

**Gulf Pacific Pacific cod sector splits
 North Pacific Fishery Management Council
 March/April 2007**

At its February 2007 meeting, the Council reviewed a discussion paper exploring the goals, objectives, elements and options of a division of the Gulf of Alaska Pacific cod fishery among various sectors and the removal of latent licenses from fisheries in the Gulf. In response, the Council indicated its intent to consider addressing these issues through separate actions. In addition, the Council expressed its interest in taking further testimony on the issues at this meeting prior to developing a statement of purpose and need and alternatives for consideration.

This paper examine possible goals, objectives, elements, and options for dividing the Pacific cod TAC among sectors in the Gulf of Alaska. The section begins with a brief, background description of the Gulf of Alaska Pacific cod fisheries. The background section includes information concerning use of the Pacific cod resource in the Gulf in recent years. The background discussion is followed by a brief discussion of possible purposes and needs for this action. That section includes the Council’s purpose and need statements from previous actions that divided the Bering Sea and Aleutian Islands Pacific cod resource among different sectors and a draft problem statement prepared by staff.

Background

To gain some perspective on the fishing of Gulf of Alaska Pacific cod, this section provides a brief description of the Gulf fisheries that harvest Pacific cod. Three separate area TACs are identified for Gulf of Alaska Pacific cod, Western Gulf, Central Gulf, and Eastern Gulf.

The Western Gulf and Central Gulf TACs are divided seasonally, with 60 percent of each TAC allocated to the A season and 40 percent of each TAC allocated to the B season. The A season for fixed gear vessel begins on January 1st; the trawl gear A season opens on January 20th. The A season ends on June 10th. The B season begins on September 1st and ends November 1 for trawl gear and at the end of the year for non-trawl gear. This seasonal distribution of catch was implemented as a Steller sea lion protection measure. The TACs are not divided among gear types, but are divided between the inshore and offshore, with 90 percent allocated to the inshore component and 10 percent allocated to the offshore component.¹

Gear	A season (60 percent)		B season (40 percent)	
	begins on	ends on	begins on	ends on
Fixed	January 1	June 10	September 1	December 31
Trawl	January 20			

In general, inseason managers monitor catch in the fishery, timing the closure of the directed fishery to allow full harvest of the TAC. To meet that goal, the closure must be timed to leave only enough of the TAC to support incidental catch in other fisheries during the remainder of the season.² So, managers attempt to time the A season closure to have a sufficient portion of the A season TAC available for incidental catch until the A season ends on June 10th. Any A season overage or incidental catch between the end of the A season (June 10th) and the beginning of the B season (September 1st) is accounted for against the B season TAC. Incidental catch when the direct fishery is closed is limited as a maximum

¹ Under regulation, 20 percent of the TAC of each Gulf species (including Pacific cod) can be held in reserve for later allocation to accommodate bycatch. In recent years, NOAA Fisheries has allocated the reserves as part of the annual specifications process.

² If catch were to exceed the TAC, managers would put the species on PSC status, under which no retention would be permitted.

retainable allowance (MRA). An MRA limits the amount of a non-directed species catch that may be retained to a percentage of directed species catch. For Pacific cod, the MRA with respect to all directed species is 20 percent. So, when Pacific cod is not open for directed fishing, a vessel may retain Pacific cod in an amount up to 20 percent of its catch of species that are open for directed fishing.³ Also, Pacific cod is an Improved Retention/Improved Utilization species. So, all catch must be retained, if open for directed fishing, and all catch up to the MRA must be retained, if closed to directed fishing.

In addition to the Pacific cod allocations, halibut Prohibited Species Catch (PSC) apportionments are important to the Pacific cod fishery, particularly the trawl sector. In the Gulf, halibut harvests in the Pacific cod fishery are accounted for against the applicable halibut PSC allowance. Separate halibut mortality allowances may be made to trawl, hook-and-line, and pot gear. In recent years, the pot gear fisheries have received no allowance, as halibut mortality is negligible in the current pot fisheries. Halibut mortality is apportioned seasonally to both the hook-and-line and trawl fisheries. The hook-and-line allowance is divided into three periods, January 1st to June 10th (the A season for Pacific cod), June 10th to September 1st, and September 1st to December 31st (the B season for Pacific cod). The trawl halibut PSC apportionment is divided not only seasonally, but also between the shallow-water species complex (pollock, Pacific cod, shallow-water flatfish, flathead sole, Atka mackerel, skates, and “other species”) and the deep-water species complex (all other species, which includes Pacific ocean perch, northern rockfish, pelagic shelf rockfish, and deep-water flatfish). Seasonally, shallow-water trawl halibut PSC is divided into four periods, January 20th to April 1st, April 1st to July 1st, July 1st to September 1st, and September 1st to October 1st. In addition, a separate apportionment that is not divided between shallow-water and deep-water is available for use from October 1st to December 31st.

Managers monitor halibut PSC catch in the Pacific cod fishery and close the directed fishery, if the available halibut PSC mortality apportionment is fully used. After such a closure, the directed fishery is typically reopened when the next apportionment of PSC becomes available. In recent years, managers have been compelled to close the directed trawl fishery on occasion because of constraining halibut PSC apportionments.

Entry to the Pacific cod fishery in federal waters is limited under the License Limitation Program (LLP).⁴ Licenses are issued with either a catcher vessel designation (which allows harvests) or catcher processor designation (which allows harvests and onboard processing). The inshore and offshore components, however, cannot simply be distinguished as catcher vessels and catcher processors, respectively. Instead the components are distinguished by processor type, with the inshore component comprised of shore plants, stationary floating processors, and vessels less than 125 feet in length that process less than 126 metric tons (in round-weight equivalents) per week of pollock and Gulf Pacific cod in the aggregate.⁵ Under this construction, two aspects of the regulations allow catcher processors license holders to participate in the inshore sector. First, a catcher processor license may be used to operate as a catcher vessel in the inshore fishery, delivering catch to a shore plant or floating processor. Second, a catcher processor less than 125 feet in length may choose to operate in the inshore sector by limiting its processing to less than 126 metric tons per week.⁶

³ Pacific cod catch is also retained in the halibut and sablefish IFQ program. Vessels fishing IFQ are required to retain Pacific cod up to the MRA, except if Pacific cod is on PSC status.

⁴ A description of the LLP is included in the section of this paper concerning latent licenses.

⁵ Incidental catch of Pacific cod in the halibut and sablefish IFQ fishery is accounted against the TAC corresponding to the processor type (i.e., inshore or offshore).

⁶ An additional exemption allows catcher vessels less than or equal to 60 feet in length in the inshore component to process onboard up to 1 mt of catch per day on vessels.

Contemporaneously with the fishery in federal waters (3 nm to 200 nm), the State of Alaska opens its waters (0 nm to 3 nm) to directed fishing for Pacific cod. This fishery in State waters (referred to as the ‘parallel fishery’) is prosecuted under the same rules as the federal fishery with catch counted against the federal TAC. In addition, the State of Alaska manages its own Pacific cod fisheries inside of 3 nm (referred to as the ‘State water fishery’), which is allocated a portion of the federal TAC. The State water fishery is open only to pot and jig vessels. Table 1 summarizes the allocations and seasons in the State water fisheries in the Central Gulf and Western Gulf. State fisheries are managed to a guideline harvest level (GHL), which limits total catch in the fishery in a manner similar to TAC limitation of harvests in the federal fisheries. State water GHLs are specified as a portion of the federal TAC, which can be increased annual if the GHL is fully fished. Currently, all GHLs are at the maximum amount permitted by State regulation, with the exception of the Prince William Sound fishery. The Prince William Sound GHL is at its regulatory minimum, because the fishery has not fully utilized that allocation.

Table 1. State water Pacific cod fisheries in the Gulf of Alaska.

Area	Season opening	Current GHL	Allocation		
			Pot gear (all vessels)	Pot gear (vessels over 58 feet)	Jig gear
Prince William Sound	7 days after federal closure	10 percent of Eastern Gulf TAC	up to 60 percent*	up to 60 percent	up to 100 percent
Cook Inlet	24 hours after federal closure	3.75 percent of Central Gulf TAC	75 percent*	up to 25 percent	25 percent*
Kodiak	7 days after federal closure	12.5 percent of Central Gulf TAC	50 percent*	up to 25 percent	50 percent*
Chignik	March 1	8.75 percent of the Central Gulf TAC	90 percent*	none	10 percent*
South Peninsula	7 days after federal closure	25 percent of the Western Gulf TAC	up to 85 percent*	none	up to 100 percent

*Subject to rollover, which occurs if the other gear type does not use the portion of the GHL available to it.

Fisheries in the State waters (including both the parallel fishery and the State water fishery) are not subject to license limitation. Both the parallel fishery and the State water fishery are prosecuted by both vessels that have LLP licenses for the federal fishery and vessels that have no federal LLP license.

To gain a general perspective on the distribution of catch in the Central Gulf and Western Gulf, Table 2 and Table 3 show preliminary estimates of catch by gear and operation types from 1995 to 2003. Information in these tables will be updated in a manner that corresponds to elements and options adopted by the Council, if the Council advances this action.

Table 2. Pacific cod catch in Western Gulf by Gear, Fishery, License, and Operation, (in hundreds of metric tons) 1995-2003.

Gear	Fishery	Catcher processor catch			Catcher vessel catch			All vessels
		Vessels with licenses*	Vessels without licenses	Total	Vessels with licenses*	Vessels without licenses	Total	Total
Jig	EEZ	-	-	-	0.2	0.2	0.4	0.4
	Parallel	-	-	-	2.2	7.4	9.6	9.6
	State	-	-	-	8.3	37.9	46.2	46.2
Hook-and-Line	EEZ	341.1	40.6	381.7	0.5	25.3	25.8	407.5
	Parallel	-	-	-	1.1	1.0	2.1	2.1
	State	-	-	-	-	-	-	-
Pot	EEZ	25.0	8.1	33.1	91.0	45.5	136.5	169.7
	Parallel	-	-	-	205.8	48.2	254.0	254.0
	State	-	-	-	268.2	28.2	296.4	296.4
Trawl	EEZ	39.4	4.4	43.9	792.3	13.1	805.4	849.2
	Parallel	-	-	-	174.1	3.2	177.3	177.3
	State	-	-	-	-	-	-	-
Total		405.5	53.2	458.7	1543.7	209.9	1753.7	2212.4

*Includes permanent and interim licenses.

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Source: ADF&G Fish tickets and Weekly Processor Reports.

Table 3. Pacific cod catch in Central Gulf by Gear, Fishery, License, and Operation (in hundreds of metric tons) 1995-2003.

Gear	Fishery	Catcher processor catch			Catcher vessel catch			All vessels
		Vessels with licenses*	Vessels without licenses	Total	Vessels with licenses*	Vessels without licenses	Total	Total
Jig	EEZ	-	-	-	0.8	0.3	1.0	1.0
	Parallel	-	-	-	6.2	7.5	13.6	13.6
	State	-	-	-	23.1	41.8	64.9	64.9
Hook-and-Line	EEZ	38.4	**	38.4	319.5	23.1	342.6	381.0
	Parallel	-	-	-	124.3	21.9	146.2	146.2
	State	-	-	-	-	-	-	-
Pot	EEZ	18.4	25.8	44.2	403.8	56.2	460.1	504.3
	Parallel	-	-	-	299.2	35.0	334.2	334.2
	State	-	-	-	234.5	42.9	277.4	277.4
Trawl	EEZ	145.1	21.4	166.5	1553.4	50.6	1604.0	1770.5
	Parallel	-	-	-	34.6	1.6	36.1	36.1
	State	-	-	-	-	-	-	-
Total		201.8	47.3	249.1	2999.2	280.9	3280.1	3529.2

*Includes permanent and interim licenses.

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**Withheld for confidentiality. Totals exclude this amount.

Source: ADF&G Fish tickets and Weekly Processor Reports.

The purported motivation for separation of the Pacific cod TAC among sectors is that the fishery is fully utilized and failing to allocate the TAC among sectors will allow participants to some sectors to impinge on the historic catch of other sectors. Several factors should be considered in assessing the extent to which the fishery is fully utilized. First, one can consider whether the TACs are fully harvested. In some recent years, some sectors have not fully harvested the Pacific cod TAC in the Western Gulf and Central Gulf management areas (see Table 4). In the three of the last six years, the inshore sector in the Western Gulf harvested less than 90 percent of the TAC. In the Central Gulf, the inshore sector harvested more than 90

percent of the TAC in all but one of the last six years. In the last three years, the offshore sector in both areas has harvested 75 percent of the TAC or less.

Table 4. Pacific cod catches, TACs, and percent of the TAC harvested in the Western and Central Gulf (2001-2006) (in metric tons).

Year	Western Gulf						Central Gulf					
	Inshore			Offshore			Inshore			Offshore		
	Catch	TAC	Percent harvested	Catch	TAC	Percent harvested	Catch	TAC	Percent harvested	Catch	TAC	Percent harvested
2001	12,461	16,470	75.7	1,700	1,830	92.9	25,255	27,225	92.8	2,066	3,025	68.3
2002	15,541	15,164	102.5	1,627	1,685	96.6	22,665	22,311	101.6	2,393	2,479	96.5
2003	14,029	13,905	100.9	2,206	1,545	142.8	22,601	20,421	110.7	2,228	2,269	98.2
2004	14,273	15,261	93.5	1,281	1,696	75.5	25,533	24,404	104.6	1,931	2,712	71.2
2005	11,982	14,118	84.9	424	1,569	27.0	22,348	22,577	99.0	361	2,509	14.4
2006	13,647	18,127	75.3	1,095	2,014	54.4	21,612	25,565	84.5	1,402	2,840	49.4

Source: NMFS annual catch reports

While considering catch levels relative to TACs gives some perspective on the level of utilization of the fisheries, other factors might also be considered. Given the season division of the Pacific cod TACs one could also consider the extent to which seasonal TACs are harvested. The A season TAC, which is harvested when Pacific cod are aggregated and more easily targeted and when roe peaks, is typically fully harvested. In addition, some catches are made in between the A and B seasons, which limit available TACs in the B season (see Table 5 and Table 6). In most recent years, A season catches have substantially exceeded the A season TACs in both areas. Most of this catch is made as incidental catch after the A season has closed. Catch between the A and B seasons is also substantial, particularly by the inshore sector in the Central Gulf.

Table 5. Western Gulf Pacific cod A season catches, TACs, and catches between the A and B seasons (2003-2006) (in metric tons).

Year	Western Gulf							
	Inshore				Offshore			
	A season catch	A season TAC	Percent harvested	Catch between A and B season	A season catch	A season TAC	Percent harvested	Catch between A and B season
2003	10,057	8,343	120.5	186	2,040	927	220.1	137
2004	10,536	9,157	115.1	61	626	1,017	61.6	203
2005	10,298	8,471	121.6	67	123	941	13.1	62
2006	12,299	10,876	113.1	27	666	1,208	55.1	66

Source: NMFS seasonal catch reports

Table 6. Central Gulf Pacific cod A season catches, TACs, and catches between the A and B seasons (2003-2006) (in metric tons).

Year	Central Gulf							
	Inshore				Offshore			
	A season catch	A season TAC	Percent harvested	Catch between A and B season	A season catch	A season TAC	Percent harvested	Catch between A and B season
2003	15,679	12,253	128.0	2,437	1,440	1,361	105.8	50
2004	15,673	14,643	107.0	1,767	1,347	1,627	82.8	121
2005	12,688	13,547	93.7	1,556	1,505	1,414	106.4	193
2006	15,529	15,339	101.2	1,357	1,704	1,679	101.5	253

Source: NMFS seasonal catch reports

Since the A season TAC is typically fully caught, any remaining TAC is from the B season. Halibut PSC has been a limiting factor in the B season frequently for the trawl sectors and occasionally for hook-and-line participants in recent years. With halibut PSC unavailable to support the fishery, much of the B season TAC has been left uncaught.

A further indicator of the utilization of a fishery is season length. In recent years, the A seasons for the different Gulf cod fisheries have closed because of harvest of the TAC approximately one month after the January 20th trawl opening (see Table 7). Halibut has rarely limited A season catches by the trawl sector. Some non-trawl participants believe that the relatively high catching power of the trawl fleet has limited their ability to maintain their catch levels in the fisheries. In addition, larger boats are likely more suitable to fish in these months.

Table 7. Pacific cod fishery A season closures (2001-2007).

Year	Western Gulf				Central Gulf			
	Inshore		Offshore		Inshore		Offshore	
	A season TAC closure	Halibut limiting in A season	A season TAC closure	Halibut limiting in A season	A season TAC closure	Halibut limiting in A season	A season TAC closure	Halibut limiting in A season
2001	February 27	no	May 24	yes	March 24	no	May 25	yes
2002	February 26	no	February 9	no	March 9	no	March 25	no
2003	February 17	no	March 20	no	February 9	no	February 1	no
2004	February 24	no	March 8	no	January 31	no	February 2	no
2005	February 24	no	February 22	no	February 26	no	February 22	no
2006	March 2	yes	February 19	no	February 28	yes	February 19	no
2007	March 8	no	February 14	no	February 27	no	February 14	no

Source: NMFS status of fisheries reports.

Catch by gear varies substantially year to year (see Table 8 and Table 9 for catch by gear in the Western Gulf and Central Gulf, respectively). The wide variation suggests no consistent pattern by which one gear type preempts the historic dependence of other gear types. The fluctuation in catch, however, suggests that effort levels vary across gear types on an annual basis, which could affect those most dependent on the fishery, regardless of gear type.

Table 8. Pacific cod catch by gear in the Western Gulf (2001-2005) (in metric tons).

Year	Trawl		Longline		Pot		Jig		Total Catch
	Catch	Percent of total	Catch	Percent of total	Catch	Percent of total	Catch	Percent of total	
	2001	6,942	49.0	4,196	29.6	3,023	21.3	NA	
2002	5,564	32.4	6,668	38.8	4,935	28.7	NA	NA	17,167
2003	2,089	12.9	4,481	27.6	9,619	59.2	46	0.3	16,235
2004	2,287	14.7	3,088	19.9	10,002	64.3	178	1.1	15,555
2005	4,648	37.7	1,132	9.2	6,507	52.7	52	0.4	12,339

Source: NMFS gear reports.

Table 9. Pacific cod catch by gear in the Central Gulf (2001-2005) (in metric tons).

Year	Trawl		Longline		Pot		Jig		Total Catch
	Catch	Percent of total	Catch	Percent of total	Catch	Percent of total	Catch	Percent of total	
	2001	17,429	63.8	5,748	21.0	4,144	15.2	NA	
2002	14,245	56.8	8,103	32.3	2,710	10.8	NA	NA	25,058
2003	16,823	67.8	4,905	19.8	3,056	12.3	42	0.2	24,826
2004	15,291	55.7	7,126	25.9	4,882	17.8	165	0.6	27,464
2005	9,842	43.6	4,551	20.1	8,047	35.6	154	0.7	22,594

Source: NMFS gear reports.

Purpose and Need

The first step in any action is to define the goals or objectives of the action. If the Council wishes to proceed with a Pacific cod sector split in the Gulf of Alaska, defining its purpose and need will aid in defining appropriate alternatives.⁷

The need for a sector division of the Pacific cod TACs in the Gulf could arise from several factors. Under the current management each sector's members must compete for a share of the TAC not only with other members of the sector, but also with members of other sectors. This competition across sectors can complicate efforts of some sectors to achieve improvements in their fishing. The need for the restructuring likely arises from these challenges in general, but could be more specifically enumerated in the purpose and need statement to focus alternatives.

Generally, the purpose and need statement could include factors such as:

- The need to eliminate the race between sectors to maintain harvest share,
- The need to reduce impact of incidental harvests on the distribution of catch among sectors,
- The need to provide each sector with an allocation that will reduce intrusion by other sectors,
- The need to reduce gear conflicts,
- The need to increase the ability of sectors to comply with management needs, including bycatch reduction, PSC limitations, and Steller sea lion restrictions,
- The need to improve economic and social stability within and among sectors and for service providers, and
- The need to preserve historic dependence of sectors on the fishery.

To the extent that the action is intended to address interaction among the sectors, the purpose and need statement could provide some indication of the characteristics that are integral to sector definition, which may include gear type, operation type (catcher vessel/catcher processor), or vessel length, or some combination of these factors. For example, the fixed gear vessels may be pressured to intensify effort early in the season to maximize their share of the TAC harvested prior to trawl vessels entering the fishery in late January. Similarly, the effort of large vessels could limit the ability of smaller participants to effectively participate in the fisheries. Additionally, entry level opportunities for small vessel fleets could be limited, if large vessels are able to quickly catch the entire TAC. Similar interactions could occur between catcher vessels and catcher processors. These interactions could occur in the directed fishery, but also through incidental catch after the directed fishery is closed. This pressure to fish for a share of the TAC could contribute to incidental catch, by limiting the incentive of a sector to reduce incidental catch. A complete statement of purpose and need should identify (or provide the basis for identifying) sector characteristics.

In the past, the Council has taken similar actions, dividing the Pacific cod resource in the Bering Sea and Aleutian Islands among different sectors. In the original action making such a division, Amendment 24 to the Bering Sea and Aleutian Islands Fishery Management Plan, the Council adopted the following problem statement:

***Amendment 24:** The Bering Sea/Aleutian Islands Pacific cod fishery, through overcapitalized open access management, exhibits numerous problems which include: compressed fishing seasons, periods of high bycatch, waste of resource, gear conflicts and an overall reduction in benefit from the fishery. The objective of this amendment is to provide a bridge to comprehensive rationalization. It should provide a measure of stability*

⁷ The Advisory Panel motion on this issue, which includes a draft statement of purpose and need and elements and options, is included as Appendix A to this paper.

to the fishery while allowing various components of the industry to optimize their utilization of the resource.

The Council further refined the sectoral division of the Pacific cod resource in the Bering Sea and Aleutian Islands in Amendment 46 to the Bering Sea and Aleutian Islands Fishery Management Plan. The revision of the sector division of Amendment 46 relied on the following problem statement:

Amendment 46: *The Bering Sea/Aleutian Islands Pacific cod fishery continues to manifest many of the problems that led the NPFMC to adopt Amendment 24 in 1993. These problems include compressed fishing seasons, periods of high bycatch, waste of resource, and new entrants competing for the resource due to crossovers allowed under the NPFMC's Moratorium Program. Since the apportionment of BSAI cod TAC between fixed gear, jig, and trawl gear was implemented on January 1, 1994, when Amendment 24 went into effect, the trawl, jig, and fixed gear components have harvested the TAC with demonstrably differing levels of PSC mortality, discards, and bycatch of non-target species. Management measures are needed to ensure that the cod TAC is harvested in a manner which reduces discards in the target fisheries, reduces PSC mortality, reduces non-target bycatch of cod and other groundfish species, takes into account the social and economic aspects of variable allocations and addresses impacts of the fishery on habitat. In addition, the amendment will continue to promote stability in the fishery as the NPFMC continues on the path towards comprehensive rationalization.*

After implementation of the License Limitation Program in 2000, the Council further subdivided the fixed gear allocations in Amendment 64 to the Bering Sea and Aleutian Islands groundfish Fishery Management Plan. The Council adopted the following problem statement for Amendment 64:

Amendment 64: *The hook-and-line and pot fisheries for Pacific cod in the Bering Sea/Aleutian Islands are fully utilized. Competition for this resource has increased for a variety of reasons, including increased market value of cod products and a declining ABC/TAC.*

Longline and pot fishermen who have made significant long-term investments, have long catch histories, and are significantly dependent on the BSAI cod fisheries need protection from others who have little or limited history and wish to increase their participation in the fishery.

This requires prompt action to promote stability in the BSAI fixed gear cod fishery until comprehensive rationalization is completed

The Council relied on this same problem statement to support its action under Amendment 67, which revised the gear and operation endorsements for Bering Sea and Aleutian Island fixed gear fisheries.

The Council took further action to revise the sector allocations of Pacific cod in the Bering Sea and Aleutian Islands in 2006. The Council adopted the following problem statement for Amendment 85 to the Bering Sea and Aleutian Islands groundfish Fishery Management Plan:

Amendment 85: *The BSAI Pacific cod fishery is fully utilized and has been allocated among gear groups and to sectors within gear groups. The current allocations among trawl, jig, and fixed gear were implemented in 1997 (Amendment 46) and the CDQ allocation was implemented in 1998. These allocations are overdue for review. Harvest patterns have varied significantly among the sectors, resulting in annual inseason*

reallocations of TAC. As a result, the current allocations do not correspond with actual dependency and use by sectors.

Participants in the BSAI Pacific cod fishery who have made significant investments and have a long-term dependence on the resource need stability in the allocations to the trawl, jig, fixed gear, and CDQ sectors. To reduce uncertainty and provide stability, allocations should be adjusted to better reflect historic use by sector. The basis for determining sector allocations will be catch history, as well as consideration of socio-economic and community factors.

As other fisheries in the BSAI and GOA are incrementally rationalized, historical participants in the BSAI Pacific cod fishery may be put at a disadvantage. Each sector in the BSAI Pacific cod fishery currently has different degrees of license requirements and levels of participation. Allocations to the sector level are a necessary step on the path towards comprehensive rationalization. Prompt action is needed to maintain stability in the BSAI Pacific cod fisheries.

The unifying rationale for the various actions revising sector allocations in the Bering Sea and Aleutian Islands Pacific cod fisheries is the need to maintain stability in the fisheries. Another stated purpose of the actions is the protection of long-term investments and historic dependencies on the Pacific cod resource. The problem statements also cite increased value of Pacific cod as stimulating competition in the fishery. The actions are also directed at reducing incidental catch, discards, and associated mortality of species other than Pacific cod in the Pacific cod fishery and of Pacific cod in other directed fisheries.⁸

Draft Statement of Purpose and Need

As requested by the Council, staff has prepared the following draft purpose and need statement for this action. The statement attempts to incorporate elements presented in public testimony and discussed by the Council and Advisory Panel at the February 2007 meeting.

The limited access derby-style management of the Western Gulf and Central Gulf Pacific cod fisheries has led to competition among the various gear types (trawl, longline, pot, and jig) and operation types (catcher processor and catcher vessel) for shares of the total allowable catch. Competition for the GOA Pacific cod resource has increased for a variety of reasons, including increased market value of cod products, rationalization of other fisheries in the BSAI and GOA, increased participation by fishermen displaced from other fisheries, a reduced federal TAC due to the state waters cod fishery, and Steller Sea Lion mitigation measures including the A/B seasonal split of the GOA Pacific cod TAC. The competition among sectors in the fishery may contribute to higher rates of bycatch, discards, and out-of-season incidental catch of Pacific cod. Participants in the fisheries who have made long-term investments and are dependent on the fisheries face uncertainty as a result of the competition for catch shares among sectors. Allocation of the TAC among sectors would reduce this uncertainty and contribute to stability across the sectors. Dividing the TAC among sectors may also facilitate development of management measures to address bycatch and PSC mortality issues.

Elements and Options

The Council could choose to develop elements and options for several aspects of sector allocations. The specific elements and options should be tailored to address issues identified in the purpose and need statement.

⁸ In addition, the purpose and need statement under consideration for Gulf rationalization is attached as Appendix B.

Areas

The first step in developing sector allocations is to determine the management areas to include in the alternatives. The justification for dividing a TAC among sectors is that the TAC is fully utilized and the various sectors impinge on one another through their harvest activity. If a TAC is not fully utilized, a division of the TAC is unlikely to address any sectoral interactions. In recent years, the Pacific cod TACs in the Western Gulf and Central Gulf have been fully harvested. In the Eastern Gulf, less than 10 percent of the TAC has been taken in recent years. Given the low level of harvests in the Eastern Gulf, division of the TAC among sectors in that area may be unnecessary and could prevent the full harvest of the TAC, if the division does not match the future interest in gear use and effort. Areas that could be selected for options are:

Provisions defining areas

Eastern Gulf
Central Gulf
Western Gulf

Relevant provisions in the Gulf rationalization package

Central Gulf
Western Gulf
West Yakutat

Sectors

For purposes of dividing the TAC, sectors should be defined in a manner that addresses the issues identified in the problem statement. For example, if sector stability across gear types is the prime concern, the division of the TAC should be defined in a manner that addresses the differences in fishing pressures across gear types. Variation in factors such as effort levels and catch per unit effort could be used to identify appropriate sectors. Using this approach trawl gear could be distinguished from fixed gear. In addition, fixed gear could be divided into separate gear types (i.e., longline, pot, and jig). In general sectors could be defined based on gear type, operation type, processing sector, vessel size, and combinations of thereof.

Catcher vessels could be distinguished from catcher processors (or the inshore component from the offshore component), if the different operation type is believed to contribute to competition and instability across these fleets. In defining the program, the Council should consider how the current inshore/offshore distinction is delineated, with small catcher processors permitted to fish the inshore TAC. The purpose of allowing limited onboard processing from the inshore component is to protect relatively small catcher processors from large catcher processors that may quickly take the entire offshore TAC. Removing this distinction could work to the detriment of these smaller catcher processors. If the current rule is maintained, history of catcher processors fishing in the inshore component could be counted toward the inshore allocation. If these small catcher processors are not permitted to fish the inshore TAC, removing small catcher processor history from the inshore TAC would acknowledge the historic dependency of small catcher processors on that allocation.

Depending on the current effort levels and catching power, a fixed gear sector could be defined by vessel size. In the Bering Sea and Aleutian Islands, a separate allocation is made to longline and pot catcher vessels under 60 feet. If a 'vessel length-based' allocation were to be considered in the Gulf, the Council could consider using a smaller threshold, as Gulf fisheries are typically prosecuted by smaller vessels than Bering Sea and Aleutian Islands fisheries. Such a distinction is applied in the LLP, under which vessels of

less than 32 feet are not required to have an LLP license for the groundfish fisheries in the Bering Sea and Aleutian Islands, while vessels of less than 26 feet are not required to have an LLP license for the groundfish fisheries in the Gulf. In considering whether a small vessel allocation is appropriate, the Council should also consider that a few relatively powerful vessels may have a substantial share of the small vessel historic catch. Establishing a separate allocation for small vessels could severely disadvantage these vessels, making a TAC based primarily on their catch history available to a large number of small vessels in what could be a developing sector. In addition, the Council should consider whether a distinction is necessary given the opportunities in the parallel fishery and the State water fisheries, neither of which are subject to license limitation.

Sector definitions

Gear

Trawl

Fixed

Longline

Pot

Jig

Operation type

Catcher vessel

Catcher processor

Vessel length

Relevant provisions in the Gulf rationalization package

Sectors are defined as:

Trawl catcher processor

Trawl catcher vessel

Longline catcher processor

Longline catcher vessel

Pot catcher processor

Pot catcher vessel

Jig

Options could define:

Low producing longline catcher vessels – vessels with catch below the mean or 75th percentile

Low producing pot catcher vessels – vessels with catch below the mean or 75th percentile

Suboption: only vessels below the catch threshold and less than 60 feet in length would be defined as low producers

The objective of the ‘low producer’ distinction in the rationalization program was to exempt small operators from provisions creating processor protections that are typically not present in sector allocations. Vessel length and operation size distinctions, however, could be used to provide small operator and entry level opportunities.

Criteria for determining allocations

The Council has used a variety of criteria for establishing the sector allocations. Most often, historical catches are examined to determine relative dependence of the various fleets on the fisheries subject to the TAC division. Typically, the Council has considered historical catch over a few time periods, with the intention of balancing historic and recent dependency. In some instances, the options have allowed a sector to drop its lowest catch year, if an event disrupted fishing in that year. It is possible that the

disruption that arose when Steller sea lion restrictions were implemented could justify exclusion of a year from consideration.

Catch histories

In developing historical catch estimates, the Council should also specify the catch that is to be considered. The Council at times has credited total catch (including discards) in determining catch histories. In other instances, the Council has chosen to only credit retained catch. Crediting only retained catch is generally favored, particularly for species that have relatively high market value, like Pacific cod. At times, the Council has also elected to exclude meal from certain estimates of historical catch. The exclusion of meal has usually been adopted when a certain segment would be particularly disadvantaged by the inclusion of meal in calculations. Specifically, small catcher processors without meal plants could be disadvantaged. The distinction is most relevant, if reliable estimates of the amount of catch that is committed to meal production are available. Generally, these estimates can be generated for catcher processors through Weekly Processing Reports. Less reliable estimates are available for shore-based plants. Fish tickets, at times, designate catch as ‘destined for meal production’. This estimate, however, is not particularly reliable and likely underestimates the amount of catch used in meal production. In the options for allocations in the Gulf rationalization program meal was excluded.

Most often, the Council has based allocations on catch of a sector during a period of years divided by catch of all sectors during those years. At times (to accommodate particular circumstances), the Council has chosen to base an allocation on a sector’s average annual percent of catch (i.e., determine the sector’s percent of catch for each year, then determine the average of those percentages). The use of an average annual percent is typically justified when annual catch has relatively large variations. Large TAC fluctuations or changes in circumstances across years (such as changes in area closures) could justify consideration of using average annual percentages for determining allocations.

Lastly, the allocation to the trawl sector should be decreased by allocation to participants in that sector in the Central Gulf rockfish pilot program during the tenure of that program. Since this allocation is already fixed as a percentage of the Central Gulf Pacific cod TAC, the simplest method of accommodating the allocation would be to reduce the trawl allocation by the percentage of the allocation to the pilot program for the life of that program.

Provisions for defining catch history allocations

Sector catch histories

Identify years

Identify number of years that can be dropped (if any)

Qualifying catch

Retained catch or total catch (including discards)

Include meal or exclude meal

Balancing provision

Decrease trawl allocation by the allocation to the rockfish pilot program (during the tenure of that program)

Relevant provisions in the Gulf rationalization package

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

95-01 drop 1, on a species by species basis

95-02 drop 1, on a species by species basis

95-02 drop 2, on a species by species basis

98-02 drop 1, on a species by species basis

98-03 drop 1, on a species by species basis

Suboption: Consider only A season harvests for 2001 and 2002.

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.

Qualified catch is from:

Option 1: 3-200 miles

Option 2: 3-200 miles, plus 0-3 miles parallel history

Suboption: catch history determined based on a percentage of retained catch per year

The rationale for excluding catch in the parallel fishery would not seem to apply to this action, since the sector allocations would apply to fishing in the federal fishery, as well as the parallel fishery.

Approaches to accommodate future growth and provide entry opportunities

If a sector provides entry opportunity or is in a developmental stage, the Council could supplement the allocation to that sector to allow for growth. Under this approach, allocations to some sectors could be based on historic use, while other sectors receive allocations based on other criteria. The Gulf rationalization alternatives included a provision that would allocate the jig sector between 100 percent and 200 percent of its historic catch.

Growth could also be accommodated for a small and growing sector by allowing the sector to increase its catch over time. This could be accomplished in a few ways. The Gulf rationalization alternatives package includes a provision that would account for catch in the jig sector in a manner similar to sport catch in the halibut fishery (which allows for growth up to a specific cap). Under this approach, jig sector portion of the TAC would be estimated before the season opened based on the previous year's catch, but would not be limited unless it approached the overall cap. The disadvantage of this approach is that it reduces certainty and could cause delays in the TAC setting process. Conservative TAC setting would likely result in managers reserving the amount of the cap for the sector to avoid potential overages.

Growth could also be accommodated for a small and growing sector by allowing the allocation to that sector to be increased over time, once that sector fully utilizes its allocation. Under this approach, an allocation could be increase incrementally within a range, each time the sector fully utilizes its allocation. For example, the allocation to a sector could be increased by one-half of one percent each time a sector fully uses its allocation. Growth could be limited by setting a maximum percent that the sector's allocation could reach.

Provisions to supplement allocations

Supplement historic allocation

One time increase in allocation

Flexible growth within a cap

Incremental increases (with possible cap)

Relevant provisions in the Gulf rationalization package

Jig fishery would receive an allocation of Pacific cod based on its historic landings in the qualifying years

100% - 200% of history

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 by Pacific cod by area:

100% - 200%

Reallocation of unused allocations

Although the Council could intend to accommodate growth in its alternatives, setting aside a portion of the TAC for a sector that would not fully utilize that allocation for some time could result in a harvestable portion of the TAC being left in the water. To avoid leaving a portion of the TAC unharvested the Council could use a rollover provision or a provision that makes an allocation available to other sectors after a set date. To implement such a provision, after a certain date, NOAA Fisheries would assess whether a sector is likely to fully utilize its allocation. If NOAA Fisheries projects that a portion of the allocation would remain unharvested, either a) the portion that is estimated to be unused could be reallocated to another sector, or b) one or more sectors could be permitted to catch any portion of the allocation that is unused. The difference between a rollover and the provision that would make the allocation available to other sectors is that the allocation would remain open to the original sector. Having the allocation remain open to the original sector could minimize disruption to the sector, particularly if it is a growing sector. This approach would also simplify inseason management, since it would require no action on the part of managers (unlike a direct rollover, which requires FR notice). The more direct rollover would be appropriate, if the sector that leaves quota is choosing not to fish because of other opportunities or because PSC is unavailable to harvest the rollover species. In that case, leaving the allocation available to the original sector is unlikely to deprive the sector of catch. If the Council were to adopt a provision that allowed incremental growth, provisions for rollovers for that sector could be avoided. The Council could choose specific timing for a rollover (or making a TAC available to different sectors), or leave that up to the discretion of NOAA Fisheries. More specific guidance could add certainty to these reallocations.

Reallocation of unused allocations

Rollovers

Specify order of preference for the rollovers – i.e., from which sector to which sector

Specify timing for any rollover

Allowing harvest of an allocation by other sectors

Specify which sectors allocations would come available and which sectors would be permitted to fish the allocations

Specify timing of opening

Relevant provisions in the Gulf rationalization package

None

Seasonal distribution of allocations

The simplest means of distributing catch across the A and B seasons would be to apply the existing 60 percent A season/40 percent B season distribution to each sector allocation. Any other distribution is likely to require extensive analysis to ensure adequate protection of Steller sea lion populations. If the Council wishes to examine other distributions, it should specify its approach. These options could be proposed to the Steller sea lion mitigation committee and incorporated into the ongoing consultation. Alternatively, any distribution that varies from the current seasonal distribution would need to be addressed through a separate consultation. In the absence of other direction from the Council, staff will assume that it wishes to maintain the current seasonal distribution for all sectors.

Measures to improve quality and product value

Some stakeholders may view the development of sector allocations as an opportunity to improve quality and product value. Management changes most often contribute to achieving these goals by slowing the race for fish, allowing participants time to better care for their catch or develop higher value products. If allocations are structured to prevent effort levels in one sector from affecting participants in another sector, the sector allocations, in and of themselves, could facilitate some of these improvements. Additional measures, such as trip limits or other effort limits, could be implemented with intent to

improve quality and value. While these limitations could lead to improved product value, they also could increase costs (particularly during periods of relatively high fuel prices). Whether these types of provisions are appropriate for incorporation into an action concerning sector allocations depends on the Council's purpose and need statement. Effort limits would be ancillary to this action, if the Council elects to adopt a problem statement that intends to protect sectors from interactive effects of multiple sectors fishing from a common TAC. Analysis of trip limits or other effort limitations of that type could substantially extend the time needed to develop and analyze alternatives.

Measures to reduce bycatch and address habitat concerns

Bycatch reduction and habitat protection could also be incorporated into the action to divide Gulf Pacific cod TACs among different sectors. The relationship between actions intended to protect the various sectors from interactive effects of fishing from a common TAC and measures to address bycatch or habitat concerns is not clear. If the Council wishes to incorporate measures of this type into this action, its purpose and need statement should be drafted broadly to include these interests. Some stakeholders believe that the inclusion of bycatch reduction provisions in the rationalization program alternatives was justified since that change in management would increase the ability of participants to address bycatch concerns and managers to impose accountability for individual actions. Sector allocations provide substantially less flexibility for participants and no individual level allocations with which to enforce bycatch limitations. In addition, the Council should consider how these provisions would interact with other actions that are under consideration. The Council should also consider whether the development of bycatch and habitat protections might be better addressed in an agenda item focused on those issues, rather than in a manner that is ancillary to an allocation decision.

Incentives to change gear

Provisions to create incentives for participants to change gear types could also be included in this action. As with other ancillary provisions, the purpose and need statement would need to be appropriately drafted to include these interests and provide the rationale for their inclusion. Depending on the specific provisions adopted, the action could require redefinition of LLP eligibility (i.e., allowing movement from trawl gear to fixed gear or differentiating fixed gear types). Provisions for gear changes will need to be carefully developed to create the incentive for changing gears, without countering the greater purpose of the action (i.e., to insulate the different sectors from effects of other sectors). For example, a provision that creates a large incentive for vessels to switch from one gear type to another could lead the entering vessels to encroach on the sector allocation intended for the long term participants in the "attracting sector". Two means of addressing this could be undertaken. First, the allocation to the attracting sector could be increased at the start of the program. This larger allocation could be viewed as unfair, but if the goal is to create an incentive for gear switching to the sector, the best means for creating the incentive would be by increasing the allocation to the sector. Alternatively, with each participant moving to the attracting sector a portion of the TAC could be shifted from the "departing sector" to the attracting sector. This approach, however, could be deemed unfair, unworkable, or overly complicated for several reasons. If a uniform portion of the TAC is shifted with each move, long term, successful participants in the departing sector would be least likely to change gear. Less successful (or even intermittent) participants might leave as a simple means of seeking a better opportunity in the attracting sector.⁹ The fairness of equating less successful (or dependent) participants with more successful (or dependent) participants could be questioned. If, instead, a system were developed that would give each participant a history (or participation) determined portion of the TAC to transfer to the attracting sector, the development of that apportionment would resemble the allocations in a share-based rationalization program (which seems beyond the scope of this action). Ultimately, the development of a system that creates fair incentives for participants to change gear types is likely to greatly complicate and extend the time to develop

⁹ In some cases, a license could be endorsed for both sectors. The method of dealing with these participants fairly could be more complicated.

alternatives in this action. An effective provision must balance the need to cover the burden of the entering vessel against the cost to the departing sector of the movement of that vessel, while creating a reasonable incentive for the change. Since the incentive should be large enough to cover any the investment in learning and capital to support the change, it is possible that the cost to the departing sector could exceed the individual benefit arising from the move.

Appendix A

North Pacific Fishery Management Council February 5-10, 2007, Portland, OR

C-7 GOA Sector Split for Pacific cod portion only

PURPOSE AND NEED GOA Sector Split for Pacific Cod

The Gulf of Alaska (GOA) Pacific cod resource is fully utilized. All gear sectors – jig, longline, pot, trawl, catcher vessels and catcher processors, are fully subscribed. The North Pacific Fisheries Management Council has been unable to complete a comprehensive rationalization management plan for the Central and Western GOA. The GOA Pacific cod fisheries have the largest number of participants of any Alaska groundfish fisheries.

The GOA Pacific cod TAC is not subdivided by gear type or between catcher vessels or catcher processor vessels. The result is that there is an intense race for fish between sectors and between harvesters within sectors.

Since the TAC is not divided by gear type, each sector is unable to develop an appropriate management regime for their sector. Also, when all sectors fish at the same time gear conflicts occur.

Competition for the GOA Pacific cod resource has increased for a variety of reasons, including increased market value of cod products, rationalization of other fisheries in the BSAI and GOA, increased participation by fishermen displaced from other fisheries, a reduced federal TAC due to the state waters cod fishery, and Stellar Sea Lion mitigation measures including the A/B seasonal split of the GOA Pacific cod TAC.

The purposes of the proposed action include elimination of the race for fish between sectors and provision of economic stability for the participants in the GOA Pacific cod fishery who have significant fishery investments and long-term dependence on the resource. Sector allocations will be based on historic dependence, catch history and other socio-economic factors. Allocating Pacific cod amongst sectors will give the sectors additional flexibility to address management needs. Prompt action is needed to promote stability within the GOA cod fishery until comprehensive rationalization or other appropriate management measures can be put in place.

Motion passed 16/4

The minority opposes the inclusion of language referencing the NPFMC's inability to complete a comprehensive rationalization plan in the sector split purpose and need statement. We contend that retaining this reference suggests that the sector split is a default measure, whereas, in fact, rationale for pursuing a GOA cod sector split to address inter-sector competition is fully justified. Signed: John Moller, Lisa Butzner, Tina McNamee, and Michelle Ridgway

GOA Sector Split for Pacific Cod Components and Options

Component 1 – Area

Pacific cod sector split in CGOA & WGOA

Component 2 – Identify and define sectors

Trawl CP

Trawl CV
H&L CP
H&L CV
Pot CP
Pot CV
Jig

Optional vessel length subdivision for sectors:

- a) Pot CV sector: <60 ft and >=60 ft
- b) All CP sectors: <125 ft and >=125 ft

Component 3 – Qualifying catch

Option 1) For purposes of determining catch history, “catch” means retained legal catch. A sector’s catch history includes all retained legal catch from both the Federal fishery and parallel fishery in the CGOA and WGOA. This includes retained legal catch from both LLP and non-LLP vessels.

Option 2) For purposes of determining catch history, “catch” means retained legal catch excluding fish meal. A sector’s catch history includes all retained legal catch excluding fish meal from both the Federal fishery and parallel fishery in the CGOA and WGOA. This includes retained legal catch excluding fish meal from both LLP and non-LLP vessels.

Option 3) For purposes of determining catch history, “catch” means Pcod catch retained when the Pcod fishery is open for directed catch. A sector’s catch history includes all Pcod catch retained when the Pcod fishery is open for directed catch from both the Federal fishery and parallel fishery in the CGOA and WGOA. This includes retained legal catch when the Pcod fishery is open for directed catch from both LLP and non LLP vessels.

The analysis will also provide each sector’s catch history based on total catch (retained and discarded) where practicable.

Component 4 – Sector catch histories

The AP recommends the Council adopt the following option for determining catch histories:

Each sector is allowed to choose their best 5 or 7 years (as a percentage of TAC) from the years 1995-2005 to obtain an average % of TAC for that sector. The sector split would then be based on the relative comparison of these averages.

Example	1.	Trawl fleet has a 7 year average % of TAC of 65%	
	2.	Pot fleet has a 7 year average % of TAC of 50%	
	3.	Longline fleet has a 7 year average % of TAC of 25%	
	4.	Jig fleet has a 7 year average % of TAC of 15%	
			Total % of TAC is 155%
		Trawl sector split is 65/155 of annual TAC	
		Pot sector split is 50/155 of annual TAC	
		Longline sector split is 25/155 of annual TAC	
		Jig sector split is 15/155 of annual TAC	

**Decrease the trawl allocation by the allocation to the CGOA rockfish pilot program (during the tenure of that program).

Component 5 – Allocation to Sectors: Allocations to sectors are to be based on catch history (Component 4) except for the jig sector.

Component 6—Allowing harvest of an allocation by other sectors

Trawl sector – when the trawl sectors reach their final allocation of halibut PSC for the year

1. CV trawl sector allocation available to other CV sectors
2.
 - a. CP trawl sector allocation available to other CP sectors
 - b. CP trawl sector allocation available to both CP and CV sectors (CV sector catch accounts to other CV sector allocations first before accounting to the CP sectors allocation)

Longline sector – when the longline sectors reach their final allocation of halibut PSC for the year

1. CV longline sector allocation available to other CV sectors
2.
 - a. CP longline sector allocation available to other CP sectors
 - b. CP longline sector allocation available to both CP and CV sectors (CV sector catch accounts to other CV sector allocations first before accounting to the CP sectors allocation)

Motion passed 20/0

Appendix B

Gulf Rationalization 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 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. 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.