

Impacts of Amendment 80 on BSAI Parallel Fisheries

Amendment 80 will dramatically change management of groundfish in the BSAI. The proposed action will allocate several groundfish species to ten sectors and develop a cooperative program for the non-AFA trawl catcher processor sector. These proposed actions are expected to reduced the race for fish by allowing sectors to harvest their allocation without fear of other sectors prematurely closing their fishery. Sector allocations could also encourage some sectors to form cooperatives, furthering the rationalization process. This in turn could reduce bycatch, improve retention, and improve utilization. Although these proposed actions are limited to the federal waters, these actions could have an impact on the State water parallel fisheries. Provided below is a discussion paper that describes the effects of the proposed action on the State water parallel fishery. Included in the discussion paper is background information on the parallel fishery, the impacts of the proposed action on the fishery, and information on creating a new category of LLP license for <60' trawl catcher vessels.

Background on the BSAI State-Water Parallel Fisheries

The parallel fishery takes place in Alaska jurisdictional waters, which are from shore to three nautical miles offshore. With the exception of sablefish and black rockfish, which are managed as State water fisheries, and the Pacific cod and rockfish fisheries in central AI¹, which have length and gear restrictions, all other BSAI groundfish occurring in State waters are managed as a parallel fishery. In a parallel fishery, there is no separate allocation to the State for management purposes. Instead, harvest that occurs in the parallel fishery is deducted from the appropriate gear allocation in the case of Pacific cod or from the Federal species TAC for all other groundfish. State management of the parallel fisheries is generally limited to openings and closures of the fishery, which generally correspond with Federal openings and closures.

Opening State waters allows for more efficient harvesting of fishery resources because many fish stocks straddle State and Federal jurisdiction and fishing either area enables vessels to select their best fishing opportunity. In some cases a significant portion of the Federal TAC is harvested within State waters. Closing State waters during the Federal fishery would severely limit fishing opportunities to both Federal and State permitted vessels. Table 1 summarizes the harvest, number of vessels, and number of delivers by species from inside State waters in the BSAI, based on data compiled by the ADF&G. Table 2 provides similar information by gear type. The data from Tables 1 and 2 are from Alaska Department Fish and Game Regional Information Report No. 4K03-59, "Bering Sea Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002. The data are preliminary and may not be all inclusive of parallel fishery harvest.

Of the many parallel fisheries that currently take place in the BSAI, the two largest are Pacific cod and pollock. In the Pacific cod fishery, 131 vessels on average harvested 13.3 million pounds from 1995 to 2002. During this period, the overall number of vessels has declined from a high of 162 in 1996 to 96 vessels in 2002. Harvest has also declined from a high of 21 million pounds in 1995 to approximately 9

¹ The State in March of 2000 established vessel length and gear restriction zones for Pacific cod and rockfish. Currently, there are two defined zones, each with different restrictions. Zone 1 includes state waters between Adak, Great Sitkin, and Tagalak Islands and waters adjacent to Adak Island in the Bay of Islands and between Boot Point and Cape Kagigikak. Zone 2 includes state waters between 175°30' and 177° W longitude inclusive of all waters defined in the first zone. Zone 1 restricts directed fishing for Pacific cod and rockfish to vessels less than 60' length overall using fixed gear throughout the entire year. Zone 2 restricts directed fishing for only Pacific cod to vessels less than 60' length overall using fixed gear from May 1 to September 15.

million pounds in both 2001 and 2002. Forty-five percent of the total 107 million pounds of Pacific cod harvested between 1995 and 2002 was harvested by trawlers, while pot vessels harvested 36 percent and longline vessels harvested 16 percent. In the pollock fishery, on average, 39 vessels harvested 13 million pounds annually between 1995 and 2002. Like the Pacific cod fishery, the pollock fishery has also seen a gradual decline in the number of vessels from a high of 55 in 1996 to a low of 24 in 1999. In recent years, the number of vessels has increased slightly too over 30. However, in contrast to the Pacific cod fishery, which was more diversified between gears, the pollock fishery is almost entirely a trawl fishery. Between 1995 and 2002, nearly 100 percent of all of the pollock was harvested by trawlers. Overall, the Pacific cod and pollock fisheries are the largest State water parallel fisheries in the BSAI, despite the decline in participation. The remaining State water parallel fisheries in the BSAI are generally incidental to the Pacific cod, pollock, halibut and sablefish directed fisheries.

Table 1. Retained round pounds, number of vessels, and number of deliveries by species from Alaska State waters in the BSAI from 1995-2002.

		Pacific cod	Pollock	Atka Mackerel	Pacific Ocean Perch	Shortraker Rougheye Rockfish	Sharpchin Northern Rockfish	Other Rockfish
1995	Harvest	20,539,276	28,412,682	440,476	33,883	14,080	2,186	27,125
	Vessels	155	46	36	18	19	5	37
	Deliveries	955	90	83	28	22	7	93
1996	Harvest	18,257,947	21,318,035	103,040	68,784	10,765	57,767	43,896
	Vessels	162	88	13	24	22	9	32
	Deliveries	893	102	21	36	27	11	57
1997	Harvest	4,550,359	18,763,624	17,710	10,532	8,325	0	21,198
	Vessels	108	37	8	17	23	0	32
	Deliveries	368	66	9	21	26	0	57
1998	Harvest	11,939,929	13,547,679	11,276	95,113	5,238	9,658	30,165
	Vessels	111	48	11	22	6	6	36
	Deliveries	374	93	14	36	11	7	102
1999	Harvest	18,340,012	1,509,911	534,477	38,743	11,299	22,257	26,007
	Vessels	138	24	14	13	9	14	31
	Deliveries	520	40	16	19	14	18	44
2000	Harvest	15,617,783	3,593,603	170,829	4,672	15,542	23,741	51,590
	Vessels	164	37	17	8	21	16	34
	Deliveries	580	53	25	10	28	25	74
2001	Harvest	8,732,444	5,497,150	50,893	5,646	8,079	11,583	55,169
	Vessels	112	37	16	8	22	7	42
	Deliveries	288	50	22	10	35	8	109
2002	Harvest	8,699,963	11,237,328	22,795	5,403	1,070	6,452	52,789
	Vessels	96	31	16	14	10	11	37
	Deliveries	265	54	30	19	14	16	79

Source: Alaska Department of Fish and Game Regional Information Report No 4K03-59: Bering Sea - Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002.

Table 2. Harvest in pounds by gear type from Alaska State waters in the BSAI from 1995-2002.

Pacific Cod						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	12,265,060	2,003,742	5,496,569	769,828	4,077	20,539,276
1996	5,857,109	446,532	11,546,495	393,159	14,652	18,257,947
1997	814,481	1,476,499	2,048,986	208,215	2,178	4,550,359
1998	3,975,800	4,128,820	3,624,994	209,937	379	11,939,930
1999	8,995,797	1,447,771	7,542,991	353,454	0	18,340,013
2000	5,378,628	3,612,076	6,524,176	102,063	840	15,617,783
2001	3,819,442	3,879,698	918,731	114,572	0	8,732,443
2002	7,399,379	452,205	584,781	263,271	0	8,699,636
Pollock						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	28,411,848	15	171	648	0	28,412,682
1996	21,220,981	0	97,055	0	0	21,318,036
1997	18,736,861	3	24,595	2,165	0	18,763,624
1998	13,540,291	6,114	1,274	0	0	13,547,679
1999	1,508,674	918	319	0	0	1,509,911
2000	3,583,310	5,339	4,654	0	0	3,593,303
2001	5,469,771	27,247	132	0	0	5,497,150
2002	11,237,311	6	1	10	0	11,237,328
Atka Mackerel						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	434,834	2	4,447	1,193	0	440,476
1996	102,296	0	744	0	0	103,040
1997	17,664	3	43	0	0	17,710
1998	11,161	0	115	0	0	11,276
1999	533,652	675	150	0	0	534,477
2000	164,118	5,930	781	0	0	170,829
2001	45,124	5,058	711	0	0	50,893
2002	22,795	0	0	0	0	22,795
Pacific Ocean Perch						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	33,728	0	93	62	0	33,883
1996	68,784	0	0	0	0	68,784
1997	6,838	0	3,694	0	0	10,532
1998	95,113	0	0	0	0	95,113
1999	37,838	0	896	0	0	38,734
2000	4,290	382	0	0	0	4,672
2001	5,646	0	0	0	0	5,646
2002	5,403	0	0	0	0	5,403
Shortraker-Rougheye Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	241	13,645	0	194	0	14,080
1996	519	10,246	0	0	0	10,765
1997	1,078	7,247	0	0	0	8,325
1998	1,732	3,506	0	0	0	5,238
1999	1,207	10,092	0	0	0	11,299
2000	169	12,976	0	0	0	13,145
2001	0	8,020	59	0	0	8,079
2002	6	1,064	0	0	0	1,070

Sharpchin-Northern Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	2,186	0	0	0	0	2,186
1996	57,746	0	21	0	0	57,767
1997	0	0	0	0	0	0
1998	9,658	0	0	0	0	9,658
1999	21,811	184	262	0	0	22,257
2000	16,065	7,592	5	80	0	23,742
2001	7,094	4,489	0	0	0	11,583
2002	6,446	6	0	0	0	6,452
Other Rockfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	1,376	25,402	20	327	0	27,125
1996	112	43,613	81	90	0	43,896
1997	757	20,115	26	300	0	21,198
1998	4,777	25,230	158	0	0	30,165
1999	9,308	16,518	180	0	0	26,006
2000	1,072	50,409	24	85	0	51,590
2001	1,605	53,281	282	0	0	55,168
2002	401	52,262	0	126	0	52,789
Greenland Turbot						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	174,281	111,906	18	4	0	286,209
1996	760	175,618	0	0	0	176,378
1997	1,417	93,250	0	0	0	94,667
1998	1,022	338,314	0	0	0	339,336
1999	11,138	74,419	1,051	0	0	86,608
2000	1,523	123,453	5	0	0	124,981
2001	55	145,592	2,177	0	0	147,824
2002	52	42,531	789	0	0	43,372
Arrowtooth Flounder						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	11,484	9,009	26	283	0	20,802
1996	33,038	1,451	27	0	0	34,516
1997	16,035	4,882	30	0	0	20,947
1998	30,340	832	0	0	0	31,172
1999	749,169	3,457	0	0	0	752,626
2000	11,520	14,905	85	0	0	26,510
2001	13,130	17,968	2,797	0	0	33,895
2002	32,070	1,681	97	20	0	33,868
Rock Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	52,460	0	110	0	0	52,570
1996	121,696	0	12	0	0	121,708
1997	63,863	0	50	0	0	63,913
1998	135,519	0	17	0	0	135,536
1999	210,956	0	271	0	0	211,227
2000	94,228	1	24	0	0	94,253
2001	117,098	17	0	0	0	117,115
2002	144,293	0	0	0	0	144,293

Yellowfin Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	170	0	2,887	0	0	3,057
1996	87,333	0	669	0	0	88,002
1997	10	0	83	0	0	93
1998	9,694	0	77	0	0	9,771
1999	55,521	3	1,164	0	0	56,688
2000	452	636	38	0	0	1,126
2001	61,307	0	4	0	0	61,311
2002	27,144	0	0	0	0	27,144
Flathead Sole						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	2,064	0	55	0	0	2,119
1996	70,285	0	5	0	0	70,290
1997	27,332	0	0	0	0	27,332
1998	39,119	0	2,768	0	0	41,887
1999	77,466	431	300	0	0	78,197
2000	10,895	240	81	0	0	11,216
2001	20,836	746	6	0	0	21,588
2002	68,525	0	0	0	0	68,525
Other Flatfish						
Year	Trawl	Longline	Pot	Mechanical Jig	Hand Troll	Total
1995	854	0	357	0	0	1,211
1996	39,658	10	2	0	0	39,670
1997	30,836	0	81	0	0	30,917
1998	59,618	5	1,017	0	0	60,640
1999	46,405	0	0	0	0	46,405
2000	3,011	1	40	0	0	3,052
2001	21,175	0	0	0	0	21,175
2002	5,504	0	0	0	0	5,504

Source: Alaska Department of Fish and Game Regional Information Report No. 4K03-59: Bering Sea - Aleutian Islands Area State-Waters Groundfish Fisheries and Groundfish Harvest from Parallel Seasons in 2002.

Impacts of Amendment 80 on the Parallel Fishery

The actions proposed under Amendment 80 will not change the open access nature of the BSAI groundfish parallel fishery. All that will be required to fish in the BSAI parallel fishery is a State of Alaska permit. The State does not require vessels fishing inside State waters during the Federal fishery to hold a Federal permit. The State can adopt parallel fishery management measures similar to those in a Federal fishery (such as season dates, bycatch limits, and allowable gear types) as long as the measures are consistent with Alaska State regulations.

Although Amendment 80 will not restrict the open access nature of the parallel fishery, the proposed action will potentially impact non-LLP participants and LLP license holders participating in the BSAI groundfish fishery. One potential impact arises because the State likely/probably cannot restrict vessels from fishing inside State waters based on a vessel's AFA or non-AFA distinction. Under Amendment 80, groundfish will be allocated to AFA and non-AFA vessels separately. Once one of these sectors has harvested their allocation for a species, that sector would be prohibited from targeting that species in Federal waters. However, the State and Federal government likely/probably cannot restrict these same trawl vessels from fishing off the other trawl sector's allocation within State waters. For example, if the AFA trawl catcher vessel sector is permitted to target Pacific cod in State waters, then non-LLP vessels

could also target Pacific cod inside State waters by fishing off the AFA sector's allocation. This same issue also arises if license holders harvest their sector allocation then move into the parallel fishery and fish off the other trawl catcher vessel sector's allocation. Unfortunately, any solution the State might implement to restrict access to a parallel fishery based on a vessels AFA or non-AFA distinction are limited and could be extremely difficult to implement.

A second issue in need of clarification is the accounting of parallel fishery catch if cooperatives have formed. The proposed action under Amendment 80 could develop cooperatives for the non-AFA trawl catcher processor sector. After the groundfish quota is allocated to the cooperatives, it is unclear how NMFS would deduct parallel fishery catches by non-cooperative vessels from groundfish allocations that have been assigned to the cooperatives.

In general, the effects of the parallel fishery in conjunction with the proposed action could limit the benefits gained from sector allocations and cooperative formation. Allowing trawl vessels to harvest their allocation and then move into the parallel fishery and fish off the other trawl sector's allocation could result in these vessels racing each other in order to prevent these vessels from targeting their allocation inside State waters. This in turn would limit the benefits gained from Amendment 80 including bycatch reduction and its associated mortalities, safety, efficiency, and further rationalization in all sectors.

New Category of LLP for <60' Trawl Vessels

At the June 2004 meeting, the Council requested staff to provide an analysis of whether a new category of LLP is needed for vessels less than 60' LOA in the Aleutian Islands trawl fisheries. The limited availability of licenses with both trawl endorsements and Aleutian Islands endorsements has prompted some in the industry to request the Council to modify the LLP to generate more licenses for trawl vessels less than 60' LOA. Unfortunately, the lack of detail included in the June 2004 Council motion prevents a thorough analysis of the alternatives and their impacts. In order to provide some useful information for the Council concerning this issue, this section provides catch history of trawl vessels less than 60', an overview of the number of gear and area endorsements in the Bering Sea and Aleutian Islands, market availability of trawl licenses, and some questions, when addressed, will further clarify the details of reclassifying endorsements of the LLP licenses.

Tables 3 and 4 show the number of trawl and non-trawl vessels without a LLP and/or Bering Sea endorsement that retained Bering Sea Pacific cod² (does not include whole Pacific cod destined for meal product) inside State waters. Since this section only addresses the need for a new LLP category, these tables do not include data for vessels that do not need a federal license to participate the federal groundfish fishery. For vessels less than 60', the number of vessels that retained Bering Sea Pacific cod was minimal between 1995 and 2003. Two vessels retained Pacific cod in 1999, three in 2001, and only one in 2003. For trawl vessels greater than or equal to 60', vessels retaining Pacific cod were limited to only one or two per year between 1995 and 2003. For non-trawl vessels under 60', the number of vessels retaining Pacific cod was the largest in 1995 and between 2000 and 2002. For example, in 1995, 8 vessels retained 22 mt of Pacific cod, while in 2001, 15 vessels retained 202 mt of Pacific cod. For non-trawl vessels greater than or equal to 60', the number of vessels retaining Pacific cod was significantly larger than the other grouping noted above. Between 1995 and 2003, the number of vessels ranged between 19 retaining 781 mt in 1996 and 4 retaining 46 mt in 2002.

² Does not include whole Pacific cod destined for meal production.

Table 3. Annual retained round metric tons of Bering Sea Pacific cod¹ caught inside State waters and the number of trawl catcher vessels without a LLP and/or Bering Sea endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	0	0	0	0
1996	0	0	*	1
1997	0	0	*	1
1998	0	0	*	2
1999	*	2	0	0
2000	0	0	0	0
2001	*	3	*	1
2002	0	0	*	1
2003	*	1	*	1

¹Does not include whole Pacific cod destined for meal production

*Confidential

Source: NPFMC IR/IU database.

Table 4. Annual retained round metric tons of Aleutian Islands Pacific cod¹ caught inside State waters and the number of non-trawl catcher vessels without a LLP and/or Bering Sea endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	22	8	81	7
1996	10	4	781	19
1997	*	2	202	14
1998	23	5	230	9
1999	*	2	154	18
2000	112	9	222	14
2001	202	15	266	6
2002	105	6	46	4
2003	*	3	980	9

¹Does not include whole Pacific cod destined for meal production

*Confidential

Source: NPFMC IR/IU database.

Tables 5 and 6 show the number of trawl and non-trawl vessels without a LLP and/or an Aleutian Islands endorsement that retained Aleutian Islands Pacific cod³ inside State waters. Again, since this section only addresses the need for a new LLP category, these tables do not include data for vessels that do not need a federal license to participate the federal groundfish fishery. For vessels less than 60', the numbers of vessels fluctuated from year to year, but has general increased between 1995 and 2003. In 1998, 4 vessels retained 299 mt, while in 2000, 12 vessels retained 1,115 mt. In 2003, seven vessels retained 1,431 mt. For trawl vessel greater than or equal to 60', the number of vessels increased from one in 2000 to 11 vessels retaining 3,374 mt in 2003. The number of non-trawl vessels under 60' was the largest in 1999

³ Does not include whole Pacific cod destined for meal production.

and 2000 when 24 and 28 vessels retained 1,802 mt and 1,676 mt, respectively. For non-trawl vessels greater than or equal to 60', the numbers were larger between 1999 and 2001. In 1999, 4 vessels retained 98 mt, and in 2001, eight vessels retained 35 mt.

Table 5. Annual retained round metric tons of Aleutian Islands Pacific cod¹ caught inside State waters and the number of trawl catcher vessels without a LLP and/or an Aleutian Islands endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	0	0	0	0
1996	*	3	0	0
1997	0	0	0	0
1998	299	4	0	0
1999	1,416	9	0	0
2000	1,115	12	*	1
2001	986	8	390	4
2002	1,107	5	2,511	7
2003	1,431	7	3,374	11

¹Does not include whole Pacific cod destined for meal production.

*Confidential

Source: NPFMC IR/IU database.

Table 6. Annual retained round metric tons of Aleutian Islands Pacific cod¹ caught inside State waters and the number of non-trawl catcher vessels without a LLP and/or an Aleutian Islands endorsement. Excluded are vessels that do not need a LLP to participate in a federal groundfish fishery.

Year	Vessels < 60'		Vessels >= 60'	
	Retained Tons (mt)	Vessels	Retained Tons (mt)	Vessels
1995	*	1	*	1
1996	907	14	0	0
1997	*	1	0	0
1998	*	1	0	0
1999	1,802	24	98	4
2000	1,676	28	24	6
2001	*	1	35	8
2002	0	0	*	3
2003	*	2	*	3

¹Does not include whole Pacific cod destined for meal production.

*Confidential

Source: NPFMC IR/IU database.

Table 7 shows the number of endorsements that have been issued on Federal groundfish licenses with a Bering Sea and/or Aleutian Islands endorsement. The far right column is the number of licenses with specific endorsements that have been issued to fish in the BSAI. The other columns provide information on the specific endorsements assigned to those licenses. The first two columns on the left side of the table identify the gear endorsements on the licenses. “No” in the column indicates that they are not endorsed to use that gear type; “Yes” in the column means they may legally use that gear type. Using the “Grand Total” column and the “Gear Endorsements” columns we know that 343 of the 563 licenses may be used

by vessels deploying only non-trawl gear. The remaining 220 licenses may be used on trawl vessels, with 85 of the 220 also endorsed for non-trawl gear. In the “Fixed Gear Cod Endorsement” columns, licenses are grouped by fixed gear Pacific cod endorsements. The BSAI endorsement section of the table shows whether the license includes an endorsement for the Bering Sea, Aleutian Islands, or both.

Table 7: Groundfish licenses that are endorsed for the Bering Sea/Aleutian Islands.

Gear Endorsements		Fixed Gear Cod Endorsements				BSAI endorsements			Total Licenses		
TRAWL	NON TRAWL	CP HAL	CP POT	CV POT	CV HAL	Both AI & BS	AI Only	BS Only			
No	Yes	No	No	No	No	80	10	135	225		
				Yes	No	5			5		
				Yes	No	9		55	64		
				Yes	Yes			2	2		
				Yes	No	2		3	5		
				Yes	Yes	1			1		
		Yes	No	No	No	No	32		2	34	
					Yes	Yes	1			1	
				Yes	No	Yes	No	1			1
						Yes	Yes	3			3
				Yes	No	Yes	Yes	1			1
						Yes	No	1			1
		Total for Licenses with No Trawl Gear Endorsement						136	10	197	343
		Yes	No	No	No	No	No	76		59	135
Yes	No					23	2	50	75		
Yes	No		No	Yes	Yes		1		1		
				Yes	No	1		3	4		
				Yes	No	5			5		
Total for Licenses with Trawl Gear Endorsement						105	3	112	220		
Grand Total of All Bering Sea/Aleutian Islands Licenses						241	13	309	563		

Source: NMFS Groundfish LLP database.

Information contained in Table 7 shows the number of licenses for each subarea and both subareas combined. Currently there are 13 licenses endorsed for the Aleutian Islands subarea only. All of these licenses may be used on non-trawl gear vessels, but only one is endorsed to participate in the directed fixed gear Pacific cod fishery (as a hook-and-line catcher vessel). Three of the 13 licenses are also endorsed for use on trawl vessels. They may participate in the directed Pacific cod fishery, but only with trawl gear. The remaining 550 licenses are either endorsed for both subareas or Bering Sea only. About 40% of the non-trawl gear licenses are endorsed for both subareas, and about 50% of the licenses endorsed for trawl gear are endorsed for both subareas. The majority of licenses are endorsed for the Bering Sea subarea only.

Currently there are 108 licenses with both trawl gear and Aleutian Island endorsements. Of these, 50 are endorsed for catcher vessels, while the remaining 58 licenses are endorsed for catcher processors. Of the 50 licenses endorsed for catcher vessels, the maximum vessel length for these endorsements ranges from 82 to 200 feet. In general, licenses with higher maximum vessel lengths will command higher prices because of the potential for higher profits.

Currently, the market for licenses with trawl and AI endorsements is extremely tight. To better assess the current availability of licenses with trawl gear and Aleutian Islands endorsements, several brokers were contacted in Alaska and Washington. No broker contacted had any licenses with AI or BSAI and trawl endorsements. Several of the brokers stated that since the beginning of the LLP, the market for licenses with BSAI or AI area endorsements have been limited. In addition, several brokers believe that license

holders are holding on to their endorsements in anticipation of Amendment 80. With the potential for sector allocations and the likelihood for voluntary cooperatives to form in many sectors, it is likely that license holders are engaged in speculative behavior by holding on to their licenses until after the implementation of Amendment 80.

The market for licenses with BSAI or AI endorsements could tighten even further if the proposed action is implemented. One of the likely outcomes of the proposed action is development of volunteer cooperatives in many of the sectors. For example, some members of the trawl catcher vessels industry have already expressed an interest in joining the AFA trawl catcher vessels sector for the purposes of harvesting non-pollock groundfish allocations. If voluntary cooperatives are formed in the trawl catcher vessel sector, cooperative members could receive all of the monetary benefits of the cooperative without going fishing. This would likely create more of an incentive for current license holders to hold on to their licenses and further restricting the market for trawl catcher vessels licenses.

Any decision to create a new category of endorsements might also take into account the original purpose of the LLP and the potential effects of any changes to the program. From the onset, the program was implemented to provide stability in the fishing industry by limiting the number of vessels that are eligible to participate in the groundfish and crab fisheries. The effect of this limit on participation places an upper limit on the amount of capitalization that may occur in these fisheries. Veering from this original purpose and adding a new category of endorsements could expand this upper limit, but would likely create more fishing opportunities for trawl catcher vessels less than 60' LOA wishing to enter the AI Pacific cod fishery. Creating a new category of LLP endorsements could also set a precedent for other LLP and non-LLP participants to seek further changes to the program in the future. In addition, adding a new category of endorsements could undermine the value of the existing licenses. In general, creating a new category of endorsements is likely to have different impacts to the license limitation program and the industry, and each impact should be considered when determining the need to revise the LLP.

Finally, the Council also requested staff include in the analysis the possibility for reclassifying endorsements attached to licenses to be used in the AI <60' trawl fishery. Unfortunately, the lack of details included with this option also prevents any meaningful analysis at this time. The following list provides questions that when addressed will provide further clarification on the creation of a new license category for <60' trawl catcher vessels and the option for reclassifying LLP licenses with BSAI and/or AI endorsements for use on <60' trawl catcher vessels.

- Is the intent of the program to take latent license from their owners and give them to active participants? How would you define the licenses whose activity would be reviewed and the definition of latent?
- Is the intent of the program to change the structure of existing licenses to create more trawl licenses for vessels less than 60' LOA operating in the BS and/or AI? How would the licenses be redistributed?
- Is the intent of the program to create new licenses that have not existed in the past? How would people qualify for these licenses? What restrictions would be placed on their use, transferability, and ownership?
- If licenses were reclassified, how would the process work? For example, would the reclassification process apply to the license or the endorsement associated with the license. Would the reclassification process remove an endorsement from existing license and apply it to a new license (recall that endorsements are currently permanently affixed to the license) or simply reclassify endorsements that are currently attached to a license?
- How would the reclassification process work with BSAI licenses that have multiple area endorsements? Would both the BS and AI endorsements be reclassified or just one of the endorsements?
- What is the criterion for reclassifying a license or endorsement? For example, would the criterion be applied to latent licenses based on some period of inactivity?

- Would the reclassification process remove gear restrictions from the Aleutian Islands endorsement on licenses that can be used by vessels up to 60' LOA? Doing so would allow any Aleutian Islands endorsed license for vessels <60' LOA to use trawl gear in the AI.
- Would the reclassification processes apply only to the existing licenses with trawl catcher vessel and Aleutian Islands endorsements or would the reclassification process apply to other gears and areas?
- Would reclassified licenses be awarded to participants who targeted Pacific cod only in State waters in the Aleutian Islands using catcher vessels less than 60'LOA? If not, who would hold the newly reclassified license? For example, would the federal government hold the newly reclassified license or would the existing license holder still have possession of the license? Would the license be transferable or would the vessel owner need to give the license back to NMFS if it is not be actively used?
- With any major change in a program there is likely to be some speculative behavior by the participants. For example, current license holders that anticipate their license being reclassified, sell the license to gain a profit. How would the reclassification process deal with this speculative behavior?