statement:

The Council is proposing a new management regime that rationalizes groundfish fisheries in the Gulf of Alaska west of 140 degrees longitude and rockfish bycatch east of 140 degrees longitude. A rationalization program includes policies and management measures that may increase the economic efficiency of GOA groundfish fisheries by providing economic incentives to reduce excessive capital investment. These management measures would apply to those species, or groups of species identified by the Council as benefiting from additional economic incentives that may be provided by rationalization. This rationalization program would not modify the hook-and-line **halibut and sablefish fishery fisheries** currently prosecuted under the IFQ Program, except for management of associated groundfish bycatch.

The purpose of the proposed action is to create a management program that improves conservation, reduces bycatch, and ~~provides greater economic stability for harvesters, processors, and communities~~ **broadly distributes the benefits of rationalization to harvesters, processors and fishery-dependent coastal communities**. A rationalization program could allow harvesters and processors to manage their operations in a more economically efficient manner. Rationalization of GOA fisheries should eliminate the derby-style race for fish by allocating privileges and providing economic incentives to consolidate operations and improve operational efficiencies of remaining operators. Because rationalization programs can have significant impacts on fishing dependent communities, this program should address community impacts and seek to provide economic stability or create economic opportunity in fishery dependent communities.

Rationalizing GOA fisheries may improve stock conservation by creating incentives to eliminate wasteful fishing practices, improve management practices, and provide mechanisms to control and reduce bycatch and gear conflicts. Rationalization programs may also reduce the incentive to fish during unsafe conditions.

Management of GOA groundfish has grown increasingly complicated due to impositions of measures to protect Steller sea lions, increased participation by fishermen displaced from other fisheries such as Alaska salmon fisheries and the requirements to reduce bycatch and address Essential Fish Habitat requirements under the Magnuson-Stevens Act (MSA). These changes in the fisheries are frustrating management of the resource, raising attendant conservation concerns. These events are also having significant, and at times, severe adverse social and economic impacts on harvesters, processors, crew, and communities dependent on GOA fisheries. Some of the attendant problems include:

1. reduced economic viability of the harvesters, processors, and GOA communities
2. high bycatch,

3. decreased safety,
4. reduced product value and utilization,
5. jeopardy to community stability and their historic reliance on groundfish fishing and processing,
6. limited ability of the fishery harvesters and processors to respond to changes in the ecosystem
7. limited ability to adapt to MSA requirements to minimize bycatch and protect habitat,
8. limited ability to adapt to changes to other applicable law (i.e., Endangered Species Act).

All of these factors have made achieving the goals of the National Standards in the MSA difficult and encourage reevaluation of the status quo management of the GOA groundfish fisheries. The management tools in the current GOA groundfish FMP do not provide managers with the ability to improve the economic efficiency of the fishery and effectively solve the excess harvesting capacity and resource allocation problems in the GOA groundfish fisheries. The Council has determined that some form of rationalization program is warranted.

State of Alaska Motion on Gulf Rationalization Intent for Alternative 3  
February 2006

**Alternative 3**  
**Sector Allocations and Voluntary Co-op Structure**

Alternative 3 is a sector allocation and co-op proposal. This proposal allows new processor entrants and provides a mechanism for harvesters to either enter co-ops voluntarily or continue to fish in LLP/open access fisheries. The alternative provides a flexible structure intended to reflect the diversity of the fisheries in the GOA. It recognizes that harvesters, processors, and communities all have a stake in the fisheries. The nature of the fisheries in the Gulf, however, requires a flexible rationalization program that can accommodate all of the different fisheries. This alternative would:

- Allocate primary and secondary species, and halibut PSC by sector.
- Establish a mechanism which would facilitate co-op formation within each sector.
- Specify the operational rules for co-ops.
- Provide fishing opportunities for harvesters that choose not to participate in co-ops
- Include community protection measures appropriate to a cooperative-based program.

The proposal sets up a step-wise process for the establishment of co-ops. The first step includes a sectoral allocation. This is followed by an initial co-op formation period to provide co-ops time to refine their operations. The third step is ongoing, and establishes rules to govern co-op formation, dissolution, and operation after the initial period of co-op formation.

This proposal would not require the assignment of different classes of history or shares (i.e., class A/B class designations). Gulf History (GH) is generic and would originate from an eligible participant's history. GH is only developed through cooperatives. Co-op participation, however, is strictly voluntary so a harvester may choose to continue to fish in a limited entry (LLP) open access fishery.

The proposal does not limit processor entry. A harvester is initially eligible to join one or more a cooperative(s) associated with the processor(s) ~~that it made the most primary species landings to~~ through which its GH (qualified landings of primary species) arose during the qualification period. The program establishes requirements for contracts between a cooperative and its associated processor. The initial contract between a co-op and its associated processor is required to contain the terms for dissolution of the co-op or the movement of a harvester from one co-op to another. During the initial co-op formation period, inter-co-op agreements are allowed within sectors to address operational issues and ensure further rationalization of the fishery between co-ops. Harvesters may not move between cooperatives during the initial co-op formation period.

~~Following the initial co-op formation period, new co-ops can form and harvesters can move from co-op to co-op or exit a co-op and move back into open access.~~ Upon formation of a cooperative, members may dissolve their relationship with that

**cooperative subject to the dissolution terms and either: a) join a different cooperative, b) auction their residual quota to a different cooperative or individual, or c) move into open access.**

The rules for such movement, including compensation to other members of the co-op and the associated processor are part of the contract agreement. New processors can enter the fishery at any time, and following the initial co-op formation period, harvesters can form co-ops with those processors. Community protection provisions are simplified to only include options for regionalization and a community quota system because this is a co-op system.

Monitoring of harvests and PSC for the co-op fishery will be at the co-op level. Assignments of GH, including transfers, will be monitored by RAM to ensure proper catch allocations and accounting. GH will result in annual allocations of Gulf Quota (GQ). Current monitoring programs for the open access fishery will continue.

**State of Alaska Motion on Gulf Rationalization**

February 12, 2006

- I. The Council assumes that staff will handle motion cleanup noted during the AP report and per subsequent Council actions.
- II. The State moves amendments to the Gulf Rationalization Problem Statement (page 1 of staff discussion paper). (See handout.)
- III. The State would like to clarify its Intent Statement on Alternative 3 (page 6 of the staff discussion paper). (See handout.)
- IV. The State moves the AP motion with the following changes:

**G – 3. State and Parallel Fishery Allocation (page 1):** Delete the intent language on the top of page 2.

~~The AP recommends that individual catch history harvested in the state waters parallel fishery be credited to eligible individuals in determining their proportional share of primary and secondary species allocated by the Council as part of the Gulf of Alaska federal fisheries management. It is the intent of the AP that stakeholders' parallel fishery history be counted for both sector splits and individual allocations in the federally managed fisheries.~~

**G – 11. Individual allocations – Qualifying landing criteria (page 5):** add options for analysis.

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator.

Exclude retained catch that is used for meal production.

**Option 1: 3-200 miles**

**Option 2: 3-200 miles, plus 0-3 miles parallel history**

**Option 3: 3-200 miles, plus 0-3 miles parallel history, plus 0-3 miles state-managed history**

Suboption: (Alternative 2 only) catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

**G – 17. Transferability – Vessel Type Restrictions (page 7):** reinsert Option 2 under Alternative 3, adding:

**Alternative 3**

- Option 1. Restrictions on transferability of CP harvest shares:  
CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when



transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access.)

**Option 2: Re-designate CP GH as CV GH upon transfer to a person who is not an initial issuee of CP shares:**

**Suboption 1. all CP shares**

**Suboption 2. trawl CP shares**

**Suboption 3. longline CP shares**

**It is the intent of the NPFMC that this provision not apply to transfers by first degree of kindred.**

**T-1 Transferability – Leasing (page 13):** add two suboptions to provisions defining ownership.

Alternative 2 and 3

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of trawl QS/GH who receive initial allocations of Pcod, pollock, or aggregate rockfish primary species less than:

a. **60<sup>th</sup> percentile**

~~a.~~ **b. 65<sup>th</sup> percentile**

~~b.~~ **c. 70<sup>th</sup> percentile**

~~c.~~ **d. 75<sup>th</sup> percentile**

Their initial allocation of primary species trawl QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of trawl QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

a. 30%

b. 40%

c. 50%

of their aggregate primary species trawl QS/GH for Pcod, pollock, and aggregate rockfish must either (a) be fished by a vessel which the trawl QS/GH holder owns at least

**Option 1: 20%**

**Option 2: 30%**

**Option 3: 40%**

**Option 4: >50%**

of, or (b) fished on a vessel with the trawl QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

**T3-7. Catcher Vessel - Cooperative/processor associations (page 26):** delete “licensed” as below.

Option 1: ...

- 1) The ~~licensed~~ processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any ~~licensed~~ processor in the community
- 3) The ~~licensed~~ processor to whom the harvester delivered the second most pounds in the region
- 4) Any ~~licensed~~ processor in the region

Option 2:...

- 1) The ~~licensed~~ processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
- 2) Any ~~licensed~~ processor in the community
- 3) The ~~licensed~~ processor to whom the harvester delivered the second most pounds in the region
- 4) Any ~~licensed~~ processor in the region

CV cooperatives must be associated with an eligible processing facility  
Processors can associate with more than one co-op.

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

The eligible processor is:

- 1) prior to satisfying an exit requirement, a processor that the harvester is initially eligible to associate with in a cooperative, and
- 2) after satisfaction of an exit requirement, any processor

**T3-10. Movement between cooperatives (page 27):** add another option.

An initial cooperative formation period shall be established beginning with **year day** one of program implementation and extended for the period identified below.

**Option 1. no initial formation period (0 years)**

Option ~~1~~<sup>2</sup>. period is 1 year

Option ~~2~~<sup>3</sup>. period is 2 years

Option ~~3~~<sup>4</sup>. period is 3 years

Different options may apply to CV and CP sectors.

**T3-17. Processing Use Caps (page 29):** add new option.

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species groups in Section 3.3.5
- Option 2. 50% of total harvest by area and primary species groups in Section 3.3.5
- Option 3. 75% of total harvest by area and primary species groups in Section 3.3.5
- Option 4. no cap

**Option 5. no cap in areas with two or fewer processors**

Processors eligible *to associate with an initial cooperative* will be grandfathered. There is no limit on the amount of fish that an eligible processor can buy from the open access fishery.

**F1. Transferability – Leasing (page 30):** add additional options for analysis.

Alternative 2 and 3

Active participation requirements for pot CVs (leasing restrictions):

1. For initial issuants of pot QS/GH who receive initial allocations of Pacific cod less than:

- a. **60<sup>th</sup> percentile**
- a. ~~b.~~ 65<sup>th</sup> percentile
- b. ~~c.~~ 70<sup>th</sup> percentile
- e. ~~d.~~ 75<sup>th</sup> percentile

Their initial allocation of pot p. cod QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of pot QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%
- b. 40%
- c. 50%

of their pot p. cod QS/GH must either (a) be fished by a vessel which the pot QS/GH holder owns at least

**Option 1: 20%**

**Option 2: 30%**

**Option 3: 40%**

**Option 4: >50%**

of, or (b) fished on a vessel with the pot QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

**F2L – Fixed Gear Low Producer – IFQ/Cooperatives (page 35):** delete the following language.

- Applies only to low producing fixed gear vessels
- ~~Apply to all pot vessels~~
- ~~Apply to all longline vessels~~

**North Pacific Fishery Management Council  
Gulf of Alaska Groundfish Rationalization motion  
February 12, 2006**

The Council made the following changes to the motion at its February 2006 meeting:

*Deletions are shown with strike outs*

*Additions are shown with highlightings*

*Only provisions revised by the Council are shown.*

A complete copy of the revised motion, incorporating all sections and all changes made at the February 2006 meeting, will be available shortly.

**Problem Statement**

The Council is proposing a new management regime that rationalizes groundfish fisheries in the Gulf of Alaska west of 140 degrees longitude and rockfish bycatch east of 140 degrees longitude. A rationalization program includes policies and management measures that may increase the economic efficiency of GOA groundfish fisheries by providing economic incentives to reduce excessive capital investment. These management measures would apply to those species, or groups of species identified by the Council as benefitting from additional economic incentives that may be provided by rationalization. This rationalization program would not modify the hook-and-line halibut and sablefish fisheries fishery currently prosecuted under the IFQ Program, except for management of associated groundfish bycatch.

The purpose of the proposed action is to create a management program that improves conservation, reduces bycatch, and broadly distributes the benefits of rationalization to harvesters, processors and fishery-dependent coastal communities ~~provides greater economic stability for harvesters, processors, and communities.~~ A rationalization program could allow harvesters and processors to manage their operations in a more economically efficient manner. Rationalization of GOA fisheries should eliminate the derby-style race for fish by allocating privileges and providing economic incentives to consolidate operations and improve operational efficiencies of remaining operators. Because rationalization programs can have significant impacts on fishing dependent communities, this program should address community impacts and seek to provide economic stability or create economic opportunity in fishery dependent communities.

Rationalizing GOA fisheries may improve stock conservation by creating incentives to eliminate wasteful fishing practices, improve management practices, and provide mechanisms to control and reduce bycatch and gear conflicts. Rationalization programs may also reduce the incentive to fish during unsafe conditions.

Management of GOA groundfish has grown increasingly complicated due to impositions of measures to protect Steller sea lions, increased participation by fishermen displaced from other fisheries such as Alaska salmon fisheries and the requirements to reduce bycatch and address Essential Fish Habitat requirements under the Magnuson-Stevens Act (MSA). These changes in the fisheries are frustrating management of the resource, raising attendant conservation concerns. These events are also having significant, and at times, severe adverse social and economic impacts on harvesters, processors, crew, and communities dependent on GOA fisheries. Some of the attendant problems include:

1. reduced economic viability of the harvesters, processors, and GOA communities
2. high bycatch,
3. decreased safety,
4. reduced product value and utilization,
5. jeopardy to community stability and their historic reliance on groundfish fishing and processing,
6. limited ability of the fishery harvesters and processors to respond to changes in the ecosystem
7. limited ability to adapt to MSA requirements to minimize bycatch and protect habitat,
8. limited ability to adapt to changes to other applicable law (i.e., Endangered Species Act).

All of these factors have made achieving the goals of the National Standards in the MSA difficult and encourage reevaluation of the status quo management of the GOA groundfish fisheries. The management tools in the current GOA groundfish FMP do not provide managers with the ability to improve the economic efficiency of the fishery and effectively solve the excess harvesting capacity and resource allocation problems in the GOA groundfish fisheries. The Council has determined that some form of rationalization program is warranted.

### **Statement of Intent for Alternative 3**

Alternative 3 is a sector allocation and co-op proposal. This proposal allows new processor entrants and provides a mechanism for harvesters to either enter co-ops voluntarily or continue to fish in LLP/open access fisheries. The alternative provides a flexible structure intended to reflect the diversity of the fisheries in the GOA. It recognizes that harvesters, processors, and communities all have a stake in the fisheries. The nature of the fisheries in the Gulf, however, requires a flexible rationalization program that can accommodate all of the different fisheries. This alternative would:

- Allocate primary and secondary species, and halibut PSC by sector.
- Establish a mechanism which would facilitate co-op formation within each sector.
- Specify the operational rules for co-ops.
- Provide fishing opportunities for harvesters that choose not to participate in co-ops
- Include community protection measures appropriate to a cooperative-based program.

The proposal sets up a step-wise process for the establishment of co-ops. The first step includes a sectoral allocation. This is followed by an initial co-op formation period to provide co-ops time to refine their operations. The third step is ongoing, and establishes rules to govern co-op formation, dissolution, and operation after the initial period of co-op formation.

This proposal would not require the assignation of different classes of history or shares (i.e., class A/B class designations). Gulf History (GH) is generic and would originate from an eligible participant's history. GH is only developed through cooperatives. Co-op participation, however, is strictly voluntary so a harvester may choose to continue to fish in a limited entry (LLP) open access fishery.

The proposal does not limit processor entry. A harvester is initially eligible to join one or more a cooperative(s) associated with the processor(s) through which its GH (qualified landings of primary species) arose that it made the most primary species landings to during the qualification period. The program establishes requirements for contracts between a cooperative and its associated processor. The initial contract between a co-op and its associated processor is required to contain the terms for dissolution of the co-op or the movement of a harvester from one co-op to another. During the initial co-op formation period, inter-co-op agreements are allowed within sectors to address operational issues and ensure further rationalization of the fishery between co-ops. Harvesters may not move between cooperatives during the initial co-op formation period.

Following the initial co-op formation period, new co-ops can form and harvesters can move from co-op to co-op or exit a co-op and move back into open access. Upon formation of a cooperative, members may dissolve their relationship with that cooperative subject to the dissolution terms and either: a) join a different cooperative, b) transfer their residual quota to a different cooperative or individual, or c) move into limited access. The rules for such movement, including compensation to other members of the co-op and the associated processor are part of the contract agreement. New processors can enter the fishery at any time, and following the initial co-op formation period, harvesters can form co-ops with those processors.

Monitoring of harvests and PSC for the co-op fishery will be at the co-op level. Assignments of GH, including transfers, will be monitored by RAM to ensure proper catch allocations and accounting. GH will result in annual allocations of Gulf Quota (GQ). Current monitoring programs for the open access fishery will continue.

### **G-2. Species**

Primary species by gear (allocated based on individual catch history):

Trawl:

pollock  
Pacific cod  
deepwater flatfish

rex sole  
shallow water flatfish  
flathead sole  
arrowtooth flounder

northern rockfish		WGOA deep water flatfish (if turbot is targeted)
Pacific ocean perch		<del>northern rockfish</del>
pelagic shelf rockfish		<del>arrowtooth flounder</del>
Longline:		
Pacific cod	Pot:	Pacific cod
<del>pelagic shelf rockfish</del>		
<del>Pacific ocean perch</del>	Jig:	Pacific cod

For purposes of caps, use the following species aggregations:  
 Pollock, pcod, aggregate rockfish and aggregate flatfish

Entry Level Fishery: POP, Northern Rockfish and pelagic shelf rockfish for non-trawl catcher vessels

- An annual set aside for CV non-trawl gear capped at 2-5% of each of these target rockfish species
- The set aside will begin at 1% of the annual TAC
- The set aside amount will increase by one percentage point the following year in which the set aside quota is reached.

Secondary species by gear (allocated based on average sector/gear catch history):

Trawl:	Longline:	Pot:—
Thornyhead	Thornyhead	— Thornyhead
Rougeye	Rougeye	Rougeye
Shortraker	Shortraker	Shortraker
other slope rockfish	other slope rockfish	other slope rockfish
Atka mackerel	Atka mackerel	Atka mackerel
Sablefish		

Unallocated species will be managed under the existing MRA system and will be accommodated in the annual TAC-setting process.

**G-6. Sector Allocations - Primary Species**

**Alternative 2 and 3**

No explicit sector allocation calculation. Allocation to the sector is implicitly the sum of individual allocations

**Alternative 3**

Sector allocations will be based on the aggregate history of vessels in each sector during the qualifying period. Sector allocation qualifying periods and landing criteria (same for all gears in all areas).

— Option 1- 95-01

— Option 2- 95-02

— Option 3- 98-02

Suboption: for each sector drop the year of lowest tonnage.

Sector Qualifying landing criteria (same for all gears in all areas)

Landings based on retained catch for each species (includes weekly production report for Catcher/Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

The analysis will assess AFA vessels as a group.

**G-7. Sector Allocations – Secondary Species**

**Alternative 2**

Allocation to the sector is determined by management at the individual level.

- Option 1. Allocation to the sector is based on individual allocations
  - Suboption 1. Other slope rockfish in the Western Gulf will not be allocated, but will be managed by MRA and will go to PSC status when the TAC is reached.
  - Suboption 2. Deduct the secondary species catch from fixed gear types from TAC. If deduction is not adequate to cover secondary species catch in fixed gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.
- Option 2. Retain these species on bycatch status for all gear types with current MRAs.

**Alternative 3**

- Option 1: ~~Sector~~ **Individual** allocation for secondary species is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery.
- Option 2: Maintain current MRA management for secondary species.

**G-8. Sector Allocations – Halibut PSC**

**Alternative 2**

Pot sector

Pot vessels continue their exemption from halibut PSC caps.

Hook and line sector

- Option 1. Modeled after sablefish IFQ program (no direct inseason accounting of halibut PSC). Holders of halibut IFQ are required to land legal halibut. Estimates of sub-legal and legal size incidental mortality are accounted for when setting annual CEY.
- Option 2. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members).
- Option 3. Continue to fish under halibut PSC caps.
  - Suboption (to all options): Holders of halibut IFQ are required to land legal halibut. Halibut bycatch occurring without sufficient IFQs would count against halibut PSC allocations.

Trawl Sector

- Option 1. Halibut PSC will be managed through harvest share allocations (sector allocation is sum of allocations to sector members)
- Option 2. Continue to fish under halibut PSC caps.

**Alternative 3**

- Option 1: ~~Sector~~ **Individual** allocation for halibut PSC is based on each sector's average catch during the ~~sector allocation~~ qualifying period by area and primary species target fishery.
- Option 2: Maintain current halibut PSC allocations.

**G-9. Sector Allocations – Jig Sector**

- Option 1. The jig fishery would receive an allocation based on its historic landings in the qualifying years
  - 1. 100%
  - 2. 125%
  - 3. 150%
  - 4. 200%
- Option 2. **(Applies only to Alternative 2)** Catch by jig would be accounted for in a manner similar to sport halibut harvests in halibut IFQ fishery.
  - Suboption: Cap jig harvest at \_\_\_% of current harvest of ~~Pcod~~ by species and area:
    - 1. 100%
    - 2. 125%

- 3. 150%
- 4. 200%

Option 3. \_\_\_\_\_ % of TAC

**G-11. Individual allocations – Qualifying landing criteria**

Landings based on retained catch for each species (includes weekly production report for Catcher/ Processor sector). Total pounds landed will be used as the denominator. Exclude retained catch that is used for meal production.

Option 1: 3-200 miles

Option 2: 3-200 miles, plus 0-3 miles parallel history

Include in the analysis a discussion of the history from 1) 0-200 miles (including parallel history), 2) 3-200 miles, and 0-200 miles, including parallel history and state water fishery history.

Suboption: (Alternative 2 only) catch history for P. cod fisheries determined based on a percentage of retained catch per year (does not include meal)

**G-13. Individual allocations – Secondary Species**  
**Alternative 2**

**Under both alternatives, allocations to and management of secondary species for halibut and sablefish IFQ holders would be governed by a separate motion.**

Option 1. Share Allocations

Option 1. Allocate shares to all fishermen based on fleet bycatch rates by gear:

Suboption 1. based on average catch history by area and target fishery

Suboption 2. based on 75th percentile by area by target fishery

Option 2.—Allocation of shares will be adjusted pro rata to allocate 100% of the annual TAC for each bycatch species.

Suboption. Allocate these species for one gear type only (e.g., trawl). Deduct the secondary species catch of other gear types from TAC. If deduction is not adequate to cover secondary species catch in other gear types, on a seasonal basis, place that species on PSC status until overfishing is reached.

Option 2. Retain these species on bycatch status for all gear types with current MRAs.

**Alternative 3**

Option 1: Allocation of secondary species to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector’s average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current MRA management for secondary species.

**G-14. Individual allocations – Halibut PSC**

**Alternative 2**

Option 1: Share allocations (if applicable to the sector and gear type)

Each recipient of fishing history would receive an allocation of halibut mortality (harvest shares) based on their allocation of the primary species shares. Secondary species would receive no halibut allocation.

Initial allocation based on average halibut bycatch by directed primary species during the qualifying years. Allocations will be adjusted pro rata to equal the existing halibut PSC cap.

By sector average bycatch rates by area by gear:

Option 1. Both sectors

Option 2. Catcher Processor/Catcher Vessel

Option 2. Fleet management, specified in sector allocation of halibut (above)



### **Alternative 3**

Option 1: Allocation of halibut PSC to and within cooperatives is based on the distribution of primary species history of individual cooperative members and the sector's average catch during the sector allocation qualifying period by area and primary species target fishery.

Option 2: Maintain current PSC MRA management for secondary halibut species.

## **G-17. Transferability - Vessel Type Restrictions**

### **Alternative 2**

Restrictions on transferability of CP harvest shares

CP harvest shares maintain their designation when transferred to persons who continue to catch and process CP harvest shares at sea, if CP harvest shares are processed onshore after transfer, CP harvest shares convert to CV harvest shares.

When CP shares are redesignated as CV shares

CP harvest shares retain their gear designation upon transfer.

Purchaser must further identify which processing provision and regionalization provision apply to the shares, consistent with the gear type.

### **Alternative 3**

Option 1. Restrictions on transferability of CP harvest shares:

CP GH may be converted to CV GH. Once it is converted, it cannot be changed back to CP GH. CP GH maintains its designation when transferred to a person that continues to catch and process the resulting GQ at sea (within a cooperative or in open access.)

Option 2: Re-designate CP GH as CV GH upon transfer to a person who is not an initial issuee of CP shares:

Suboption 1. all CP shares

Suboption 2. trawl CP shares

Suboption 3. longline CP shares

It is the intent of the NPFMC that this provision not apply to transfers between the first degree of kindred.

## **G-18. Transferability – Secondary Species**

Permit transfer of secondary species QS

Option 1. Primary species shares and secondary species shares are non-separable and must be transferred as a unit.

Option 2. Primary species shares and secondary species shares are separable and may be transferred separately; they are fully leasable across gear type and sector and are allocated annually based on primary species allocation.

Option for trawl sablefish shares (**applies to Alternative 2 only**)

Allow trawl sablefish catch history to be issued as a new category of sablefish harvest shares ("T" shares) by area. "T" shares would be fully leasable, exempt from vessel size and block restrictions, and retain sector designation upon sale.

Suboption. These shares may be used with either fixed gear or trawl gear.

## **G-24. Regionalization**

### **Alternative 2**

Catcher vessel harvest shares are regionalized based on the landings history during the regionalization qualifying period, not where it was caught.

If issued, all processing licenses (for shore-based and floating processors) will be categorized by region. Processing licenses that are regionally designated cannot be reassigned to another region. **(Applies to Alternatives 2A and 2B)**

Catcher processor shares and any incentive fisheries are not subject to regionalization.

In the event harvest shares are regionalized and the processor linkage option is chosen, a harvester's shares in a region will be linked to the processor entity in the region to which the harvester delivered the most pounds during the qualifying years used for determining linkages.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58°51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

CGOA Pollock (area 620 and 630)

CGOA aggregate flatfish,

CGOA aggregate rockfish and

CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

~~Secondary species shares~~

~~Secondary species shares would not be subject to regionalization~~

Qualifying years to determine the distribution of shares between regions will be:

Option 1. the preferred individual allocation qualifying period

Option 2. 1999 – 2002

### **Alternative 3**

If adopted, history will be categorized by region (for the fisheries identified below).

History that is regionally designated cannot be reassigned to another region.

Catcher vessel history is regionalized based on where the catch was processed, not where it was caught.

Catcher processor history is not subject to regionalization.

The history associated with a license would be regionalized based on the landings history associated with that license during the regionalization qualifying period.

The following describes the regions established and fisheries that would be subject to regionalization:

Central Gulf: Two regions are proposed to classify harvesting shares: North - South line at 58°51.10' North Latitude (Cape Douglas corner for Cook Inlet bottom trawl ban area) extending west to east to the intersection with 140° W long, and then southerly along 140° W long.).

The following fisheries will be regionalized for shorebased (including floating) catch and subject to the North-South distribution:

CGOA Pollock (area 620 and 630),

CGOA aggregate flatfish,

CGOA aggregate rockfish, and

CGOA Pacific cod.

CGOA trawl sablefish will be regionalized based on all landing of primary species in the CGOA associated with the license during regionalization qualifying period.

In the event GH is regionalized, a harvester will be eligible to bring its history in a region to a cooperative associated with the processor in the region to which the harvester delivered the most pounds during the cooperative formation qualifying period using species aggregations (i.e., pollock, Pacific cod, aggregate rockfish, and aggregate flatfish) and:

- Option 1. the cooperative/processor association period or
- Option 2. the individual allocation qualifying period.

Qualifying years to determine the distribution of GH between regions will be:

- Option 1. the years 1999-2002.
- Option 2. consistent with the qualifying period under cooperative formation in Section 3.3.5

### **G-25. Skipper/Crew**

The Council directs staff to draft a discussion paper examining the structure and effects of skipper/crew provisions that:

- a. allocate a certain amount of quota to qualified skipper/crew
- b. requires that qualified skipper/crew be on board during the harvest of a percentage of a vessel's allocation.
- c. provide that, upon transfer of quota share/history, a percentage of the quota and/or transfer price is reserved for crew/skippers.

A skipper is defined as the individual owning the Commercial Fishery Entry Permit and signing the fish ticket.

Option 1. No skipper and/or crew provisions

Option 2. Establish license program for certified skippers. For initial allocation Certified Skippers are either:

- i. Vessel owners receiving initial QS or harvest privileges; or
- ii. Hired skippers who have demonstrated fishing experience in Federal or State groundfish fisheries in the BSAI or GOA for 3 out of the past 5 years as documented by a CFEC permit and signed fish tickets and/or appropriate NMFS documentation (starting date for five years is 2003).

Suboption 1. include crew in the license program.

Suboption 2. require that new Certified Skippers licenses accrue to individuals with demonstrated fishing experience (Groundfish – BSAI/GOA, state or federal waters) similar to halibut/sablefish program.

Under any alternative that establishes QS and annual harvest privileges, access to those annual harvest privileges is allowed only when fishing with a Certified Skipper onboard. Certified Skipper Licenses are non-transferable. They accrue to an individual and may not be sold, leased, bartered, traded, or otherwise used by any other individual.

Option 3. (**Applies to Alternative 2 only**) Allocate to skippers and/or crew

Suboption 1. Initial allocation of 5% shall be reserved for captains and/or crew

Suboption 2. Initial allocation of 10% shall be reserved for captains and/or crew

Suboption 3. Initial allocation of 15% shall be reserved for captains and/or crew

Defer remaining issues to a trailing amendment and assumes simultaneous implementation with rationalization program.

### **G-26. Incentive species**

#### **Alternative 2 and Alternative 3**

Incentive species are:

Arrowtooth flounder, deepwater flatfish, flathead sole, rex sole, shallow water flatfish.

Option. The portion of historic unharvested West Yakutat Pacific cod TAC will be made available as an incentive fishery, subject to provision of incentive fisheries.

#### Allocation of incentive species

Allocations of incentive species groundfish primary species harvest shares (QS) will be made to historical participants using the following threshold approach:

Allocate harvest shares as a fixed allocation in metric tons. The threshold is set as:

- Option 1. Total retained catch of the participants divided by the number of years in the qualifying period.
- Option 2. Total retained catch of the participants plus 25% divided by the number of years in the qualifying period.
- Option 3. Total catch of the participants divided by the number of years in the qualifying period.

If available TAC is less than the total fixed allocation in metric tons, then reduce allocations pro-rata amongst shareholders. If available TAC is greater than the threshold, available incentive fishery quota is amount by which the TAC exceeds the threshold.

#### Eligibility to fish in the incentive fisheries

- A. The unallocated QS for the incentive fisheries are available for harvest, providing the vessel has adequate halibut PSC and secondary species.
  - Suboption: vessels must be a member of a GOA fishing cooperative to fish in the incentive fishery.
- B. Any holder of halibut or sablefish IFQ that has adequate IFQ or halibut PSC and secondary species.

#### Catch accounting for and entry to the incentive fisheries

##### Use of allocated QS and incentive fishery quota

Owners of shares must utilize all their shares for an incentive species before participating in incentive fishery for that species.

- Option 1. The individual co-op member's apportionment of the allocated incentive species QS must be used prior to the individual gaining access to the incentive fishery unallocated portion. The co-op will notify NMFS when a vessel enters the incentive fishery quota pool.
- Option 2. The co-op's allocation of incentive species QS must be fished before gaining access to the unallocated portion of the incentive species quotas. The co-op members through a contractual coop agreement will address catch accounting amongst the co-op members.
- Option 3. For shareholders not participating in co-op, the unallocated incentive species are available for harvest once the individual IFQ holder's allocation of the incentive species has been used.

## Trawl Gear Alternatives

### T-1. Transferability - Leasing Alternative 2 and 3

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of trawl QS/GH who receive initial allocations of Pcod, pollock, or aggregate rockfish primary species less than:

- a. 60<sup>th</sup> percentile
- b. 65<sup>th</sup> percentile
- c. 70<sup>th</sup> percentile
- d. 75<sup>th</sup> percentile

Their initial allocation of primary species trawl QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of trawl QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%
- b. 40%
- c. 50%

of their aggregate primary species trawl QS/GH for Pcod, pollock, and aggregate rockfish must either (a) be fished by a vessel which the trawl QS/GH holder owns at least

Option 1. 20%

Option 2. 30%

Option 3. 40%

Option 4. >50%

of, or (b) fished on a vessel with the trawl QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

(i.e. 75<sup>th</sup> percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

Option 1: ~~Apply leasing limitation only outside of cooperatives~~

Option 2: ~~Apply leasing limitation inside and outside of cooperatives~~

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20% — same as "hired skipper" requirement in halibut/sablefish program.

For trawl catcher vessels

Option 1. ~~No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ):~~

~~Suboption: Allowing leasing by initial recipients of QS (grandfather clause)~~

- Option 2. — Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.
- Option 3. — For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For trawl catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

**Alternative 3**

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20% — same as “hired skipper” requirement in halibut/sablefish program.

For trawl catcher vessels

- Option 1. — No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).  
 — Suboption: Allowing leasing by initial recipients of history (grandfather clause)
- Option 2. — Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.
- Option 3. — For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

For trawl catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

**T-2. Share Use — Owner on board**

**Alternative 2**

- Option 1: — Apply owner on board requirements only outside of cooperatives
- Option 2: — Apply owner on board requirements inside and outside of cooperatives

For trawl catcher vessels

A range of 0-70% of the trawl quota shares initially issued to fishers/harvesters would be designated as “owner on board.”

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exemption applies only to those initially issued quota shares

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of “owner on board” quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10-year period.

**T-3. Excessive share caps – individual caps on use and holdings**

**Alternative 2**

Caps will be expressed as QS units indexed to the first year of implementation.

- Option 1. — Caps apply to all harvesting categories by species with the following provisions:
1. — Apply individually and collectively to all harvest share holders in each sector and fishery.

2. ~~Percentage caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):~~

~~Trawl CV and/or CP (can be different caps)~~

~~Use cap based at the following percentile of catch history for the following species (i.e., 75th percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify) pollock, Pacific cod, deepwater flatfish, rex sole, shallow water flatfish, flathead sole, Arrowtooth flounder, northern rockfish, Pacific ocean perch, pelagic shelf rockfish~~

~~Suboption 1. 75 %~~

~~Suboption 2. 85%~~

~~Suboption 3. 95 %~~

~~Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.~~

#### Application of caps to intercooperative transfers

~~To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.~~

#### CP QS/IFQ conversion to CV QS/IFQ

~~CP shares converted to CV shares will count toward CV caps~~

~~Caps will be applied to prohibit acquisition of shares in excess of the cap.~~

#### **Alternative 2 and 3**

History holdings of a co-op member to an individual shall be capped at:

- Option 1. 1% of the history by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish)
- Option 2. 3% of the history by area, sector and species groups
- Option 2.3 5% of the history by area, sector and species groups
- Option 3.4 20% of the history by area, sector and species groups
- Option 3-5 30% of the history by area, sector and species groups
- Option 4-6 no cap

Allocations to original issues would be grandfathered at the original level of history.

Apply individually and collectively to all harvest share holders in each sector and fishery.

Different caps can be chosen in the CV sector and the CP sector.

#### CP history conversion to CV history

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

#### **T-4. Excessive share caps – vessel use caps**

##### **Alternative 2 and 3**

Individual vessel use cap applies within coops

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

#### Cooperative vessel use cap

Co-op use caps for harvest shares on any given vessel shall be:

- Option 1. — Set at the same level as the individual vessel level.
- Option 2. — 3 times individual vessel use cap.
- Option 3. — No use caps

#### **Alternative 3**

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. — 100%
- ii. — 150%
- iii. — 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

#### **T-6. Excessive share caps – cooperative use caps**

##### **Alternative 2**

Set co-op use caps at 25 to 100% of total TAC by species

##### **Alternative 2 and 3**

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish.
- Option 2. 25% by area, sector and species groups
- Option 3. 45% by area, sector and species groups
- Option 4. no cap

Separate caps can be chosen for the CV and CP sector

#### **T-8. Transferability – Eligibility to Receive**

##### **Alternative 2**

Persons eligible to receive harvest history or shares by transfer must be:

For CP history/shares:

- 1) Entities eligible to document a vessel
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer
- 4) Individuals eligible to document a vessel with at least 150 days of sea time

For CV history/shares:

- 1) Individuals eligible to document a vessel with at least 150 days of sea time
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer.

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

##### **Alternative 3**

Persons qualified to receive history by transfer include:

- 1) processors that associate with initial cooperatives and
- 2) for CP/CV history/shares:
  - a. entities eligible to document a vessel



- b. initial recipients of CV or CP harvest shares
  - c. community administrative entities eligible to receive shares/history by transfer
  - d. individuals eligible to document a vessel with at least 150 days of sea time
- 3) — Option 1. — US citizens who have had at least 150 days of sea time.
- Option 2. — Entities that meet U.S. requirements to document a vessel.
- Option 3. — Initial recipients of CV or C/P history
- Option 4. — individuals who are U.S. citizens.

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

## ***Alternative T2A – IFQ/Cooperatives with Processor License Limitation***

### **T2A-6. Rules Governing Cooperatives**

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by interco-op transfers.
- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- Coop membership agreements will specify that processor affiliated harvesters affiliates cannot participate in price setting negotiations except as permitted by general antitrust law.
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.

### **T2A-7. Harvest Share Allocations – A share/B share allocations**

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption : Processor affiliated vessels to receive entire allocation as A shares.~~

### **T2A-10. Processor License Qualifications**

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Eligible Processors – minimum annual processing  
Trawl

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Trawl and fixed gear eligible processors

Processors that meet criteria for both the trawl processor license and fixed gear processor licenses will be issued a single trawl/fixed gear license

Processor history would be credited to (and licenses would be issued to):

Operator – must hold a federal or state processor permit.

Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

A licensed processor may operate an unlimited number of facilities under one license.

### **T2A-12. Processing Use Caps**

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

- Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor
- Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Processing caps apply at the entity level.

Initial issues that exceed the processor use cap are grandfathered at their current level

### **T2A-13. License ownership restrictions on processors**

(Applies at the entity level) by region

- ~~Option 1. No restrictions~~
- ~~Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses~~

Processors may acquire additional licenses so that they hold a combination of licenses allowing them to process 'A' shares from both the fixed gear and trawl gear sectors. Owners of fixed licenses can buy trawl/fixed licenses, owners of trawl/fixed may not buy additional licenses.

## ***Alternative T2B – IFQ/Cooperatives with Processor Linkages***

### **T2B-6. Rules Governing Cooperatives**

- Annual allocations of cooperative members would be issued to the cooperative.
- Co-op members may internally allocate and manage the co-op's allocation per the co-op membership agreement. Subject to any harvesting caps that may be adopted, member allocations may be transferred and consolidated within the co-op to the extent permitted under the membership agreement.
- Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut mortality, as may be adjusted by interco-op transfers.

- Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- ~~Coop membership agreements will specify that Processor processor affiliates affiliated harvesters cannot participate in price setting negotiations except as permitted by general antitrust law.~~
- Co-ops may engage in inter-cooperative transfers to the extent permitted by rules governing transfers of shares among sectors (e.g., gear groups, vessel types).
- Require that a cooperative accept membership of any eligible participant subject to the same terms and conditions that apply to other cooperative members.
- ~~The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FCMA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.~~

**T2B-7. Harvest Share Allocations – A share/B share allocations**

If a processor limited entry alternative is chosen, CV primary species harvest shares will be issued in two classes. Class A shares will be deliverable to a licensed processor *to which the shares are linked*. Class B shares will be deliverable to any processor as authorized under this program. Only the annual allocations will be subject to the Class A/Class B distinction. All long term shares or history will be of a single class.

~~Suboption – Processor affiliated vessels to receive entire allocation as A shares.~~

**T2B-9. Processor License Qualifications**

To qualify for a processor license, a processor must have purchased and processed a minimum amount of groundfish by area and region as described below in at least 4 of the following years:

- Option 1. 1995-2001
- Option 2. 1995-2002
- Option 3. 1998-2003
- Option 4. 2000-2004
- Option 5. 1995-2003

Eligible Processors -- minimum annual processing

- Suboption 1. 2000 mt
- Suboption 2. 1000 mt
- Suboption 3. 500 mt

Processor history would be credited to (and licenses would be issued to):

- Operator – must hold a federal or state processor permit.
- Custom processing history would be credited to the processor that purchased the fish as indicated on the fish ticket and paid for processing

If a processor meets the threshold for total purchased and processed groundfish for all their facilities combined, but does not meet the threshold for any one facility then the processor would be issued a license for the facility in which it processed most fish.

**T2B-10. Linkage (Linkages apply by area)**

~~A harvester’s processor linked shares are associated with the licensed trawl processor to which the harvester delivered the most pounds of groundfish during the last \_\_\_ years of prior to 2004.~~

- \_\_\_\_\_ i. \_\_\_\_\_ 1
- \_\_\_\_\_ ii. \_\_\_\_\_ 2
- \_\_\_\_\_ iii. \_\_\_\_\_ 3

~~A harvester’s processor linked shares are associated with the licensed fixed or trawl processor to which the harvester delivered the most pounds of primary groundfish species by area (Western Gulf; Central Gulf & West Yakutat (combined)) and region (North/South) during the~~

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last \_\_\_ years of prior to 2004.
  - i. 1
  - ii. 2
  - iii. 3

**Suboption:**

A harvester is initially eligible to join a cooperative in association with a processor who processed  
 a) 80% or b) 90%  
 of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the  
 harvester linked shares are with the processor that processed the most qualified landings and the processor that  
 processed the second most qualified landings on a pro rata basis

Processors with history at multiple facilities in a community may aggregate those histories for determining  
 associations.

Option 1: If the processing facility with whom the harvester is associated is no longer operating in the  
 community, and another processing facility within the community has not purchased the history, the  
 harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the  
 community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
  - i. ~~any licensed processor~~
  - ii. ~~any licensed processor in the community~~
  - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

Option 2: If the processing facility with whom the harvester is associated is no longer operating in the  
 community, the harvester is eligible to ~~deliver to~~ develop a new association in the following order:

- 1) The licensed processor to whom the harvester delivered the second most pounds in the  
 community as long as that processor accounts for at least 20% of harvester's history
- 2) Any licensed processor in the community
- 3) The licensed processor to whom the harvester delivered the second most pounds in the region
- 4) Any licensed processor in the region
  - i. ~~any licensed processor~~
  - ii. ~~any licensed processor in the community~~
  - iii. ~~the licensed processor to whom the harvester delivered the second most pounds~~

The Council requests staff provide a discussion paper addressing the effect of a use cap on the number of  
 processors in a region.

**T2B-12. Transferability of eligible processor licenses**

Processor licenses can be sold, leased, or transferred.

Within the same region

If the license is transferred outside the community of origin, then vessel linkages are broken and vessels are  
 allowed to develop a new association with any licensed processor within the same community or, if no processor  
 exists in the community, within the same region. ~~deliver to any licensed processor.~~

**T2B-13. License Transfers Among Processors In the same community**

- Option 1. any share association with that license will transfer to the processor receiving the license.  
 All harvest share/history holders will be subject to any share reduction on severing the  
 linkage, as would have been made in the absence of the transfer.

Option 2. any share associated with the license will be free to associate with any licensed processor. Harvest share/history holders will be free to move among processors without share/history reduction.

Option 2. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for movement the first year; for the second year, half penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

Option 3. Any share association with that license will transfer to the processor receiving the license. All harvest share/history holders will be subject to any share reduction at the full penalty for the first year; for the second year, no penalty applies to change the processor association. Harvest share holders would be allowed to develop a new association with a licensed processor within the same community if another processor is in the community or if no processor in the community within the same region.

### **T2B-14. Processing Use Caps**

Processing caps apply at the entity level by processor license type (by CGOA and WGOA regulatory areas) on A share landings:

Option 1. Range 70% to 130% of TAC processed for all groundfish species for the largest licensed processor

Option 2. Processing use caps would be equal to a percentage that would allow contraction of processing companies in the fishery by 20%, 30%, or 50% of the number initially qualified processing companies

(Note: There is no limit on the amount of fish licensed processor can buy from the open B share classed fish)

Initial issues that exceed the processor use cap are grandfathered at their current level.

### **2B-15. License ownership restrictions on processors**

Applies at the entity level by region

Option 1. No restrictions

Option 2. Trawl/fixed license holders cannot hold any additional fixed gear only licenses

Option 1. A maximum of one facility license

Option 2. A maximum of two facility licenses

Option 3. A maximum of three facility licenses

Option 4. An unlimited number of facility licenses

Initial issues that exceed the license ownership cap are grandfathered at their current level.

## ***Alternative T3 – Cooperatives/Limited Access with Processor Associations***

### **T3-3. Cooperative Eligibility - Catcher Vessel Cooperatives**

Catcher vessel co-ops may be established within sectors between eligible harvesters in association with an eligible processor. A harvester is initially eligible to join a cooperative in association with the processor to which the harvester delivered the most pounds of primary species by area (Western Gulf, Central Gulf, & West Yakutat combined) and region (North/South) during the

- a) qualifying years.
- b) most recent 1, 2, or 3 years from the qualifying years.
- c) last 4 years prior to 2004

Provisions applied to a, b, and c:

For the following species groups:

- Pollock

- Pacific cod
- Aggregate rockfish
- Aggregate flatfish
- All groundfish

Suboption for All groundfish: A harvester is initially eligible to join a cooperative in association with a processor who processed a) 80% b) 90%

of the harvesters eligible history. If no processor processed this percentage of a harvester's eligible history, the harvester can enter into initial cooperatives with the processor that processed the most qualified landings and, the processor that processed the second most qualified landings on a pro rata basis.

### **T3-6. Duration of Initial Cooperative Agreements**

Duration of initial cooperative agreements:

- Option 1. 1 year
- Option 2. 2 years
- Option 3. 3 years
- Option 4. Any length agreed between the co-op participants.

Different options may apply to CV and CP coops

### **T3-7. Catcher Vessel - Cooperative/processor associations**

Option 1: If the processing facility with whom the harvester would be initially associated is no longer operating in the community, and another processing facility within the community has not purchased the history, the harvester is eligible to deliver to in the following order

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~
  - 1) The processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
  - 2) Any processor in the community
  - 3) The processor to whom the harvester delivered the second most pounds in the region
  - 4) Any processor in the region

Option 2: If the processing facility with whom the harvester would be initially associated is no longer operating in the community, the harvester is eligible to deliver to in the following order

- ~~i. any licensed processor~~
- ~~ii. any licensed processor in the community (If there are no eligible processors in that community, the harvester may join a co-op in association with any eligible processor within the region.)~~
- ~~iii. the licensed processor to whom the harvester delivered the second most pounds~~
  - 1) The processor to whom the harvester delivered the second most pounds in the community as long as that processor accounts for at least 20% of harvester's history
  - 2) Any processor in the community
  - 3) The processor to whom the harvester delivered the second most pounds in the region
  - 4) Any processor in the region

CV cooperatives must be associated with an eligible processing facility  
Processors can associate with more than one co-op.

Processors with history at multiple facilities in a community may aggregate those histories for determining associations.

The eligible processor is:

- 1) prior to satisfying an exit requirement, a processor that the harvester is initially eligible to associate with in a cooperative, and
- 2) after satisfaction of an exit requirement, any processor

### **T3-10. Movement between cooperatives**

An initial cooperative formation period shall be established beginning with year one of program implementation and extended for the period identified below.

Option 1. no initial formation period (0 years)

Option 2. period is 1 year

Option 3. period is 2 years

Option 4. period is 3 years

Different options may apply to CV and CP sectors

After the initial cooperative formation period, a holder of GH that meets the requirements of an initial cooperative agreement for exiting a cooperative may leave an initial cooperative and join a cooperative in association with any processor pursuant to a Contract that meets the requirements of rules governing cooperatives.

### **T3-11. Rules Governing Cooperatives**

The following provisions apply to all cooperatives:

- a. The harvesters that enter into a co-op membership agreement shall be the members of the co-op. The processor will be an associate of the cooperative but will not be a cooperative member.
- b. Except for CP cooperatives, a pre-season Contract between eligible, willing harvesters in association with a processor is a pre-requisite to a cooperative receiving an allocation of GQ. For an initial co-op, the Contract must meet the initial cooperative agreement requirements.
- c. The co-op membership agreement and the Contract will be filed with the RAM Division. The Contract must contain a fishing plan for the harvest of all co-op fish.
- d. Co-op members shall internally allocate and manage the co-op's allocation per the Contract.
- e. Subject to any harvesting caps that may be adopted, GH or GQ may be transferred and consolidated within the co-op to the extent permitted under the Contract.
- f. The Contract must have a monitoring program. Monitoring and enforcement requirements would be at the co-op level. Co-op members are jointly and severally responsible for co-op vessels harvesting in the aggregate no more than their co-op's allocation of primary species, secondary species and halibut PSC mortality, as may be adjusted by inter-cooperative transfers.
- g. Co-ops may adopt and enforce fishing practice codes of conduct as part of their membership agreement. Co-ops may penalize or expel members who fail to comply with their membership agreement.
- h. Co-op membership agreements will specify that processor affiliated vessel harvesters cannot participate in price setting negotiations concerning price setting, except as permitted by general antitrust law, code of conduct, mechanisms for expelling members, or exit agreements.
- i. Co-op membership agreements shall allow for the entry of other eligible harvesters into the co-op under the same terms and conditions as agreed to by the original agreement. Harvesters that have never been a member of a cooperative must enter an agreement that meets all requirements for an initial co-op, as specified under initial cooperative agreement requirements.
- j. The cooperatives formed under this program are harvest associations that are intended only to conduct and coordinate harvest activities of their members and are not FMCA cooperatives. Processor affiliated vessels will be permitted to join harvest cooperatives.

### **T3-17. Processing Use Caps**

Processors shall be capped at the entity level.

No processor shall process more than:

- Option 1. 25% of total harvest by area and primary species groups in Section 3.3.5

Option 2. 50% of total harvest by area and primary species groups in Section 3.3.5

Option 3. 75% of total harvest by area and primary species groups in Section 3.3.5

Option 4. no cap

Option 5. no cap in areas with two or fewer processors.

Processors eligible to associate with an initial cooperative will be grandfathered.

There is no limit on the amount of fish that an eligible processor can buy from the open access fishery.

The Council requests that staff provide:

- 1) Distributions of Quota share by Area and Sector for aggregate rockfish and aggregate flatfish species groups for LLP catch history from 3 to 200 miles (EEZ, excludes parallel fish catch) for purposes of excessive share caps.
- 2) Distributions of Quota share by Area and Sector for pollock, Pacific cod, aggregate rockfish and aggregate flatfish species groups for LLP catch history from 0 to 200 miles (includes parallel fish catch) for purposes of excessive share caps.
- 3) Provide the number of potentially qualifying licenses by processing entity for 2A
- 4) Provide the number of potentially qualifying facility licenses by processing entity for alternative 2B
- 5) Potential Association combinations between processors and vessels for alternative 2 & 3

Staff is requested to separate CV and CP alternatives (applies to all gear types).



## **Fixed Gear Alternatives**

The Council requests staff to split the fixed gear sector into two distinct but parallel sectors, longline and pot.

### **NOTE: THE FOLLOWING CHANGES TO THE "F" SECTION APPLY TO THE POT SECTOR ONLY.**

Should the fixed gear longline sector and/or the fixed gear jig sector wish to modify current alternatives for GOA Groundfish rationalization they should provide direction to the AP and Council. It is not the Council's intent to have these sectors impact the timeframe for decision regarding rationalization of the pot and trawl sectors.

## **F-1. Transferability - Leasing**

### **Alternative 2 and 3**

Active participation requirements for trawl CVs (leasing restrictions):

1. For initial issuants of pot QS/GH who receive initial allocations of Pcod less than:
  - a. 60<sup>th</sup> percentile
  - b. 65<sup>th</sup> percentile
  - c. 70<sup>th</sup> percentile
  - d. 75<sup>th</sup> percentile

Their initial allocation of primary species pot QS/GH can be leased freely for the first 3 years of the program.

2. For initial issuants of pot QS/GH who receive initial allocations greater than the amount established above in 2 of 3 most recent years:

- a. 30%
- b. 40%
- c. 50%

of their aggregate primary species pot QS/GH for Pcod must either (a) be fished by a vessel which the pot QS/GH holder owns at least

Option 1. 20%

Option 2. 30%

Option 3. 40%

Option 4. >50%

of, or (b) fished on a vessel with the pot QS/GH holder on board.

3. After 3 years from the start of this rationalization program, the above option 2 applies to all QS/GH holders.

(I.e. 75<sup>th</sup> percentile represents the amount of harvest shares that is greater than the amount of harvest shares for which 75% of the fleet will qualify.)

Leasing requirements imposed on cooperative members will be monitored by the cooperative. Compliance will be reported in the cooperative annual report.

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as "owner on board" shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

Option 1: ~~Apply leasing limitation only outside of cooperatives~~

Option 2: ~~Apply leasing limitation inside and outside of cooperatives~~

Leasing of QS is defined as the transfer of annual IFQ permit to a person who is not the holder of the underlying QS for use on any vessel and use of IFQ by an individual designated by the QS holder on a vessel which the QS holder owns less than 20%—same as “hired skipper” requirement in halibut/sablefish program.

For fixed gear catcher vessels

Option 1. — No leasing of CV QS (QS holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the IFQ).

— Suboption: — Allowing leasing by initial recipients of QS (grandfather clause)

Option 2. — Allow leasing of CV QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

Option 3. — For individuals and entities with CV QS, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the QS holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species shares held by the QS holder in at least 2 of the most recent 4 years were harvested.

For fixed gear catcher processors

Allow leasing of CP QS, but only to individuals and entities eligible to receive QS/IFQ by transfer.

**Alternative 3**

Leasing of history is defined as the use of the resulting annual allocation by a person who is not the holder of the underlying history on any vessel and use of that annual allocation by an individual designated by the history holder on a vessel which the history holder owns less than 20%—same as “hired skipper” requirement in halibut/sablefish program.

For fixed gear catcher vessels

Option 1. — No leasing of CV history (history holder must be on board or own at least 20% of the vessel upon which a designated skipper fishes the annual allocation).

— Suboption: Allowing leasing by initial recipients of history (grandfather clause)

Option 2. — Allow leasing of CV history, but only to individuals and entities eligible to receive history by transfer.

Option 3. — For individuals and entities with CV history, no leasing restrictions for the first three years. After this grace period, leasing will be allowed in the following calendar year if the history holder is on board or owns 20 percent or greater of a vessel on which 30 percent of the primary species history held by the history holder in at least 2 of the most recent 4 years were harvested.

For fixed gear catcher processors

Allow leasing of CP history, but only to individuals and entities eligible to receive history by transfer.

**F-2. Share Use – Owner on board**

**Alternative 2**

Option 1: — Apply owner on board requirements only outside of cooperatives

Option 2: — Apply owner on board requirements inside and outside of cooperatives

For fixed gear catcher vessels

A range of 0-80% of the fixed gear quota shares initially issued to fishers/harvesters would be designated as “owner on board.”

All initial issues (individuals and corporations) would be grandfathered as not being required to be aboard the vessel to fish shares initially issued as “owner on board” shares. This exemption applies only to those initially issued quota shares.

In cases of hardship (injury, medical incapacity, loss of vessel, etc.) a holder of "owner on board" quota shares may, upon documentation and approval, transfer/lease his or her shares a maximum period of 3 years out of any 10 year period.

### **F-3. Excessive share caps – individual caps on use and holdings**

#### **Alternative 2**

Caps will be expressed as QS units indexed to the first year of implementation.

Option 1. Caps apply to all harvesting categories by species with the following provisions:

1. Apply individually and collectively to all harvest share holders in each sector and fishery.
2. Percentage caps by species and management area are as follows (a different percentage cap may be chosen for each fishery):

Longline and Pot CV and/or CP (can be different caps)

-based on the following percentiles of catch history for the following species:

Pacific cod, pelagic shelf rockfish, Pacific ocean perch, deep water flatfish (if Greenland turbot is targeted), northern rockfish

_____	Suboption 1.	75 %
_____	Suboption 2.	85%
_____	Suboption 3.	95 %

Option 2. Caps equal to a percentage that would allow contraction of QS holders in the fishery by 20%, 30% or 50% of the number of initially qualified QS recipients by species and sector.

#### **Application of caps to intercooperative transfers**

To effectively apply individual ownership caps, the number of shares or history that each cooperative member could hold and bring to cooperatives would be subject to the individual ownership caps (with initial allocations grandfathered). Transfers between cooperatives would be undertaken by the members individually, subject to individual ownership caps.

#### **CP QS/IFQ conversion to CV QS/IFQ**

CP shares converted to CV shares will count toward CV caps

Caps will be applied to prohibit acquisition of shares in excess of the cap.

#### **Alternative 2 and 3**

History holdings of a co-op member shall be capped at:

- |           |   |
|-----------|---|
| Option    | 0.5% of the history by area, sector and species   |
| Option 1. | 1% of the history by area, sector and species groups (pollock, Pacific cod aggregate rockfish, aggregate flatfish |
| Option 2. | 3% of the history   |
| Option 3. | 5% of the history by area, sector and species groups  |
| Option 4. | 20% of the history by area, sector and species groups   |
| Option 5  | 30% of the history by area, sector and species groups   |
| Option 6  | no cap  |

Allocations to original issuees would be grandfathered at the original level of history.

Apply individually and collectively to all harvest share holders in the pot p. cod sector.

#### **CP history conversion to CV history**

CP history and annual allocations converted to CV history and annual allocations will count toward CV caps

Caps will be applied to prohibit acquisition of history in excess of the cap. Conversion of CP history or annual allocations to CV history or annual allocations alone will not require a CP history holder or cooperative to divest CP history and annual allocations for exceeding CP caps.

#### **F-4. Excessive share caps – vessel use caps**

##### **Alternative 2 and 3**

##### **Individual vessel use cap (applies within coops)**

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. 100%
- ii. 150%
- iii. 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

##### **Cooperative vessel use cap**

Co-op use caps for harvest shares on any given vessel shall be:

- Option 1. — Set at the same level as the individual vessel level.
- Option 2. — 3 times individual vessel use cap.
- Option 3. — No use caps

##### **Alternative 3**

Vessel use caps on harvest shares harvested on any given vessel shall be set at

- i. — 100%
- ii. — 150%
- iii. — 200%

the individual use cap for each species. Initial issues that exceed the individual or vessel use caps are grandfathered at their current level as of a control date of April 3, 2003, including transfers by contract entered into as of that date.

#### **F-6. Excessive share caps – cooperative use caps**

##### **Alternative 2**

Set co-op use caps at 25 to 100% of total TAC by species

##### **Alternative 2 and 3**

Control of history or use of annual allocations by a co-op shall be capped at:

- Option 1. 15% by area, sector and species groups (~~pollock, Pacific cod aggregate rockfish, aggregate flatfish.~~
- Option 2. 25% by area, sector ~~Pcod~~
- Option 3. 45% by area, sector ~~Pcod~~
- Option 4. no cap

Different caps can be chosen for CPs and CV

#### **F-9. Retention of halibut out of season**

##### **Alternative 2**

Halibut incidentally caught may be retained outside the halibut season from Jan. 1 to start of commercial fishery. Any person retaining halibut must have adequate halibut IFQ to cover the landing. Retention is limited to (range 10-20%) of primary species.

- Option 1: — In all GOA areas.
- Option 2: — Limited to Areas 3A, 3B, and 4A.

The Council requests that staff notify the IPHC concerning these provisions.

## **F-10. Transferability – Eligibility to Receive**

### **Alternative 2**

Persons eligible to receive harvest history or shares by transfer must be:

For CP history/shares:

- 1) Entities eligible to document a vessel
- 2) Initial recipients of CV or C/P harvest shares
- 3) Community administrative entities eligible to receive shares/history by transfer
- 4) Individuals eligible to document a vessel with at least 150 days of sea time

For CV history/shares:

Individuals eligible to document a vessel with at least 150 days of sea time

Initial recipients of CV or C/P harvest shares

Community administrative entities eligible to receive shares/history by transfer.

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

### **Alternative 3**

Persons qualified to receive history by transfer include:

- 1) processors that associate with initial cooperatives and
- 2) For CP/CV history shares:
  - a) Entities eligible to document a vessel
  - b) Initial recipients of CV or CP harvest shares
  - c) Community administrative entities eligible to receive shares/history by transfer
  - d) Individuals eligible to document a vessel with at least 150 days of sea time

Option 1. — US citizens who have had at least 150 days of sea time.

Option 2. — Entities that meet U.S. requirements to document a vessel.

Option 3. — Initial recipients of CV or C/P history

Option 4. — individuals who are U.S. citizens.

Definition of sea time:

Sea time in any of the U.S. commercial fisheries in a harvesting capacity.

## **Alternative F2L – Fixed Gear Low Producer – IFQ/Cooperatives**

- Applies only to low producing fixed gear vessels
- Apply to all pot vessels
- Apply to all longline vessels

Low producing vessels are exempt from delivery requirements

**The Council made no additional changes to the other provisions**

## **Ecosystem Committee Minutes**

February 7, 2006 8-11 am  
Cascade 10, Doubletree Hotel, SeaTac, WA

**Committee:** Stephanie Madsen (chair), Doug DeMaster, Dave Fluharty, John Iani, David Benton, Jon Kurland, Jim Ayers, Diana Evans (staff)

**Others present included:** David Witherell, Chris Oliver, Bill Wilson, Sue Salveson, Joe McCabe, Cathy Coon, Meghan Jeans, Dave Fraser, Scott Highleyman, Jennifer Boldt, Ivonne Ortiz, Carla Gore, Jennifer Kassakian, John Gauvin, Bill Karp, Dorothy Childers, Susan Murray

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The Ecosystem Committee discussed the three items on its agenda. The next Ecosystem Committee meeting has tentatively been scheduled for the afternoon of Tuesday, April 4, 2006, at the Hilton Hotel in Anchorage, AK.

### **1. Ecosystem Forum in the Aleutian Islands (AIEF)**

Ms Evans provided a report on the Council's progress with the State of Alaska and other Federal agencies, to explore a regional ecosystem collaboration in the Aleutian Islands. At the Federal-State-Council meeting in mid-November, the group created a Steering Committee to develop an explicit statement of purpose and function (e.g., a charter for the AIEF). The Steering Committee has met once to develop a draft charter, and will present a final draft to the larger group at their next meeting, sometime in March or April. The draft statement of purpose describes the Forum as an information-sharing forum to increase coordination among agencies regarding ecosystem research and management activities. The Forum would not have independent jurisdiction.

Mr Joe McCabe, of NOAA General Counsel, discussed the Federal Advisory Committees Act (FACA) issues raised by the Council's participation in the AIEF. The Council cannot legally participate as a member of the AIEF if the Forum intends to come up with consensus positions, as this would constitute a non-Federal group (i.e., the Council) advising Federal agencies. There are several ways to comply with FACA requirements. First, the AIEF's purpose could explicitly be limited to information-sharing, in which case the FACA issues do not arise. Second, the AIEF could apply for a FACA Charter, although there are only a limited number available to Federal agencies, under which it would be FACA-compliant. Third, the Council could choose not to be a member of the AIEF, and instead participate in the meetings as an invited expert. The Ecosystem Committee discussed the various options, but did not provide a recommendation.

### **2. Update on ecosystem committee efforts in other regions**

Dr Fluharty described ongoing efforts in the Western Pacific FMC to create place-based Fishery Ecosystem Plans (FEPs). Ms Evans provided information on a recent series of workshops held by the four councils that received Federal funding for ecosystem-based management work, namely the Gulf of Mexico FMC, the South Atlantic FMC, the Mid-Atlantic FMC, and the New England FMC. Dr Fluharty also provided an update on the Great Barrier Reef Zone plan in Australia. The Committee requested that Ms Evans continue to track national and relevant efforts and apprise the Committee of further progress.

The suggestion was made that an "Ecosystem" topic might be added to the next Council Chair and Executive Director meeting agenda. Specifically, the Councils should share their respective progress on ecosystem-based management, and discuss the issue of jurisdiction and LME boundaries.

### **3. Aleutian Islands Fishery Ecosystem Plan**

Ms Evans summarized the recent revisions to the FEP discussion paper. The Committee provided revisions to the working definitions of ecosystem-based management identified in the paper. The Committee also engaged in an extensive discussion about how to move the development of the FEP from a theoretical to a practical basis, and suggested additional information be added to the discussion paper to describe where we are now in the process, and the transition to FEPs.

The Committee suggested other revisions to the discussion paper, including adding specific options for how to define a boundary for the AI FEP area, and a preliminary table of contents of the FEP. The Committee requested staff circulate the revised draft by email, so that any comments requiring revision could be included prior to the April Ecosystem Committee meeting. In April, the Committee will review the revised discussion paper, and provide the Council with a detailed recommendation as to how to move forward with the AI FEP.

Enforcement Committee Meeting February 7, 2006  
1-3pm  
Doubletree Hotel  
Seattle Washington

Committee Present: Commander: Mike Cerne, Ken Hansen, Roy Hyder (Chair), Bill Karp, Sue Salvesson, Herman Savikko, Garland Walker, and Cathy Coon (staff).

Public Present: Lt. Dan Schaffer, Brian Corrigan, Guy Holt, Brent Pristas, Jay Ginter, and Capt. Norman Custard

Automated Identification System

The Committee received a presentation on automated identification systems (AIS) from USCG LCDR Bob Hendrickson. The presentation covered the existing regulations, pending regulatory changes, and differences between AIS and vessel monitoring systems (VMS).

The current regulations state that all commercial vessels 65' or larger are required to carry an operating AIS on board. The current regulations do not apply to commercial fishing vessels and small entities (i.e. tow boats and large passenger boats) unless operating in a Vessel Traffic Service (e.g., only PWS in Alaska). However, a final rule is in the regulatory process that would require any commercial fishing vessel > 65' to carry an AIS.

AIS's implementation was for safety at life at sea (SOLAS), but secondarily post 9/11 as a maritime domain awareness (MDA) tool. The USCG is charged to be aware of all maritime activities from the coastline out to 2,000 miles. AIS reports course, speed, position, heading, navigational status, and identifies specific vessels on screen.

AIS is different than VMS. VMS is satellite based and proprietary as the data is held by NOAA Fisheries and information is supplied to the USCG. VMS is strictly utilized for fishery management and law enforcement as mandated by Magnuson. AIS is VHF based (line of sight only), and its purpose is for safety. AIS requires a one time installation cost of \$2,500-7,000, depending on vessel size. There is no cost for transmission. There are 19 approved types of AIS and these can be viewed at: [www.navcen.uscg.gov](http://www.navcen.uscg.gov)

The Committee requests that the Council place an item in the newsletter regarding upcoming AIS requirements.



## VMS

The Committee recommends the Council discuss the upcoming VMS analysis during staff tasking. The Committee requests the Council discuss modifying existing Alternative 2 in the upcoming analysis as follows:

Include a new sentence in Alternative 2.

Require a transmitting VMS on any vessel with any federal fishing permit, including an IFQ permit, when it is operating. A transmitting VMS would also be required on any other commercial fishing vessel that operates in the EEZ with authorized fishing gear (other than hand troll gear, handline gear, or power troll gear) defined in 50 CFR 679.2. A vessel would be considered "operating" any time it is not in a port. If the vessel is in a port, the vessel would be considered "operating" during the landing or transshipment of fish or fish products.

The benefits of this modification include:

- 1) addresses the State's concern on putting VMS onto state permitted only salmon and herring vessels.
- 2) it would reduce the staff's analytical burden

The Committee recognizes there may be continued discussion by the Council on other gear sectors in the analysis, however, this modification identifies gear types not reasonably capable of taking groundfish in the EEZ. Additional discussion may occur regarding the difference between IFQ permit holders and the vessels themselves.

## Chiniak Gulley control sites closures

The Committee received an information report from Sue Salveson, NOAA Fisheries. The Council is scheduled to take final action on a proposed regulatory amendment that would allow for a seasonal closure in the Chiniak Gully area of the CGOA for an AFSC comparative study to assess the affect of fishing on the dynamics of pollock behavior. The area in question overlaps with a trawl gear test area used by the Kodiak fleet. The scientists are requesting the area be closed for testing gear due to concerns over gear interference or interactions within the experimental site. The analysis indicates that persons who wish to perform gear performance tests can continue to do so in areas in the GOA where pelagic or NPT gear types are not otherwise prohibited.

The Committee recommends the Council accept the recommendation of NOAA Fisheries for control site closures.

### Board of Fisheries Adak P. cod proposal

The Committee received an update on the February 3<sup>rd</sup> Joint Board and Council Protocol meeting. This was an informational report and the Committee has no recommendations. However, the Committee reiterated its concern that federal SSL/EFH requirements (e.g., VMS) be incorporated into the BOF proposal.

### Crab Rationalization

The Committee discussed tangential enforcement issues that occur when instituting new programs. Specific examples stated were regulatory language and enforcement concerns.

A current issue was reported on sea ice conditions potentially affecting the delivery locations of crab in the Northern crab IFQ area. NOAA Fisheries Enforcement has no authority to grant waivers in this situation. Another enforcement concern is reports of vessel operators high grading crab based on size and condition. ADF&G reports high grading may be detected based on comparisons between NMFS survey data on shell age seen during summer surveys and comparisons to crab delivered to processing plants. The Department noted that through the Board of Fisheries process, that the harvest strategy could be adjusted to incorporate the increased mortality associated with discard crab.

### Topics for the next meeting:

VMS

GOA Rationalization- if closure areas are available (*tentative*)