

MINUTES
184th Plenary Session
North Pacific Fishery Management Council
October 3-9, 2007
Hilton Hotel
Anchorage, Alaska

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APPENDICES:

- I. Tape Log, Staff Support/Presenters, and Public Attendance Register
- II. Draft Minutes of the Scientific and Statistical Committee
- III. Draft Minutes of the Advisory Panel
- IV. Council action on Charter Halibut Issues
- V. Council action on Crab Rationalization Program issues
- VI. Enforcement Committee Report
- VII. Preliminary 2008/09 GOA/BSAI Groundfish Specifications
- VIII. Ecosystem Committee Report

North Pacific Fishery Management Council

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Approved by:  _

Date: December 5, 2007

MINUTES

184th Plenary Session
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Anchorage, Alaska

The North Pacific Fishery Management Council met October 3-9, 2007 at the Hilton Hotel in Anchorage, Alaska. The Scientific and Statistical Committee met October 1-3, and the Advisory Panel met October 1-6, at the same location. The following Council, staff, SSC and AP members attended the meetings.

Council Members

Eric Olson, Chair
Jim Balsiger/Sue Salvesson
Dave Benson
John Bundy, Vice Chair
Lenny Corin
Sam Cotten
Duncan Fields
Dave Hanson

Roy Hyder
Denby Lloyd/Earl Krygier
Gerry Merrigan
Bill Tweit for Jeff Koenings
ADM Brooks/LCDR Lisa Ragone
Ed Rasmuson (Oct. 8-9)
Nicole Ricci

NPFMC Staff

Gail Bendixen
Cathy Coon
Jane DiCosimo
Diana Evans
Mark Fina
Jeannie Heltzel
Peggy Kircher

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

Scientific and Statistical Committee

Pat Livingston, Chair
Bill Clark
Keith Criddle, Vice Chair
Anne Hollowed
George Hunt

Seth Macinko
Franz Mueter
Lew Queirolo
Farron Wallace
Doug Woodby

Advisory Panel

Lisa Butzner
Joe Childers
Craig Cross
Julianne Curry
Tom Enlow
Bob Gunderson
John Henderschedt
Jan Jacobs
Bob Jacobson

Simon Kinneen
Kent Leslie
Tina McNamee
Mike Martin
Matt Moir
John Moller
Ed Poulsen
Michelle Ridgway
Lori Swanson

Appendix I contains the public sign-in register, and a tape log of Council proceedings, including those providing reports and public comment during the meeting.

A. CALL TO ORDER

John Bundy, Vice Chair, called the meeting to order at approximately 8:04 a.m. on Wednesday, October 3, 2007. Mr. Bundy introduced Nicole Ricci, attending the meeting as the State Department representative, and welcomed newly appointed members Sam Cotten and Duncan Fields.

Oath to New Members. Jim Balsiger, NMFS-Alaska Region Administrator, administered the Oath of Office to Sam Cotten and Duncan Fields.

Election of Officers. Gerry Merrigan nominated Eric Olson to serve as Chair and John Bundy as Vice Chair for the next year. The nomination was seconded and Mssrs Olson and Bundy were elected by acclamation.

Agenda. The agenda was approved as published, with minor scheduling changes.

Minutes. The minutes of the June and August 2007 meetings were approved as submitted.

[NOTE: Mr. Tweit participated in the entire meeting in place of Dr. Koenings. Mr. Rasmuson was unable to attend until Monday, October 8.]

B. REPORTS

The Council received the following reports: Executive Director's Report (B-1); NMFS Management Report (B-2); USCG Report (B-3); ADF&G Report (B-4); USF&W Report (B-5); and Protected Species Report (B-6). The NOAA Office of the General Counsel for Enforcement and Litigation, Alaska Region

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provided a written report on enforcement actions and penalties. Following are brief recaps of discussion or action taken during reports.

Executive Director's Report

Chris Oliver reported briefly on MSA implementation issues and advised the Council that he and the acting Chair, John Bundy, prepared and submitted comments to NOAA Fisheries on the Limited Access Privilege Program (LAPP) noting that formal regulations could unnecessarily restrict Council flexibility to craft programs based on regional or fishery-specific needs.

Additionally, comments were crafted and signed by all Councils in response to HR 121, legislation that has the potential to significantly alter the way the fishery management councils operate and create several additional layers of bureaucracy.

Mr. Oliver advised the Council that the North Pacific Research Board is contemplating a future workshop on use of electronic monitoring in lieu of observers, and is suggesting that NPFMC should be involved in coordinating such a workshop. Chris asked for Council input on this issue before any commitment is made. Mr. Oliver will continue to discuss the possibilities with NPRB and relevant agencies and provide the Council with more information before a decision is made.

In response to the Council's request, Kristy Despars, Aleut Enterprise Corporation, provided a brief report on the use of the directed pollock fishing allocation in the Aleutian Islands.

NMFS Management Report

Jay Ginter reviewed the progress on current and pending FMP and regulatory amendments and Mary Furuness reviewed fishery catch statistics through September 22, 2007.

Additionally, Jay Ginter reviewed a letter dated September 19 from the Acting Administrator for NMFS-Alaska Region which advises the Council that staff has identified some problems with one of the measures that was included in the recent omnibus sablefish/halibut IFQ amendment package. NMFS elected to withhold that particular issue from the package pending further Council clarification. The issue involved a measure that proposed to narrow restrictions for using hired masters to fish the IFQ of a quota share holder who is not on the vessel.

Mr. Merrigan pointed out that there is a provision in the Final Rule that tightens up the current rules to require a Coast Guard U.S. Abstract of Title or State of Alaska vessel registration as legal documentation. However, the exemptions issue should be re-addressed by the Council. Staff was requested to provide more information on attrition rates and the proportion of 'A' shares in the various regulatory area for the fishery at the December meeting to better inform the Council.

Dr. Bill Karp, AFSC, addressed the Council regarding recent press releases by the Public Employees for Environmental Responsibility (PEER) criticizing the Agency's handling of reports of observer harassment. Mr. Karp assured the Council that PEER's releases were based on erroneous and/or misunderstood data. NOAA takes all reports of harassment of observers, no matter to what degree, very seriously. Special Agent Nathan Lagerwey NOAA/NMFS Enforcement, also addressed the Council regarding the data compiled and the possible mis-communication of information to PEER.

Protected Species Report

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Bill Wilson briefly reviewed the Action Memo which provided information on a free streamer line program for seabird avoidance, the 2008 NOAA List of Fisheries, and a request to the Alaska Board of Fisheries from NMFS-Alaska Region regarding the 2008 AI pollock fishery because of concerns relating to pollock conservation and Steller sea lion issues. It was noted that the Board will discuss this during its upcoming work session. Mr. Wilson noted that both NMFS and Council staff will be present at the work session to answer questions the Board may have.

Gretchen Harrington, NMFS-AKR, provided an update on the schedule for completing the SSL Recovery Plan, and work on the FMP-level Section 7 Consultation, and the updated Biological Opinion and the EIS.

NMFS plans to publish a Notice of Intent to prepare the EIS for potential revisions to the Steller sea lion protection measures and begin the scoping process, with an opportunity for public comments at the December Council meeting. Council members questioned the timing of beginning a scoping period and development of an EIS before the Steller Sea Lion Recovery Plan is completed and a range of possible alternatives can be developed before initiating the scoping process.

This subject was discussed during the Staff Tasking agenda item (D-5).

U.S. Coast Guard Report

Admiral Brooks noted that reduced resources and the distance to the grounds has make it difficult to monitor the high-seas driftnet fisheries in recent years, but the Coast Guard was able to deploy the cutter *Boutwell* into the area recently. The *Boutwell* had three seizures of Chinese vessels which were subsequently turned over to the Chinese government. Three more seizures were accomplished in just one night. The Coast Guard is also trying to devote more resources to monitoring the Maritime Boundary Line. Details of these efforts were provided in the written report presented by LCDR Lisa Ragone.

Admiral Brooks also noted that in the next few years it will become increasingly important to determine what resources will be need in the Arctic in light of heightened interest in the area.

The Council also received written reports and short oral presentations from ADF&G and USF&W.

FORMAT FOR COUNCIL MEETING MINUTES FOR ‘C’ AND ‘D’ AGENDA ITEMS

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

C. NEW OR CONTINUING BUSINESS

C-1 Charter Halibut Management

C-1(a-b) ADF&G Statistics; Area 3A GH L Measures

ACTION REQUIRED

- (a) **ADF&G report on 2006 numbers**
- (b) **Initial review of Charter Halibut 3A GH L analysis**

BACKGROUND

(a) Final charter halibut estimates for 2006

ADF&G staff released final estimates of 2006 charter halibut harvests a few weeks ago (Item C-1(a)); they were posted on the Council website. The Area 2C charter harvest was 1.804 M lb, which is 26 percent over the Area 2C GH L of 1.432 M lb. The final estimate is about 225,000 lb lower than last year's projection of 2006 harvest. Last year's projection was high by 12.4 percent. The Area 3A charter harvest was 3.664 M lb, which is 0.37 percent over the Area 3A GH L of 3.650 M lb. The final estimate for Area 3A is about 284,000 lb lower than last year's projection of 2006 harvest. Last year's projection was high by 7.7 percent. The differences between the projections and final estimates are due almost entirely to differences in the numbers of fish harvested. ADF&G staff is here to present the final data.

(b) Area 3A GH L analysis

The Council is scheduled to review a draft analysis of proposed measures to reduce charter halibut harvest to the Area 3A GH L of 3.65 Mlb. In 2005, the Council took no action on proposed measures when the GH L overage was less than one percent. In late 2006, projected charter halibut harvests indicated that the GH L had been exceeded by roughly eight percent, and the Council requested that staff revise its previous analysis with new management options. ADF&G staff released final 2006 estimates on August 31, 2007, which reported that 2006 charter halibut harvests exceeded the GH L by less than one percent. Projected 2007 charter halibut harvests are not yet available.

Potential management measures include: (1) No more than one trip per charter vessel per day; (2) No harvest by skipper or crew and a limit on the number of lines to not exceed the number of paying clients; (3) Annual limits of four fish, five fish, or six fish per charter angler; (4) Reduced bag limits of one fish per day in May, June, July, August, September or for the entire season; (5) Requiring one of two fish in a daily bag to be larger than 45 inches or 50 inches; (6) Requiring one of two fish in a daily bag to measure less than, or equal to, 32 inches, 34 inches, or 36 inches; or (7) A reverse slot limit requiring one of two fish in a daily bag limit to measure 32 inches or less or longer than either 45 inches or 50 inches. The analysis was mailed to the Council on September 7, 2007 and posted on the Council website; a supplement with the final 2006 estimates was mailed on September 21, 2007 (Item C-1(b)(1)). The executive summary is under Item C-1(b)(2). Due to pending rulemaking for numerous other charter, commercial, and subsistence halibut actions that have been previously recommended by the Council and others planned for future action (Item C-1(b)(3)), it is likely that any Area 3A GH L measures recommended under this action would be implemented for the 2009 season. Therefore, scheduling final action in February or April 2008 when projected 2007 harvest estimates would be available would not affect the proposed implementation schedule and will allow staff to concentrate its efforts on a separate, and concurrent, regulatory package described below.

Report of the Scientific and Statistical Committee

ADF&G 2006 Charter Harvest Estimates and Estimation Procedures. The SSC noted that the use of improved in-season assessments to narrow the confidence interval on this data and to reduce time lags should be considered. For the full text of SSC comments, please see the SSC Minutes, Appendix II to these minutes.

Report of the Enforcement Committee

The Committee discussed two enforcement issues: prohibition of skipper and crew retention, and line limitation. It was pointed out that there currently is no Federal or State definition for 'crew' and one will need to be developed for an enforceable regulation. Line limits would also be very difficult to enforce. Sue Salvesson of NMFS indicated that the agency is currently addressing similar issues in developing the proposed rule for the 2008 halibut charter 2C GHL management measures.

Report of the Advisory Panel

3A GHL Measures.

The AP recommends the Council:

1. Table action on 3A GHL measures and request that ADF&G report on final 2007 charter halibut harvests in October 2008 and schedule final action on 3A GHL measures for October or December, 2008.
2. Request the Council ask the State of Alaska to keep their current restrictions on skipper and crew and line limits in place during the 2008 season in Area 3A.

The above recommendations will preserve the ability of the Council to recommend management restrictions for the 2009 season if needed, based on a updated analysis. With this delay, the Council will also be able to see the benefit of the crew and skipper restrictions put into place during the 2007 season by the State of Alaska.

COUNCIL DISCUSSION/ACTION

[NOTE: Mr. Rasmuson was not present for this discussion.]

The Council received a report from Scott Myer, ADF&G on the final 2006 charter halibut harvests for Area 2C and 3A. Jane DiCosimo, NPFMC Staff, and Jonathan King (Northern Economics) reviewed the analysis for alternative charter halibut management measures for IPHC Area 3A. The Council also received reports from the SSC, AP and Enforcement Committee and oral public comments on this subject.

Gerry Merrigan moved to release the Area 3A GHL management analysis for public review after deleting Option 7 (reverse slot limit) and after addressing SSC comments to the extent practicable. Final action would be scheduled for October 2008 in order to have management measures in place for the 2009 charter season, if necessary, and to allow consideration of preliminary 2007 harvest data.

The motion was seconded by Denby Lloyd and carried without objection.

Mr. Lloyd was asked whether ADF&G would have emergency order (EO) authority and would use it in the event that the new regulations are not in place for the 2008 charter season. Mr. Lloyd responded that

the agency could issue an EO and would do so on the skipper and crew issue if necessary. He noted that Council discussion and guidance on the issue would be helpful before any action would be taken.

Mr. Lloyd was also asked whether the State has the authority to allow crew fishing in the shoulder season or one day a week, both suggested during public comment. Mr. Lloyd responded that he does believe the State has that authority.

C-1(c-e) Charter Halibut Allocation/Compensation

ACTION REQUIRED

- (c) Preliminary review of Charter Halibut Allocation/Compensated Reallocation analysis**
- (d) SSC review of charter halibut discard mortality information**
- (e) SSC review of estimation procedures for charter halibut, DSR, and shark catches**

BACKGROUND

(c) Allocation/Compensated Reallocation analysis

The Council is scheduled to review a draft analysis of proposed measures to implement two actions: 1) an initial allocation between the charter and commercial halibut sectors and 2) a program to allow the charter sector to compensate the commercial sector for future reallocations of quota. The first action is straight forward and could be implemented as a stand-alone action, depending on the selection of the preferred alternative from among six percentage options and three fixed poundage options.

The second action for a compensated reallocation program has an extensive suite of elements and options, some of which are not yet adequately defined to determine how to implement or enforce. Three "common pool" systems, and one individual management system, are considered. A Federal common pool program could be funded either through a loan program or buyout of commercial quota, and paid back through a charter halibut stamp, moratorium permit fee, or self-assessment fee based on number of fish or number of clients. A State of Alaska common pool program could be funded either through a loan program, or a bond and paid back through a multi-species charter stamp, angler license fee or business license/moratorium permit holder fee (based on fish or clients). A regional non-profit entity could be funded through a loan and paid back through a self-assessment fee (based on fish or clients). An individual program would be self-funded or through loans and paid back individually. All of the proposed programs have 1) proposed limits on the percentage of the combined commercial and charter quota that could be transferred to (i.e., purchased by) the charter sector, and 2) other limits on transfer of commercial quota shares and/or individual fishing quotas to the charter sector. A major decision point is whether the reallocation from the commercial sector to the charter sector would be between willing buyers and willing sellers, or a pro rata reduction of all or a subset of annual commercial IFQs. Action 2 is dependent on the initial allocation selected under Action 1, which could require in-season closures, if a compensated reallocation program does not occur simultaneously with the initial allocation.

The analysis was mailed to the Council on September 19, 2007 and posted on the Council website. Supplements that highlight issues for Council clarification and implementation and enforcement issues will be handed out during the meeting as Item C-1(c)(1). The executive summary of the analysis is attached as Item C-1(c)(2). Due to pending rulemaking for numerous other halibut actions that have been previously recommended by the Council, it is likely that a compensated reallocation program that would be recommended under this action would be implemented for the 2010 season, at the earliest.

(d) Discard Mortality

ADF&G staff has prepared a discussion paper on estimation of halibut discard mortality in the recreational fisheries for SSC review and comment. This report summarizes available information on the numbers of halibut released in charter and non-charter fisheries, determines discard mortality rates based on available data on hook types used in the sport fishery, and uses available data on the weight composition of the harvest to model the weight composition and average weight of released fish. It follows the same basic approach used for estimation of the Area 2C mortality rate in an appendix to the Council's moratorium analysis but uses data collected in 2007 on the proportions of halibut released by each hook type. It also estimates discard mortality (by weight) back to 1995 using the best available data on numbers of fish released. This is a work in progress, and the estimates of mortality rates and total discard mortality will likely be revised and updated as additional information becomes available and suggestions are made for improvement. The paper, attached as Item C-1(d), was mailed to the SSC and posted on the Council website.

(e) Estimation Procedures

ADF&G staff presented an overview of the Statewide Harvest Mail Survey and the reason for corrections to the SSC in December 2000. Staff also presented summaries, operational plans, and reports on sport fishery statistics and on-site sampling programs to the SSC. ADF&G staff also met with the SSC in December 2006. The SSC requested a review of estimation procedures for charter-based sport fishing catches of halibut and associated incidental catches of demersal shelf rockfish and sharks. The paper, attached as Item C-1(e) was mailed to the SSC and posted on the Council website.

Report of the Scientific and Statistical Committee

The SSC had extensive comments and suggestions for the analysis for charter halibut allocation and compensation and advised that it considered the current draft EA/RIR/IRFA incomplete and not ready to be released for public review, because it does not provide sufficient detail for the public to frame informed opinions about the impact of the alternatives. Please see the SSC Minutes, Appendix II to these minutes, for the full comments on the analysis as well as comments on the SSC-only agenda issues of review of charter halibut discard mortality and estimation procedures for charter halibut, DSR, and shark catch.

Report of the Advisory Panel

The Advisory Panel provided the Council with several changes to the elements and options – please see the AP Minutes, Appendix III to these minutes, for the entire motion. The AP also expressed strong support of tasking the Stakeholder Committee with development of an individual quota program as an option for a permanent solution.

COUNCIL DISCUSSION/ACTION

[NOTE: Ed Rasmuson was not present for this discussion.]

The Council received reviews of the charter halibut allocation/compensated reallocation analysis from Jane DiCosimo (Council staff), Darrell Brannon (Council-contracted analyst) and Jonathan King (Northern Economics, Council contractor), as well as or public comments and recommendations from the Advisory Panel and Scientific and Statistical Committee.

Denby Lloyd moved to approve the following recommendations of the Halibut Charter Working Group for analysis and initial review at the December 2007 NPFMC meeting:

Action 1. Establish an allocation to the halibut charter sector that includes sector accountability.

Element 1. Allocation

Option 1: Fixed percentage of combined charter harvest and commercial catch limit for reference period. The initial allocation would be defined as the percentage that will be a portion of the fishery CEY rounded to two decimal places.

	Area 2C	Area 3A
a. 125% of the 1995-1999 avg charter harvest (current GHL formula)	13%	14%
b. 125% of the 2001-2005 avg charter harvest (GHL formula updated thru 2005)	17%	15%
c. Current GHL as percent of 2004	12%	13%
d. 2005 charter harvest	15%	13%

Option 2: Fixed pounds, with stair step up and step down linked to fishery CEY.

	Area 2C	Area 3A
a. 125% of the 1995-1999 avg charter harvest (current GHL)	1.4 Mlb	3.7 Mlb
b. 125% of the 2000-2004 avg charter harvest (GHL updated thru 2004)	1.7 Mlb	4.0 Mlb
c. 125% of the 2001-2005 avg charter harvest (GHL updated thru 2005)	1.9 Mlb	4.1Mlb

Action 2. Compensated Reallocation between Commercial Sectors in Areas 2C and 3A

Interim Management and Market-Based Reallocation

Element 1. Management approach

The guided sport allocation would become a common harvest pool for all moratorium license holders. Annually, regulations would be evaluated and implemented with the goal that fishing on the common pool would be structured to create a season of historic length with a two fish bag limit. Individual moratorium license holders may lease commercial IFQ, or use the IFQ resulting from commercial QS already in their possession, to provide additional opportunities for clients, not to exceed existing regulations in place for unguided anglers.

Element 1.1:

The preferred proposed management options to be utilized by the Council to manage the charter common pool for a season of historic length are:

- 1 trip per vessel per day
- No retention by skipper or crew
- line limits
- Second fish of minimum size
- Second fish at or below a specific length.
- Reverse slot limit for the second fish.

If the management measures above are inadequate to constrain harvest by the charter common pool to its allocation, it is acknowledged that the following management measures may be necessary to constrain charter harvest to its allocation:

- Annual catch limits
- 1 fish bag limit for all or a portion of the season
- Season closure
Suboption: seasonal closures on a monthly or sub-seasonal basis

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Element 1.2 Buffered hard cap

The plan is for a buffered hard cap, which utilizes trailing management measures and a delayed overage provision. It represents active annual management, rather than passive management, in contrast with current GHL management.

It is intended that the Council would annually devise management measures that take into account the projected CEY for the following year and any overages by the charter industry in the past year. This will result in the charter industry "paying back" the commercial industry by the number of pounds they exceeded their allocation. In factoring such payback into its subsequent allocations, the Council will not revisit or readjust the sector split.

Alternative 1. Annual Timelines

- October of 2008: Council gets ADF&G charter harvest information for 2007.
 - The Council needs to initiate the analysis of management necessary to meet the projected allocation. (The goal is to maintain a season of historic length with a two fish bag limit.)
- November of 2008: IPHC CEY and staff catch limit recommendations.
- December of 2008: Council performs initial review of the analysis.
- January 2009: IPHC fishery catch limits adopted for 2009.
- February 2009: Council will take final action on management measures based on the CEY trend for 2007, 2008, and 2009, and any harvest overages; then, set management measures that would be implemented in year 2010.
- August 2009: NMFS publishes the rule that will be in effect for 2010. (This timeline represents the status quo regulatory process.)

Overage/Underage:

Overage

Option 1. Separate accountability. (*See previous Stakeholder Committee and staff discussion papers.*)

Option 2. Pay Back

Best described with an example: In 2007 the charter sector goes over its allocation (but that's not known until year 2008). Charter's allocation in year 2007 was 100 pounds; however, they took 110 pounds. In 2010, assuming the allocation remains stable, the charter sector will only receive an allocation of 90 pounds in order to "payback" its overage of 10 pounds.

Underage

Any underages would accrue to the benefit of the halibut biomass.

IPHC

The assumption of this plan is premised upon IPHC adopting a combined commercial/charter fishery catch limit which is derived from the fishery CEY.

Alternative 2.

In addition, please provide an analysis to determine whether or not the process described above can be shortened by one year. This may be a combination of use of logbook data in a timelier manner or a shortened regulatory timeframe. Under this alternative there would be no payback, just separate accountability (i.e., the IPHC simply factors any overage into biomass calculation).

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NOTE: Due to the lag in implementation of management measures, it is noted that management measures will, in general, be slightly more restrictive than necessary for conservation purposes. In providing predictability and stability for the charter sector, it is likely that charter fish may be left in the water.

Element 2. Supplemental individual use of commercial IFQ

This element implements measures to allow moratorium license holders to lease commercial IFQ in order to provide anglers with additional opportunities, not to exceed regulations in place for unguided anglers.

Element 2.1 provisions:

- A. Guided Sport Moratorium (GSM) permit holder may lease commercial IFQ for conversion to GAF.
- B. GSM holders harvesting GAF while participating in the guided sport halibut fishery are exempt from landing and use restrictions associated with commercial IFQ fishery, but subject to the landing and use provisions detailed below.
- C. GAF would be issued in numbers of fish. The conversion between annual IFQ and GAF would be based on average weight of halibut landed in each region's charter halibut fishery (2C or 3A) during the previous year as determined by ADF&G. The long-term plan may require further conversion to some other form (e.g., angler days).
- D. Subleasing of GAF would be prohibited.
- E. GAF holders may request NMFS convert unused GAF into IFQ pounds for harvest in compliance with commercial fishing regulations provided the GAF holder qualifies under the commercial IFQ regulations.
- F. Unused GAF may revert back to pounds of IFQ at the end of the year and be subject to the underage provisions applicable to their underlying commercial QS.
- G. Guided angler fish derived from commercial QS may not be sold into commerce, i.e., all sport regulations remain in effect.
- H. Guided angler fish derived from commercial QS may not be used to harvest fish in excess of the non-guided sport bag limit on any given day.
- I. Charter operators landing GAF on private property (e.g. lodges) and motherships would be required to allow ADF&G samplers/enforcement personnel access to the point of landing.

Element 2.2.3: Limits on leasing

- A. Holders of Guided Sport Moratorium (GSM) Permits
 - Option 1. A GSM permit holder may not hold or control more IFQ than the amount equal to the current setline ownership cap converted to the number of fish in each area (currently 1% of the setline catch limit in 2C or ½% in 3A).
 - Option 2. An individual may not hold or control more than 2,000, 5,000, or 7,500 fish. (Note: examine this as a percentage of the catch limit once allocations are established.)
- B. Individual commercial fishermen:
 - i. Commercial fishermen may lease up to 10% of their annual IFQs for use as GAF on an individual basis.
 - ii. Commercial fishermen who hold QS and a GSM permit:
 - Option 1. May convert all or a portion of their commercial QS to GAF on a yearly basis if they own and fish it on their own GSM permit vessel(s). Commercial and charter fishing may not be conducted from the same vessel during the same day.
 - Option 2. May lease up to 10% of their annual IFQs for use as GAF on an individual basis.

Element 3. Catch accounting

- a. The current Statewide Harvest Survey or logbook data would be used to determine the annual harvest.
- b. A catch accounting system* will need to be developed for the GAF fish landed in the charter industry.

* *NOTE: Monitoring and enforcement issue:*

In 2003, NMFS contracted with Wostman and Associates to design a data collection program compatible with guided sport operations, yet robust enough to monitor a share-based management plan. This system was based on

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logbooks and telephone or internet call in and reporting numbers of fish. This system was designed with the technology available to charter operators.

Further, it is the intent of the motion that NMFS, USCG, ADF&G, and Council staff convene prior to commencement of the analysis in order to assure consistency of assumptions for management, recordkeeping, implementation, monitoring, and enforcement issues.

The motion was seconded and amended, as follows:

Bill Tweit moved to amend Action 1, Option 2, to read: "Fixed pound with and without stair step up and step down linked to fishery CEY." The motion was seconded by Dave Benson and carried, 7 to 3, with Hyder, Merrigan and Olson voting against.

Mr. Tweit said he thought that being able to see the differences in the two options in the analysis will provide more information for future decisions.

Gerry Merrigan moved to amend Element 1.1, to remove the 'Reverse slot limit for second fish' management option. The motion was seconded by Dave Benson and carried without objection. Mr. Merrigan noted that the Council has discussed this management tool in the past and determined that it would not be effective.

Gerry Merrigan moved to add the following five recommendations from the Advisory Panel:

Under the heading 'Overarching Issues', add the following AP recommendations to the main motion:

- (2) Recommend using existing date ranges and note that 2006 data fall within the percentages derived from the existing date ranges.**
- (3) Recommend continuing to use GHF as baseline for analysis of Action 2 alternatives. Additional options will complicate the analysis.**

Under the heading 'Allocation Issues', add the following AP recommendations to the main motion:

- (1) Recommend initial allocations be presented as a range of percentages with the formulas used to provide reference and context for specific points within that range.**
- (4) See 1 above. Formulas should not be hind-cast based on different IPHC models. The decisions that have lead to this point were based on the numbers in effect in each year. Different decisions could have been made if different numbers were in effect. It is inequitable to use hind-cast numbers to govern present allocation decisions. The staircase up and down provisions would use CEY at time of action.**
- (6) Recommend using 2007 CEYs for analysis. Staff recommendations were not accepted.**

The motion was seconded and carried without objection.

Gerry Merrigan moved to amend to replace the words 'individual commercial fishermen' with the words 'commercial quota share holders' throughout the use cap and leasing elements. The motion was seconded by Dave Hanson and carried without objection.

Staff requested Council intent for the management options bulleted under Element 1.1 with regard to the analysis, i.e., whether they are generic references to the previous GHF analyses with regard to size limits, etc., or whether they are more generic 'tool box' items to be considered. Mr. Lloyd suggested that staff refer to elements of previous analyses for guidance rather than come up with new options or measures.

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During discussion it was noted that under Element 2.2.3, Limits on Leasing, option that B(ii) Option 2, contains the same language as in B(i) as a result of modifications to previous actions. Council members agreed that this redundancy should be resolved by staff in the next draft.

Mr. Fields expressed concerns that the current motion will create predatory practices among lodge operators reducing the common pool for remaining Alaska residents, primarily small boat lodge operators. As that pool is reduced and interim measures are imposed the smaller operations will lose clients and may not have the resources to access halibut IFQs.

During discussion of the Council's action it was confirmed that the current problem statement is to be retained. With regard to timing, staff indicated that the December timeline for an analysis may be optimistic. The Council's current motion will also be forwarded to the Stakeholder Committee for review and comments, but not to add new options and alternatives. Mr. Hanson noted that while the Committee can not change the current options, it could recommend changes. However, time-wise, it would be better to wait until after December for an initial analysis. Staff also pointed out that the agency task force also will need time to work out details of how aspects of the program would be implemented. It was decided that the Council would receive a progress report in December to address questions that have arisen and to receive the report of the Stakeholder Committee. The Initial Review analysis would be provided in February.

Additionally, Denby Lloyd indicated that in light of new 2006 harvest data and public comments, the Council should discuss the option of not enforcing the 4-fish bag limit in the upcoming season, pending 2007 data. He suggested that while 2007 data will not be finalized by December, the Council may wish to put this issue on the agenda for discussion at the December meeting. No motion was offered.

Duncan Fields moved to amend Element 2.2.3, Limits on Leasing, Option 2, to add 1,000 fish as an option (in addition to the current options of 2,000, 5,000, or 7,500 fish). The motion was seconded and carried without objection.

The main motion, as amended, carried 9 to 1, with Mr. Fields voting against, citing his earlier concerns.

Mr. Fields moved the following:

Regarding Action 2 – Compensated Reallocation between Commercial and Charter Sectors in Areas 2C and 3A:

That the Council's Halibut Charter Stakeholder Committee, in the context of their discussions regarding a "long term" solution and the development of recommendations for Council's consideration and analysis, review and consider the elements for compensated reallocation in the Council's June motion on Compensated Reallocation and the AP motion on Compensated Reallocation with the following elements added for consideration:

Common Pool

Element 2.1 Limits on Transferability

Suboption a: Limit transferability to a percent of the annual commercial setline harvest level – IFQ.

Suboption b: Limit transferability to a percent by area

Element 2.2 Limits on QS purchase

Option 4 Limited annually to 1%, 3% or 5% of the annual commercial set line harvest level – IFQ by area.

Suboption a: By class

The motion was seconded and carried without objection.

A copy of the Council's action on these agenda issues is found in Appendix IV to these minutes.

C-2 Halibut Subsistence

ACTION REQUIRED

Discuss alternatives to redefine rural eligibility under subsistence halibut regulations

BACKGROUND

The Council asked staff in February 2007 to prepare a discussion paper on how the subsistence halibut rural definition may be inadvertently excluding individuals who otherwise may be deemed eligible for participation in the program. In June the Council reviewed the discussion paper and requested that staff propose alternatives for analysis. Council, NMFS, and ADF&G staff met in August 2007 and developed the following alternatives for Council consideration. The proposed action is intended to broadly define the areas where subsistence halibut fishermen must reside to be deemed eligible (rather than specify the lat/long of innumerable inhabited places and homesteads) without broadly expanding participation. A draft action plan is attached as Item C-2(a). The proposed analysis to revise subsistence halibut regulations could be scheduled for initial review in April 2008, with final action in June 2008. Implementation could occur for the 2009 subsistence fishery, at the earliest.

Alternative 1. No action

Alternative 2. Allow residents of the following areas to be deemed eligible to harvest Pacific halibut under subsistence regulations:

- Haines Borough
- Yakutat City and Borough
- Seldovia Village Census Designated Place
- Kodiak Island Borough
- Aleutians East Borough
- Bristol Bay Borough
- Lake and Peninsula Borough south and west of the Naknek River and Katmai National Park and Preserve
- Excluding nonsubsistence areas, the unorganized borough within 10 miles of coast from Dixon Entrance to Cape Espenberg.

Alternative 3. Allow residents to be deemed eligible to harvest Pacific halibut under subsistence regulations if they reside within all non-rural areas of SE Alaska south and east of 141 deg. long. and all of the Alaska Peninsula, Aleutian Islands, and Kodiak south of Bristol Bay Borough and a line of latitude that approximates the Naknek River.

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

Report of the Advisory Panel

The Advisory Panel recommended the alternatives identified in the Action Memo be adopted for analysis with initial review in 2008.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd. Mr. Rasmuson was not present for this discussion.]

The Council received staff reports from Jane DiCosimo (NPFMC) and Jay Ginter (NMFS-AKR). There was no oral public comment.

Gerry Merrigan moved to approve the problem statement provided in the Action Plan (Agenda item C-2(a)) and refine the proposed alternatives for analysis as follows:

Alternative 1. No Action:

Alternative 2. Allow residents of the following areas to be deemed eligible to harvest Pacific halibut under subsistence regulations:

- **Haines Borough**
- **Yakutat City and Borough**
- **Seldovia Village Census Designated Place**
- **Kodiak Island Borough**
- **Aleutians East Borough**
- **Bristol Bay Borough**
- **Lake and Peninsula Borough south and west of the Naknek River and Katmai National Park and Preserve**
- **Excluding nonsubsistence areas, the unorganized borough within 10 miles of coast from Dixon Entrance to Cape Espenberg.**

The motion was seconded by Sam Cotten. It was clarified that the motion refers to statute miles and that no current participating communities are to be excluded.

Referring to a small area in the middle of Nunivak Island that may be excluded, **Bill Tweit moved to specifically include Nunivak Island.** The motion was seconded by Duncan Fields and carried without objection.

The main motion carried without objection.

C-3 BSAI Crab Management

C-3 (a-b) Data Collection/B Shares

ACTION REQUIRED

Council direction on BSAI Crab 'B'Shares.

BACKGROUND

(a) Report on crab data collection quality and confidentiality.

This item has been removed from the agenda and will be addressed at the December 2007 meeting.

(b) Committee report and discussion paper on 'B shares'.

Under the crab rationalization program, holders of catcher vessel quota shares receive annual allocations of individual fishing quota (IFQ) of two share types. Ninety percent of the IFQ are issued as "A shares" or "Class A IFQ," which must be delivered to a processor holding unused individual processor quota (IPQ). The remaining 10 percent of the annual IFQ are issued as "B shares" or "Class B IFQ," which may be delivered to any processor. Under this structure, the 90 percent A share allocation is intended primarily to add stability to the processing sector and provide a means for compensated removal of processing capacity from the fisheries. The 10 percent B share allocation is intended to provide negotiating leverage to harvesters, an opportunity for entry to the processing sector, and a check on the processing market (by providing a negotiated market price). The 10 percent B share allocation is intended to provide negotiating leverage to harvesters, an opportunity for entry to the processing sector, and a check on the processing market (by providing a negotiated market price). To address potential disputes over the price and other terms of A share crab deliveries, the program includes an arbitration system. Because of the unique nature of these different allocations and the arbitration system, at the time it adopted the program the Council scheduled a review of these aspect of the program, which was conducted at the Council's March/April 2007 meeting.

On conducting the review at its March/April 2007 meeting, the Council directed staff to prepare a discussion paper examining the uses of B shares under the crab rationalization program and whether those uses are consistent with the Council's original intent. A copy of that discussion paper is attached (Item C-3(b)(1)). The paper includes discussion of legal immunity for the arbitration organizations, arbitrators, and market analysts as the Council requested.

At the March/April 2007 meeting, the Council also appointed an advisory committee to review the discussion paper and address regulatory issues identified in the 18-month review. In response to the Council's direction, the committee has prepared a report to the Council that will be handed out at the meeting. The report describes the committee's recommendations concerning regulatory issues (including draft purpose and need statements and proposed amendments for any issues that the committee believes should be addressed by amendment) and summarizes the committee's discussions of other issues (including the use of B shares under the program).

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

Report of the Advisory Panel

The AP recommends the Council endorse and support the Crab Advisory Committee's recommendation on future action, and wishes to emphasize that communities are an important part of the crab discussion and should be included on the advisory committee.

The AP recommends the Council move forward for analysis the regulatory recommendations including the purpose and needs statements as drafted in the Crab Advisory Committee report. Those regulations address

- Market reports and non-binding formulas for fisheries unlikely to open
- Timeline for the golden king crab market report and formula does not allow for data from most recent fishery to be used
- Staleness of the market reports
- Immunity for arbitration organizations, arbitrators, market analysts, and the third party data provider.

Additionally, the AP recommends the Council direct the Crab Advisory Committee to address the perceived problems with the A/B share split and the potential effects of changing the A/B share formula.

COUNCIL DISCUSSION/ACTION

[Ed Rasmuson was not present for this discussion.]

The Council received a report from Mark Fina (Council staff) on the discussion paper. Jake Jacobson and John Iani of the Crab Advisory Committee were available for Council questions. The Council also received oral public comments on this agenda issue.

The issue of alternates for committee members was discussed. It was noted that committee meetings are open and that anyone may provide input, giving adequate opportunity for industry members to provide input. Council members decided that providing for alternates is not necessary at this time.

The Council also discussed the timing for the 3-year review of the Crab Rationalization Program. Dr. Fina said the plan is to provide an outline of the scope of the review for the Council in December.

Denby Lloyd provided the following written document which included both a problem statement and a proposed motion (the Problem Statement was NOT part of Mr. Lloyd's motion):

Analysis of the A share/B share split and continuation of the Crab Advisory Committee

Problem statement:

Share allocations to harvesters and processors under the BSAI crab rationalization program were intended to increase efficiencies and provide economic stability in both the harvesting and processing sectors. Recognizing that processor quota shares reduce market competition for deliveries subject to share match requirements, the Council adopted B share IFQ to provide some degree of competition, encourage processors to pursue market opportunities for their products, and possibly facilitate processor entry. The Council included a system for binding arbitration in the program to resolve price disputes for deliveries subject to share match requirements.

The Council has heard many concerns about the BSAI crab rationalization program suggesting the proportion of B shares is not adequate to meet the Council's intended purpose for those shares and, thus, towards furthering the goals of the program. Information to date has not shown that the 90/10 split has promoted 1) competitive negotiated deliveries, or 2) unserved and underserved markets, or 3) processor entry; there is no indication that the current A share/B share split is sufficient to promote all three.

The Council has also heard concerns over the complexity of the program, and also about uncertainties and costs associated with share matching and binding arbitration. An increase in B shares might help to resolve these issues, though the scope and magnitude of expected effects of change from status quo are unknown. The

optimal A share/B share split has not been analytically determined, nor was a clear analytical evaluation for the original 90/10 split ever presented. Further, the appropriateness of various split levels may vary between fisheries and as TAC levels rise and fall. These aspects also have not been analyzed.

There are several data issues, as well, that should be evaluated. For example, there may be a need for accurate data on final exvessel price for each share type to harvesters and first wholesale revenues for processors.

The Council's request for an 18-month review includes,

“After receiving the analysis [18-month review], the Council will consider whether the A share/B share split and the arbitration program are having their intended effect and, if not, whether some other A share/B share split is appropriate.”

It is time now to evaluate alternative A share/B share splits.

Mr. Lloyd formally submitted the following MOTION:

The Council requests staff prepare an analysis for review at the April 2008 meeting examining the effects of a change in the A share/B share split on the distribution of benefits between harvesters and processors and on the role or necessity of binding arbitration in harvester and processor negotiations. Further, the analysis should include a discussion of expected effects of such a change on the distribution of landings among communities. Analysis should be provided for the status quo 90/10 split, 80/20, 70/30, 50/50, and 0/100 separately for each fishery. Additionally analysis should include an option to achieve each of these levels through incremental shifts over time (e.g., 5 percent per year for a shift to 80/20 and 10 percent per year for each of the other split levels). A discussion should be included on the effect of shifts as the annual TAC levels rise and fall in each fishery (for example, having the proportion of B shares increase as TAC decreases).

The Council asks the Crab Advisory Committee to continue their work, with a focus on programmatic issues and effects of policy decisions related to the BSAI crab rationalization program. The committee shall be reformed with the addition of 4 community members appointed by the Council Chairman, since communities are a vital component within the crab rationalization program. The newly formed committee shall also be tasked with discussing potential solutions to concerns that may arise from any adjustments to the A share/B share split. These could include issues such as 1) potential compensation to processors from harvesters for lost economic opportunity from a shift in market power, 2) potential changes in landing distribution, 3) the remaining need and necessary changes to the binding arbitration program, and 4) use and effectiveness of regional landing requirements to protect communities. In addition, the committee shall make recommendations on how best to provide for economic data needs. The Crab Advisory Committee shall report back to the Council at the February 2008 meeting.

Although the problem statement and action motion were provided in one document, Mr. Lloyd indicated he would address the action portion of the motion first.

Gerry Merrigan moved to add the problem statement, bifurcate the motion, and address the problem statement first. The motion was seconded.

After some discussion and a brief break, Duncan Fields offered the following substitute motion:

Amend the main motion to combine the problem statement with the main motion; adopt the draft problem statement. The discussion on the draft problem statement would be postponed to December pending staff input and further discussion at this meeting on the remainder of the motion. The motion was seconded by Gerry Merrigan and carried without objection.

During discussion of Mr. Lloyd's motion, some Council members expressed concern with initiating program changes before the industry has had a chance to adjust to the program, saying it's possible some

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of the current issues may be ironed out within the industry without requiring Council action. Jim Balsiger offered a motion to request a scoping document for the 3-year review outlining issues of concern, including the A/B share split, with a target of October 2008 for the 3-year review document. However, after more discussion and clarification by staff on the plans for the 3-year review, Dr. Balsiger withdrew his motion.

Duncan Fields moved to change the April deadline for the initial analysis to June 2008. The motion was seconded. Mr. Fields indicated that he was uncomfortable with delaying any further.

Gerry Merrigan moved to amend to change to October 2008 and request that staff capture the same concepts in the document as they will in the scoping document for the December 2007 meeting, as originally discussed.

The motion was seconded and carried, 6 to 4, with Cotton, Fields, Lloyd and Olson voting against.

Bill Tweit moved to delete the 0-100 option from the options for analysis in the first paragraph. The motion was seconded.

Gerry Merrigan moved to amend Mr. Tweit's motion, as follows:

Remove the 0/100 option.

Add: . . . for the BBRKC and Bering Sea snow crab fisheries and Bering Sea Tanner. The analysis should consider if there are any crab fisheries that have significant logistical problems due to the remote nature, location, and size of the fishery that might make that fishery an appropriate candidate to be relieved in whole or in part from the IPQ portion of the crab rationalization program (i.e., a range of 90/10 to 0/100).

The motion was seconded and failed, 8 to 2, with Tweit and Merrigan voting in favor.

Mr. Tweit's motion failed 8 to 2 with Tweit and Benson voting in favor.

Duncan Field moved to include, at the end of the second sentence in the first paragraph: further, analysis should include a discussion of expected effects of such a change on the distribution of landings among communities and expected effects on crew. Additionally, in the second full paragraph, second sentence, reading 'The committee shall be reformed with the addition with of 4 community members and 2 crew representatives appointed by the Council Chairman, since communities and [insertion here] and crew are vital components within the Crab Rationalization Program'. And, after Item 4, which currently reads 'use and effectiveness of regional landing requirements to protect communities', there would be a fifth category that would say, ',' respective impacts on crew.'" This include issues such as one, two, three, four and five, respective impacts on crew.

The motion was seconded by Jim Balsiger. After the evening recess, Mr. Fields provided a written copy of his motion, but withdrew it after Council discussion.

Sam Cotton moved to include 2 crew representatives on the new Crab Advisory Committee. The motion was seconded and carried without objection

Bill Tweit moved to amend the motion to insert the following on the eighth line of the first paragraph as the next-to-the-last sentence:

Additional analysis should include a one-pie IFQ allocation to vessel owners, processors and skipper and crew members based upon each sector's investments in the fishery. The motion was seconded.

Gerry Merrigan moved to amend to add 'and participation' after 'investments' – i.e., . . .each sector's investments and participation in the fishery. The motion was seconded and carried without objection.

Duncan Field moved to add 'and communities' after 'crew members'. The motion was seconded.

During discussion Lauren Smoker (NOAA General Counsel) noted that the current issue relates to the A/B Share split and because PQS did not go to communities, Mr. Field's inclusion of communities would not be relevant at this time. Mr. Merrigan pointed out that there is a community aspect through the CDQ program, however, Mr. Lloyd indicated that he did not intent to include CDQ groups in the original motion.

The motion failed on a tie vote of 5-5 (Salveson, Bundy, Cotton, Fields and Olson in favor; Benson Hyder, Tweit, Lloyd and Merrigan against).

Mr. Tweit's amendment carried, as amended, carried without objection.

Jim Balsiger moved to amend the last sentence to request the Crab Advisory Committee report to the Council at the February 2008 meeting indicating its progress on this assignment. The motion was seconded by Denby Lloyd and carried without objection.

The main motion, as amended, carried 7 to 3, with Benson, Bundy and Tweit voting against.

Bill Tweit moved that the Crab Advisory Committee be asked to develop recommendations for a protocol, including an audit process, to obtain timely information about ex-vessel price, by share type and region, and first wholesale price. Committee recommendations for improving exvessel and wholesale price information should be prioritized by the Committee so that the data becomes available to inform the Council's ongoing analytical process. The motion was seconded by Duncan Fields and carried with Hyder objecting.

Duncan Fields moved to direct staff to move forward for analysis the regulatory recommendations including the purpose and needs statements as drafted in the Crab Advisory Committee report. Those regulations address:

- **Market reports and non-binding formulas for fisheries unlikely to open;**
- **Timeline for the golden king crab market report and formula does not allow for data from most recent fishery to be used;**
- **Staleness of the market reports; and**
- **Immunity for arbitration organizations, arbitrators, market analysts, and the third party data provider.**

The motion was seconded by Gerry Merrigan and carried without objection.

The Council's final motion on this agenda item is found in Appendix V to these minutes.

C-3(c) BSAI Crab "C" Share 90/10 Exemption

ACTION REQUIRED

Initial review of analysis.

BACKGROUND

The crab rationalization program is unique in several ways, including the allocation of a portion of the harvest share pool to captains for exclusive use by captains and crew (C shares), the allocation of processing shares corresponding to a portion of the harvest share pool, and the designation of certain harvest shares for landing in a specific region. At the time it adopted the rationalization program, the Council exempted C shares from the regional and processing share landing requirements for the first three years of the program. This exemption is scheduled to expire at the beginning of the 2008-2009 fishing season. When the Council adopted the rationalization program, it also tasked staff to provide a review of landing patterns of C shares to assess whether the exemption should be extended indefinitely. At its March/April 2007 meeting, staff delivered that review to the Council and the Council elected to task staff to prepare an analysis of an action to extend the exemption of C shares from regional and processor share landing requirements indefinitely. At its June 2007 meeting, the Council approved a draft purpose and need statement and alternative to indefinitely exempt C shares from the 90/10 A share/B share split.

In advance of this meeting, staff completed a draft of that analysis. At this meeting the Council is requested to decide whether the analysis is sufficient to be released for public review. An executive summary of the analysis follows.

Report of the Scientific and Statistical Committee

The SSC notes that two years of experience with C-share use may not be sufficient to support conclusions as to how this program will perform over time. Further development of the analytical package depends upon selection of a preferred alternative by the Council. The analysis or action memo should include an explanation for why an EA was not prepared as a component of this analysis. The SSC supports the release of this initial analysis for public review.

Report of the Advisory Panel

The AP recommends the Council release the EA/RIR/IRFA for public review and final action in December 2007.

The AP continues to support a Federal loan program for purchasing crew shares. The AP recommends the Council take steps necessary to advance development of this loan program as soon as possible.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd; Ed Rasmuson was not present.]

The Council received a staff report from Mark Fina (NPFMC staff), AP and SSC reports, and oral public comments on this subjects.

Gerry Merrigan moved to release the EA/RIR/IRFA for public review with final action scheduled for December 2007. The motion was seconded and carried without objection (Mr. Krygier and Mr. Fields were out of the room for this vote).

C-3(d) Initial Review , BSAI Crab Custom Processing

ACTION REQUIRED

Initial review of analysis.

BACKGROUND

The recent reauthorization of the Magnuson Stevens Act (MSA) included a provision to exempt custom processing in the North region of the Bering Sea *C. opilio* fishery from processing use caps established under the crab rationalization program. The exemption is believed to be intended primarily to improve efficiency in processing in that fishery. At its February 2007 meeting, the Council received a staff discussion paper concerning the implementation of this amendment and the potential for the Council extending the exemption to other fisheries included in the crab rationalization program. After receiving the discussion paper, input from the Advisory Panel, and hearing public testimony, the Council elected to consider whether this exemption should be extended to include all of the traditionally small crab fisheries governed by the rationalization program:

- the Western Aleutian Islands golden king crab fishery,
- the Western Aleutian Islands red king crab fishery,
- the Eastern Aleutian Islands golden king crab fishery,
- the St. Matthews blue king crab fishery, and
- the Pribilof red and blue king crab fishery.

At its June 2007 meeting, the Council adopted a draft purpose and need statement and elements and options for the action. The regulatory analysis to implement the exemption for the North region of the *C. opilio* fishery is combined with the analysis and development of the amendment package considering extension of the exemption to the other fisheries. As requested by the Council, the analysis also examines a provision to exempt custom processing of transferred shares in their community of origin from the use cap. This issue arises because of the possible divestiture of shares by an entity to comply with the use cap. Under the current rules, on divestiture those shares could not be custom processed at the plant of origin, effectively forcing either a new processor (either shore plant or floater) to be opened in the community or the shares to be moved from the community. At this meeting the Council is requested to decide whether the analysis is sufficient to be released for public review. The executive summary of the analysis follows.

Report of the Scientific and Statistical Committee

The SSC noted the analysts' efforts to be responsive to the SSC's previous comments. The SSC supported the release of the analysis for public review after inclusion of an explanation for why an EA was not prepared as a component of the analysis.

Report of the Enforcement Committee

The Enforcement Committee discussed the enforceability of an exemption for processor share use caps for docked or moored vessels at a docking community and indicated that since floating processors are required to file notification requirements to the State indicating their location prior to operating in the crab fishery, that the provision would be enforceable. The Committee also noted that the exemption is limited in scope comparatively to the fishery overall which additionally makes the provision more manageable.

Report of the Advisory Panel

The AP recommends releasing the EA/RIR/IRFA on processing share use cap exemptions for public review and final action with the following changes:

- Remove or revise the “value at time of landing” tables
- Revise the problem statement so that the last sentence reads “exempting shares in the community of origin from...”
- Add “home rule cities” to option 2 under locations qualified for the exemption
- For Western Aleutians, create 2 suboptions:
 - Exempt western shares only
 - Exempt western shares and undesignated shares harvested in the west

The AP believes that the Council should consider sideboards in the cod fishery on both the PQS holders and the floating processing vessels that previously processed northern region opilio if they consolidate their IPQ use through custom processing or otherwise. The AP considers the issue important and advises the Council to take any necessary action in time to implement sideboards at the time of implementation or as close to the time of implementation of custom processing share use caps exemption as possible.

Additionally, the AP requests the Council task staff to prepare a discussion paper to examine the issuance of B shares for any IPQ that a PQS holder does not apply for.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd; Ed Rasmuson was not present.]

The Council received a staff report from Mark Fina, the AP and SSC reports, and an Enforcement Committee report, as well as oral public comments.

John Bundy moved the following portion of the Advisory Panel's recommendations:

Release the EA/RIR/IRFA on processing share use cap exemptions for public review and final action with the following changes:

- **Remove or revise the “value at time of landing” tables**
- **Revise the problem statement so that the last sentence reads “exempting shares in the community of origin from...”**
- **Add “home rule cities” to option 2 under locations qualified for the exemption**

- **For Western Aleutians, create 2 suboptions:**
 - **Exempt western shares only**
 - **Exempt western shares and undesignated shares harvested in the west**

The motion was seconded. It was clarified that the Western share options are specific to brown crab.

Duncan Fields moved to amend to revise a portion of the draft analysis: Page 3, "Provisions to protect interests of community of origin, Option 2: Option 2: In the event that processing shares currently and formerly subject to a right of first refusal . . .". The motion was seconded and carried without objection. The main motion carried, as amended, without objection.

C-3(e) Initial Review BSAI Crab Post-Delivery Transfers

ACTION REQUIRED

Initial review of analysis.

BACKGROUND

At its June 2007 meeting, the Council adopted a draft purpose and need statement and alternatives to amend the crab rationalization program to permit the transfer of IFQ to cover overages after the time of landing. The provision would be intended to reduce the potential for enforcement actions related to unintended overages, in the event the fisherman can acquire shares to cover the overage within a reasonable time. In response to the Council's request, staff drafted an analysis of the alternatives for Council review. At this meeting the Council is requested to decide whether the analysis is sufficient to be released for public review.

Report of the Scientific and Statistical Committee

While the SSC did not have specific questions or concerns with the analysis itself, the SSC did request that a short explanation be provided as to why there is not an accompanying EA. The SSC recommended the analysis be released for public review.

Report of the Enforcement Committee

The Committee stressed that the intent leading to an overage (intentional vs. inadvertent) should not be a qualifier for enforcement or prosecution of an overage. The Committee supported a fixed date for annual reconciliation of quota accounts and overages and suggested that providing a process for post-overage balance of accounts might contribute to increased accuracy of landing data.

The Committee also noted that while the intent of the current problem statement is likely comprehensive enough to reflect that both intentional and unintentional overages would be covered, the problem statement should be modified to clearly reflect this intent and to be consistent with the analysis. For more comprehensive comments on these issues, please see the Enforcement Committee Report, Appendix VI to these minutes.

Report of the Advisory Panel

The AP recommends releasing the EA/RIR/IRFA for public review with the following changes:

1. Include "No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ" in both Alternative 2 and Alternative 3.
2. Change language in Alternative 3 from "species" to "allocations."

Further, the AP recommends the Council adopt Alternative 2 as a preliminary preferred alternative, including the suboption that all post-delivery transfers must be completed by the end of the crab fishing year, and all harvesters would be eligible for post-delivery transfers.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd; Ed Rasmuson was not present.]

The Council received a staff report from Mark Fina (NPFMC staff, AP, SSC and Enforcement Committee reports, and oral public comments on this subject.

Jim Balsiger moved to approve the Purpose and Needs Statement, amended as follows;

Under the crab rationalization program, harvesters receive annual allocations of individual fishing quota that provide an exclusive privilege to harvest a specific number of pounds of crab from a fishery. Any harvest in excess of an individual fishing quota allocation is a regulatory violation punishable by confiscation of crab or other penalties. Precisely estimating of catch at sea during the fishery is difficult and costly due to variation in size of crab, and sorting measurement requirements. Overages can result from ~~inadvertent~~ mistakes by participants attempting to accurately estimate catch. The inability to address overages also impedes flexibility in optimizing the harvest of IFQ. A provision allowing for post-delivery transfer of individual fishing quota to cover overages could reduce the number of ~~inadvertent~~ violations, allowing for more harvest of allocations, and reduce enforcement costs without increasing the risk of overharvest of allocations. The motion was seconded and carried without objection.

With regard to the analysis, **Gerry Merrigan moved:**

The Council recommends releasing the EA/RIR/IRFA for public review with the following changes:

- 1. Include a suboption: “No person shall be permitted to begin a fishing trip, unless the person holds unused IFQ” (in both Alternative 2 and Alternative 3).**
- 2. Change language in Alternative 3 from “species” to “allocations.”**

Further, the Council adopts Alternative 2 as a preliminary preferred alternative, including the suboption that all post-delivery transfers must be completed by the end of the crab fishing year, and all harvesters would be eligible for post-delivery transfers.

The motion was seconded by Earl Krygier.

C-4 Groundfish Issues

C-4(a) Preliminary Review—GOA Pacific Cod Sector Split

ACTION REQUIRED

Preliminary review of EA/RIR/IRFA for the proposed GOA Pacific cod sector splits.

BACKGROUND

This agenda item addresses the potential action to divide the Western and Central Gulf of Alaska Pacific cod TACs among gear and operation types based on historic dependency and use by each sector. At its March/April 2007 meeting, the Council adopted a problem statement and preliminary components and options for establishing sector allocations. Staff has prepared a preliminary analysis of the potential components and options, which was mailed to the Council in advance of this meeting. An Executive Summary is included as Item C-4(a)(1).

The preliminary analysis describes the Western and Central Gulf of Alaska Pacific cod fisheries during 1995 to 2006, discusses changes in participation and catch levels by the various sectors, and examines the effects of seasonal allocations on timing of catch and overall catch levels. The analysis examines the range of potential sector allocations that could be implemented depending on how the Council chooses to define qualifying catch and which years are included in calculations of catch history. The analysis then discusses options for rollovers of unused quota, options for accommodating incidental catch needs, and provisions that would supplement allocations to the jig sector to allow for growth. Finally, the paper identifies issues that the Council may wish to address to better define the alternatives. These issues include:

- Refining catcher processor sector definitions, including consideration of vessel length and/or inshore/offshore subdivisions.
- Defining qualified catch, including consideration of including meal or counting only directed or only retained catch.

Report of the Scientific and Statistical Committee

The SSC noted that some of the potential sectors appear to involve very small numbers of participants and suggested the analysts consider adding residency information into future iterations of the analysis. The SSC also noted that although the EA includes a brief discussion of potential impacts on seabirds, it does not explicitly address the role that alternative choices of the qualifying years would have on impacts to seabirds.

Report of the Advisory Panel

The AP recommends that the Council advance the Gulf of Alaska Pacific Cod Sector Split Purpose and Need Statement.

Additionally, the AP recommends that the Council advance the elements and options with the following changes:

The AP recommends that Component 3, Option 2 (All retained catch excluding meal) be deleted.

Further, the AP recommends Component 5 read as follows:

Options include 1%, 3%, 5% or 7% of the Western and Central GOA Pacific cod TACs for the jig catcher vessel sector, with a stairstep provision to increase the TACs by

- 1%
- 2%
- 3%

if 100% of the Federal TAC and 90% of one of the Central Gulf state waters district GHLs or the Western Gulf state waters GHL is harvested. Subsequent to the jig TAC increasing by a stairstep up, if

the harvest threshold criteria described above are not met, the jig TAC will be stepped down by 1% in the following year.

The jig allocation could be set aside from the A season TAC, the B season TAC, or divided between the A and B season TACs.

COUNCIL DISCUSSION/ACTION

[NOTE: Sue Salvesson participated in this discussion for Jim Balsiger.]

The Council received a staff report from Jeannie Heltzel, Council staff, the SSC and AP reports, and oral public comments before taking action on this agenda issue.

Denby Lloyd moved to approve the recommendations of the Advisory Panel with the following changes and additions:

~~The AP recommends that the~~ Council advances the Gulf of Alaska Pacific cod sector split purpose and need statement.

Additionally, ~~the AP recommends that the~~ Council advances the elements and options with the changes noted in this motion in the subsequent motions for further analysis.

~~The AP recommends that~~ Component 3, Option 2 (All retained catch excluding meal) be deleted.

Further, ~~the AP recommends~~ Component 5 reads as follows:

Options include 1%, 3%, 5% or 7% of the Western and Central GOA Pacific cod TACs for the jig catcher vessel sector, with a stairstep provision to increase the TACs jig sector allocation by

- 1%
- 2%
- 3%

~~If 100~~ 90% of the federal jig allocation TAC ~~and 90% of one of the Central Gulf state waters district GHLS or Western Gulf state waters GHLS is harvested in an area is harvested in any given year.~~ Subsequent to the jig allocation TAC increasing by a stairstep up, if the harvest threshold criterion criteria described above is are not met in three consecutive years, the jig allocation TAC will be stepped down by 1% in the following year, but shall not drop below the level initially allocated.

The jig allocation could be set aside from the A season TAC, the B season TAC, or divided between the A and B season TACs.

The Council also requests staff add discussion and analysis to the document as described below.

As called for under the revised Magnuson-Stevens Act, analysis should include a discussion of cumulative, economic, and social impacts of the conservation and management measures under this action. This might include an analysis of vessel ownership, residency of skippers, a discussion of potential impacts on crew and processors, economic dependency of participants on Pacific cod in comparison to other fisheries, and potential changes in the distribution of landings. A discussion of the likelihood of voluntary cooperative formation under the current set of options within each sector should be included. Expected effects of cooperative fishing that may be afforded by sector allocations should be part of this discussion.

A discussion of the interaction between sector split allocations and GOA sideboard allocations should be included in the analysis.

The differences and similarities of the range of years, sector definitions, and qualifying catch in between Pacific cod sector split analysis and two recency documents should be highlighted. Further, the implications of these differences on this action should be presented.

A summary of discarded incidental Pacific cod harvests by year should be included to provide a full account of harvests.

A description of the state Pacific cod fisheries and a discussion of the overlap in participants fishing the federal waters, parallel season, and state Pacific cod fisheries should be provided.

The motion was seconded and carried without objection.

Mr. Lloyd noted that several of the changes and additions to the AP recommendations are a result of comments during public comment and to respond to requirements under the MFCMA. Ms. Lindeman asked Mr. Lloyd to clarify his reference to the MFCMA. She noted that Section 303(a) refers to the LAPP section of the Act. Mr. Lloyd responded that he did not intend any reference to LAPPs in his motion.

Mr. Merrigan noted that staff had several requests for clarification for the analysis. Referring to page 41 of the analysis, dealing with options for sector definitions, **Gerry Merrigan moved, for sector definitions, to delete inshore trawl catcher processors and inshore hook and line catcher processors and "or a combined inshore CP sector" and add . . ."for hook-and-line catcher processors (to the extent practicable for catch history) break out to: less than 125' and equal to or greater than 125'.**

Mr. Merrigan noted that for public information the Council should indicate that these are the sectors that the Council is going to look at for catch history, although the Council has the option to combine the sectors if necessary.

The motion was seconded by Bill Tweit. It was pointed that in order to amend a previous action, a motion to reconsider would be required. Such a motion was submitted and carried without objection. Mr. Merrigan re-stated his motion (see above) which carried without objection.

Gerry Merrigan moved to amend the main motion (referring to page 47 of the analysis) to request staff to use ADF&G fish ticket data for catcher vessels and use the NMFS blend data for catcher processors instead of WPRs. The motion was seconded. And carried without objection.

Mr. Tweit requested that staff retain current language and information as background information in the document.

Gerry Merrigan moved to amend to add a new Component 8:

Apportionment of H&L halibut PSC (other than DSR) between CV and CP

Option 1: No apportionment. Status quo.

Option 2: In proportions to Pacific cod allocation for each individual H&G sector (CV and CP H&L) as compared to overall H&L P. cod allocation for both H&L sectors in WGOA and CGOA combined (i.e., PSC allocation is proportional to cod allocation). No later than November 1, any PSC projected to not be used by a sector in the remainder of the year would be available to the other sector.

Option 3. Other (i.e., select amount for each sector). No later than November 1, any PSC projected to not be used by a sector in the remainder of the year would be available to the other sector.

Suboption: Change seasonal apportionment by sector. [Suboption can be applied to Options 1,2,3].

The motion was seconded and carried with Tweit and Hyder objecting.

Mr. Merrigan noted this motion would allow a sector to receive to receive PSC in proportion to cod catch between the two sectors.

Sam Cotten moved to revise the second paragraph of the Purpose and Needs Statement, as follows:

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 catch among sectors ~~would~~ **may** reduce this uncertainty and contribute to stability ~~across~~ **to some of** the sectors. Dividing the TAC among sectors may also facilitate development of management measures and fishing practices to address Steller sea lion mitigation measures, bycatch reduction, and prohibited species catch (PSC) mortality issues.

The motion was seconded by Duncan Fields and carried without objection.

Sue Salvesson moved to replace Component 7 with the following:

Retitle: "Management of unharvested sector allocations"

1. Any portion of a CV, CP or Jig sector allocation determined by NMFS to remain unharvested during the remainder of the fishing year will become available as soon as is practicable to either:

- 1) Other respective CV or CP sectors first, and then all sectors as necessary to harvest available TAC, or**
- 2) All sectors.**

The motion was seconded by Bill Tweit and carried without objection.

There was concern on the part of some Council members that no set dates for rollovers were included. Ms. Salvesson explained that without dates set in regulations NMFS will have the flexibility to monitor the fisheries and make any unharvested cod available as soon as it is determined that it's not going to be harvested in a particular sector.

Denby Lloyd moved that staff bring back a discussion of possible options to encourage each sector to reduce its need or use in the future of Pacific cod in non-Pacific cod directed fisheries. The motion was seconded by Duncan Fields and carried without objection.

In discussing timing, the Council determined that an initial review document should be provided at the February meeting. The Council requested that at the December meeting staff provide a discussion paper addressing coordination of sector splits with State-managed Pacific cod fisheries and management of Pacific cod incidental catch and discards.

C-4(b) GOA Fixed Gear LLP Latency

ACTION REQUIRED

Develop Alternatives for Analysis

BACKGROUND

At its March/April 2007 meeting, the Council received a discussion paper concerning a potential action to remove latent LLPs from the Gulf of Alaska non-trawl fisheries. In response to the paper, the Council adopted a draft purpose and need statement and requested further information from staff to be considered when developing alternatives for analysis. Specifically, the Council preliminarily identified sectors and requested additional data from staff that could be used for assessing threshold participation levels for qualification. In response to the Council request, staff has prepared a discussion paper, which was mailed to the Council in advance of this meeting and is attached as Item C-4(b)(1). The first part of the paper describes the current limit on entry under the License Limitation Program (the LLP). The second part of the paper discusses potential alternatives, including sectors that could be defined under this action, years used for defining recent participation, and catch or landing thresholds that could be applied. The paper includes preliminary estimates of the number of licenses that will qualify to remain in the fisheries at various participation thresholds.

In developing alternatives, the Council should consider whether this action will be used to redefine the LLP sectors. Currently, the LLP qualifies vessels to participate in fisheries using either trawl or non-trawl gear (or both). Licenses carrying a catcher processor endorsement may operate as a catcher processor or catcher vessel, while licenses with a catcher vessel designation may only operate as a catcher vessel. The LLP also defines areas that a person may enter, in which any authorized gear or operation type may be used for any groundfish species (except sablefish). The Council could choose to further refine the system of designations and endorsements. For example, the Council could elect to subdivide the non-trawl designations, so that licenses with exclusively pot history would be permitted to fish only pot gear and licenses with exclusively longline history would be permitted to fish only longline gear.

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

Report of the Advisory Panel

The Advisory Panel recommended the Council task staff to begin the analytical process on GOA fixed gear LLP recency and provided a draft statement of purpose and need as well as components to be included for analysis. The AP Minutes, Appendix III to these minutes, includes those recommendations.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

Mark Fina provided a staff report. The Council received the Advisory Panel report and oral public comment on this issue.

Gerry Merrigan noted during the staff report that the discussion paper does not note that the jig fishery has been exempted in the past.

Earl Krygier moved the following written motion:

Draft Statement of Purpose and Need

Western Gulf and Central Gulf groundfish fisheries are subject to intense competition, particularly in the A season, when fish are aggregated and of highest value. Competition among fixed gear participants in the Western Gulf and Central Gulf fisheries has increased for a variety of reasons, including increased market value of Pacific cod products and a declining ABC/TAC. The possible future entry of latent effort would have detrimental effects on LLP holders that have exhibited participation in, and dependence on, the fixed gear groundfish fisheries. Many fixed gear vessel owners have made significant investments, have long catch histories, and are dependant on WGOA and CGOA groundfish resources. These long-term participants need protection from those who have little or no recent history and who have the ability to increase their participation in the fisheries. The intent of the proposed amendment is to prevent latent fixed gear groundfish fishing capacity that has not been utilized in recent years, from future entry or re-entry into the fisheries. This requires prompt action to promote stability in the fixed gear sectors of the GOA groundfish fisheries, and is expected to be implemented concurrently with the division of GOA Pacific cod among sectors that is currently under consideration.

Component 1- Area

Western Gulf
Central Gulf (current endorsement includes West Yakutat)

Component 2 - Identify and define Sectors

H&L CP
Option: H&L CP =>125
H&L CP <125
H&L CV
Pot CP
Pot CV
Jig

Component 3 – Qualifying years

00-05
00-06
02-05
02-06

Component 4 – Catch thresholds

Thresholds shall be based on legally retained catch in the aggregate during all of the qualifying years in the Federal and Parallel fisheries (excluding IFQ catches).

- Option 1 – All groundfish 1,3,5 landings
- Option 2 – All directed Pacific Cod 1,3,5 landings (resulting in a Pcod endorsement)
- Option 3 – All groundfish 5,10,25,100 mt
- Option 4 – All directed Pacific Cod 5,10,25,100 mt (resulting in a Pcod endorsement)

Component 5 – Multiple endorsement provisions

Where there are multiple LLPs registered to a single vessel, also known as ‘stacking’ of LLPs, groundfish harvest history will be fully credited to all stacked licenses, each carrying it’s own qualifying endorsements and designations.

Option 1 – CV’s operating with a qualifying catch history in both the “trawl” and the “fixed gear” sectors shall elect annually sector participation.

Option 2 – CV’s operating with a qualifying catch history in both the “trawl” and the “fixed gear” sectors shall have a one time election of sector participation.

Option 3 – CV’s operating with a qualifying catch history in both the “trawl” and “fixed gear” sectors shall be able to elect to participate in both sectors in a single season.

The motion was seconded by Ed Rasmuson.

Gerry Merrigan moved to amend Component 2, to add the following suboption option: Exempt the jig sector. The motion was seconded and carried without objection.

When discussing Mr. Merrigan's amendment Ms. Salveson asked whether there should be any qualifiers, such as vessel length or gear on board. Mr. Merrigan responded that at this time he would just expect staff to provide a general idea of the numbers of vessels involved and the Council could refine the options later if necessary.

The main motion, as amended, carried without objection.

C-4(c) GOA Sideboards

This agenda issue was deferred to a later meeting due to time constraints.

C-4(d) CGOA Rockfish Post-Delivery Transfers

ACTION REQUIRED

Initial review of the analysis.

BACKGROUND

At its June 2007 meeting, the Council adopted a draft purpose and need statement and alternatives to amend the Central Gulf of Alaska rockfish pilot program to permit the transfer of cooperative quota to cover overages after the time of landing. The provision would be intended to reduce the potential for enforcement actions related to unintended overages, in the event the fisherman can acquire shares to cover the overage within a reasonable time. In response to the Council’s request, staff drafted an analysis of the alternatives for Council review. At this meeting the Council is requested to decide whether the analysis is sufficient to be released for public review. The executive summary of the analysis follows.

Executive Summary

In March of 2007, fishing in the Central Gulf of Alaska rockfish fisheries began under a new share-based management program. Under this program, cooperative receive a annual allocations of rockfish and other species (including halibut prohibited species catch) based on the qualified catch histories of their members. These annual allocations are binding without provision to cover any overage or compensate for any underage. This action considers allowing harvesters to engage in post-delivery transfer of their respective shares to cover overages.

Report of the Scientific and Statistical Committee

While the SSC did not have specific questions or concerns with the analysis itself, the SSC did request that a short explanation be provided as to why there is no accompanying EA before releasing the document for public review.

Report of the Enforcement Committee

The Enforcement Committee provided comment on post-delivery transfers for both rockfish and crab (see agenda item C-3(e) in these minutes, or the Enforcement Committee Report, Appendix VI to these minutes).

Report of the Advisory Panel

The AP recommends the Council send out the analysis for public review and final action as modified:

Revise alternatives 2 and 3 so that all transfers must be completed by December 31.

Revise alternative 2 so that a vessel must have CQ for all allocated species before initiating a trip.

COUNCIL DISCUSSION/ACTION

The Council received a staff report from Mark Fina (NPFMC staff), the SSC, AP and Enforcement Committee reports, and oral public comments on this agenda issue.

Gerry Merrigan moved to approve the recommendations of the Advisory Panel. The motion was seconded by Sue Salveson.

Sue Salveson moved to amend the Problem Statement as provided in the draft analysis to remove the word 'inadvertent' wherever it occurs. The motion was seconded and carried without objection. The main motion, as amended, carried without objection.

C-5 LLP Trawl Recency

ACTION REQUIRED

Review the initial draft of the EA/RIR/IRFA for the proposed amendment, and take action as necessary.

BACKGROUND

The Council has been developing this amendment since December 2005. Staff has prepared a EA/RIR/IRFA initial review draft for the amendment which was mailed to you recently and is attached as Item C-5(a). The document contains an update of the Council actions on the various alternatives, components, and options updated through the actions at the June 2007 meeting. If the Council determines that the document includes all the information and analyses relating to the amendment they believe to be pertinent and necessary, they may release it for public comment and schedule final action on the amendment at the December 2007 meeting.

Aside from the review, and potentially releasing the document for public review, there is no action being requested. Staff will make a presentation of the information, analyses, and impacts of the alternatives, at this meeting.

There are three main options for the Council to choose among, and several accompanying components and options, that can be selected independent of the main alternative selected. The main focus of the amendment is to remove the endorsements of latent permits. Latent permits are those that qualified in the initial implementation of the program, but have been unutilized in recent years.

The main action for Alternatives 2 and 3 will be to remove the area endorsement for licenses that do not meet the threshold requirements of one landing or two landings of groundfish during the qualifying period of 2000-2005. Using Option 1 – Component 3, the Council may choose to extend the qualifying period to include 2006. Component 1 Options 1 and 2 differ in the threshold landing criteria, requiring one landing or two landings, respectively, during the qualification period.

Component 1 – Option 4 provides the Council an opportunity to provide an exemption for licenses limited to be assigned to vessels less than 60 feet in length. There is some variability in this factor within the central and western subdistrict levels, but overall are in the same general proportion as for licenses assigned to vessels greater than 60 feet.

The Council has already made a decision on Component 2, which provides direction on evaluating multiple licenses assigned to a single vessel. This decision was essential to the staff being able to complete the analysis of impacts as presented in Section 3 of the report.

Component 4 is the portion of the proposed amendment that will increase the number of licenses assigned to the Aleutian Islands submanagement area. Vessels not having an Aleutian Islands LLP, but showing a history of participation in the parallel waters and state waters Pacific cod fisheries, will be allocated a new LLP for the Aleutian Islands. Between 9 and 14 vessels less than 60 feet would receive new LLPs, depending on the threshold selected by the Council. Between 3 and 4 vessels greater than 60 feet would receive new LLPs, depending upon the threshold selected by the Council.

Staff will review additional details of the analysis at this meeting.

Report of the Scientific and Statistical Committee

The SSC noted several areas of the analysis which need revised and supplemented and did not support release of the document for public review at this time and asked to review a revised document before release to the public.

Report of the Advisory Panel

The AP recommends that the Council task staff to continue work on the analysis and bring it back for initial review in December with several revisions to be addressed in a subsequent motion.

The AP recommends the Council make the following revisions to the analysis:

1. Make AFA exemption a “statement” and not an “option” in the document and address the Council’s concern that it not take an action that would result in an AFA vessel losing access to its AFA pollock allocation.
2. Make a statement excluding Central Gulf of Alaska area endorsements of the LLPs qualified for the rockfish demonstration program from LLP qualification and address the Council’s concern that it not take an action that would result in a CGOA rockfish pilot program vessel losing access to its CGOA RPP allocation.
3. More fully discuss in Section 3.4.2.10 the range of factors that have resulted in AFA vessels not fully harvesting their GOA sideboards.
4. In Component 1, Option 3, modify to extend the qualification period to 2006 for the BSAI only.

5. More fully contrast the effects of Alternative 2 (area-wide) and Alternative 3 (sub-area) application of the threshold.
6. In Table 3, the Alternatives/element cell that describes Component 1, Option 4 needs to be modified to reference the landing requirements described in Alternatives 2 and 3.
7. The AP concurs with most of the SSC comments regarding this analysis; however the AP recognizes that analyzing net benefits of the amendment to entities that neither previously participated nor qualified may be untenable. For this reason, the AP recommends that no further development of the net benefits section be pursued.

The AP acknowledges that further delays in implementing the LLP analysis may lead to increased pressure (through latent license participation) on the fully utilized BSAI Pcod stock. Although refinements to the package have been requested for the purpose of developing a solid analysis have been requested, the AP recommends that the Council encourage advancement of this package as soon as possible.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salvesson participated in this discussion for Denby Lloyd and Jim Balsiger, respectively.]

The staff report was waived for this agenda issue because of time constraints, however Jim Richardson (NPFMC staff) was available to answer questions. The Council received SSC and AP comments as well as oral public comments.

Earl Krygier moved to send the analysis back to staff for further work, incorporating SSC and AP comments, after adding the following option to Component 4:

In the Aleutian Islands, previous Congressional and Council actions reflect a policy encouraging economic development of Adak. The opportunity for non-AFA CVs to build catch history in the AI was limited until markets developed in Adak. The analysis indicates that there are only six non-AFA CV trawl AI endorsed LLPs. The Congressional action to allocate AI Pollock to the Aleut Corporation for the purpose of economic development of Adak requires that 50% of the AI Pollock eventually be harvested by <60' vessels. The Council action under Am. 80 to allocate a portion of AI POP and Atka mackerel to the limited access fleet does not modify AFA CV sideboard restrictions, thus participation is effectively limited to non-AFA vessels with AI CV trawl LLP endorsements. **A mechanism is needed to help facilitate the development of a resident fishing fleet that can fish in both State and Federal waters. The Council will consider different criteria for the CV eligibility in the AI.**

The motion was seconded by Sam Cotten.

Dave Benson moved to strike the portion of the motion revising Component 4 relating to the economic development of Adak. The motion was seconded by Gerry Merrigan and failed 6-5, with Salvesson, Cotten, Fields, Krygier, Rasmuson and Olson voting against.

Sam Cotten moved to amend the AP recommendation under Item 3, as follows: In addition, provide a discussion of the fleet that has fully harvested the GOA pollock since the implementation of the AFA. The motion was seconded by Earl Krygier and carried without objection.

Gerry Merrigan moved to add an option under Alternatives 2 and 3, as follows: The Council has the option of not extinguishing Aleutian Island permits that don't meet the thresholds. The motion was seconded and carried without objection.

During discussion Mr. Merrigan noted that this option would allow the Council to compare the current alternatives, one of which extinguishes license, the other could add licenses.

Roy Hyder moved to amend the AP recommendation item #4 under Component 1 (Option 3), to include the Gulf of Alaska in 2006 as an option. The motion was seconded by Gerry Merrigan.

Ms. Salveson pointed out that the current Component 1 in the analysis would extend the qualification period one year to include landings in 2006, which she interprets to include both the Gulf of Alaska and Bering Sea.

Sue Salveson moved a substitute amendment: to add an option to only extend it to the Bering Sea - use the AP's item #4 under Component 1 as a suboption to Component 1 that currently is in the analysis and already addresses both the Bering Sea and the Gulf of Alaska.

The motion was seconded by Bill Tweit. Ms. Salveson noted that the intent is to add 2006 for both the Bering Sea and Gulf of Alaska under the current Component 1 as listed in the analysis and to use the AP recommendation as a qualifier or suboption to look only at 2006.

Ms. Salveson's amendment carried without objection. The main motion carried, as amended, with Hyder objecting.

Jim Richardson, NPFMC staff, advised that responding to some of the SSC's comments/requests (i.e., net benefits associated with future events) may be difficult if not impossible to fulfill, particularly by the December meeting. Chris Oliver also pointed out that a portion of the motion adopted is in direct conflict with the SSC recommendations. Council members noted that staff instruction is to respond to these issues to the extent possible.

C-6 Amendment 80 Post Deliver Transfers

ACTION REQUIRED

Review discussion paper and take action as necessary.

BACKGROUND

At its June 2007 meeting, in response to public testimony, the Council requested staff to prepare a discussion paper concerning a potential amendment to the Amendment 80 cooperative program that would permit the transfer of cooperative quota (CQ) to cover overages after the time of landing. The provision would be intended to reduce the potential for enforcement actions related to unintended overages, in the event a cooperative can acquire shares to cover an overage within a reasonable time. The attached paper (**Item C-6(a)**) responds to the Council request. The paper begins with a brief description of the rationale and use for post delivery transfers, including a brief discussion of the use of systems of post-delivery transfers in fisheries outside of the North Pacific. The paper includes a discussion of pertinent issues, a draft purpose and need statement, and draft elements and options for Council consideration.

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

Report of the Advisory Panel

The AP recommends the council task staff to develop an analysis of post-harvest transfers. This analysis should examine the three alternatives included in the action memo with the following revisions as recommended by staff:

1. Change language from “transfer of species” to “transfer of allocation”;
2. Apply a requirement that a harvester must hold CQ at the start of a trip to both Alternative 2 and Alternative 3.

Amendment 80 allocates six target species and five PSC categories to vessels fishing in the non-AFA trawl catcher-processor sector. Vessels may choose to form cooperatives and combine their allocations, or they may choose to fish in a ‘limited access’ fishery that continues to operate under a ‘race for fish’ within the combined allocations. Given that each allocation represents a cap, it is likely that the limited access fishery will be closed on one species or PSC while leaving significant amount(s) of the other species unharvested. Amendment 80 does not provide a mechanism for this unharvested fish to roll from the limited access fishery to the Amendment 80 cooperatives for harvest. Without this provision, some amount of allocated species may be stranded in the limited access sector. Creating a mechanism to roll this unharvested amount to the Amendment 80 cooperatives prior to the end of the year will facilitate more complete harvest and utilization of these allocations.

The AP recommends that the Council request staff to develop an analysis of a mechanism to allow allocations of target species and PSC that may be unharvested in the Amendment 80 limited access fishery to roll over to the Amendment 80 cooperatives. This rollover is not intended as a means to cover overages within the Amendment 80 co-op sector.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salveson participated in this discussion for Denby Lloyd and Jim Balsiger, respectively.]

The Council received a brief staff report from Mark Fina (NPFMC staff), the AP report, and oral public comments.

Mr. Bundy asked whether NMFS could accomplish these rollovers using in-season management tools. Ms. Salveson responded that Council action under Amendment 80 allowed rollovers from the Bering Sea limited access to the co-ops, but not for the Amendment 80 co-ops.

Bill Tweit moved to approve the recommendations of the Advisory Panel, changes to the problem statement as suggested. The motion was seconded and carried without objection.

C-7 Socioeconomic Data Collection

ACTION REQUIRED

Report from the workgroup on comprehensive economic data collection.

BACKGROUND

At its October 2006 meeting, the Council requested staff of the Alaska Fisheries Science Center to coordinate a workgroup of social and economic analysts and researchers from the NMFS, ADF&G, and Council staff to develop a comprehensive economic data collection program and survey formats supporting that collection. At the March/April 2007 meeting, the Council received a report from that workgroup describing its progress in development of the program. At that meeting, the SSC was unable to review the report. The Council elected to defer further action on the matter until the SSC had the opportunity to review the report and comment. That review is scheduled to take place at this meeting.

The discussion paper, attached as Item C-7(a), is the initial product of the workgroup. The paper begins by outlining the rationale for expanding the collection of economic and social data collection. The paper goes on to identify different data shortfalls, particularly cost, revenue, employment, coastal community expenditure, community, ownership, and social impact data. For each of these areas, the nature of analytical data needs is discussed and potential reporting requirements to satisfy those needs. Data confidentiality concerns are outlined and potential means of addressing those concerns are identified. The paper briefly discusses approaches to collection of data, specifically defining persons who could be required to submit data and whether to use sampling or census data collection. The paper concludes with a brief description of collection of biodiesel fuel and inventory data, as suggested by the SSC. After reviewing the discussion paper, the Council could provide the workgroup with additional direction concerning its work in development of the program, including the scope of the program and possible surveys that will be developed.

Report of the Scientific and Statistical Committee

The SSC stressed that collection of comprehensive social and economic data is a necessary basis for elevating the quality and rigor of analyses undertaken in support of contemplated management actions and provided several comments and suggestions for the proposed program. Please see the SSC Minutes, Appendix II to these minutes, for the complete set of comments.

Report of the Advisory Panel

The AP recommends the comprehensive socio-economic data collection effort proceed once clear objectives are articulated. Specific data should be collected that address those objectives. Further, the AP recommends the AFSC workgroup being convened include crewmember, community, and industry representation to inform that process.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd. Mr. Rasmuson was not present for this discussion.]

The Council received a report from Dr. Ron Felthoven, AFSC, on progress in developing a social and economic data collection program. The Council also received the SSC and AP reports and oral public comments on this issue.

Duncan Fields moved that the Council Chair appoint fishing industry representatives and at least one coastal community representative to work with the inter-agency workgroup to develop a proposed data collection program, including clarification of data collection goals. The motion was seconded by Gerry Merrigan.

Jim Balsiger said that this would be a good idea later in the process, after the interagency group has formed and begins work. Chris Oliver noted that because the current workgroup is an agency workgroup, the Council probably would not have the authority to add members to the group.

Mr. Fields said that, alternatively, his intent would be to form a Council committee to interact with the agency workgroup—a small committee, but with at least one coastal community representative. Chairman Olson indicated formation of a new Council committee should be discussed during Staff Tasking when current committees are to be reviewed.

John Lepore (NOAA General Counsel) noted that there could be FACA issues if public representatives participated in an agency working group. It was suggested by Chris Oliver that the agency could sponsor an open workshop when there is enough information to proceed with drafting a collection program.

The motion was tabled until taken up under the Staff Tasking agenda item at this meeting.

D. GROUND FISH MANAGEMENT

D-1(a) GOA Arrowtooth MRA

ACTION REQUIRED

Final action on the GOA Arrowtooth MRA adjustment.

BACKGROUND

In June 2007, the Council reviewed an EA/RIR/IRFA that proposes to revise the maximum retainable amounts (MRAs) of groundfish in the GOA arrowtooth flounder fishery. The proposed action includes three alternatives under consideration. Alternative 1 is the no action alternative. Alternative 2 would set the MRAs for incidental catch species relative to arrowtooth based on the industry proposal. Alternative 3 would set the MRAs for incidental catch species relative to arrowtooth near recent high catch levels in the arrowtooth flounder fishery. The executive summary of the EA/RIR/IRFA is attached as Item D-1(a)(1). At this meeting, the Council is scheduled to take final action.

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

Report of the Advisory Panel

The AP recommends the Council select Alternative 2 that would set the MRAs for incidental catch species relative to arrowtooth flounder as a basis species as per the industry proposal.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salvesson participated in this discussion for Denby Lloyd and Jim Balsiger, respectively.]

The Council received a review of the analysis from Jon McCracken (NPFMC staff) and Tom Pearson (NMFS-AKR), the Advisory Panel report, and oral public comment on this issue.

Earl Krygier moved to approve the recommendation of the Advisory Panel to approve Alternative 2. The motion was seconded by Bill Tweit and carried unanimously.

Mr. Krygier noted that this alternative would best serve both the industry as well as management and enforcement as well as continued pursuit of increased utilization and retention.

D-1(b) WGOA Pollock Trip Limit
ACTION REQUIRED

Review the initial draft of the RIR//IRFA for the proposed amendment, and take action as necessary.

BACKGROUND

The Council reviewed a discussion paper on western Alaska pollock trip limit at the March/April 2007 meeting and requested that staff bring a draft amendment back at the October meeting for consideration. The report for this item is the response to that request.

In preparing this document, it was necessary for staff to make changes to the draft problem statement and the proposed action alternative that the Council previously reviewed. The document presents the background for the 1999 GOA pollock trip limit, which was set at 126 mt. (300,000 pounds). It analyzes the occurrences and instances for landings greater than 126 mt. over the period from implementation on January 22, 1999 through 2006.

It is clear from the analysis that the initial regulation has been effective in reducing the average harvest size in the western Alaska pollock trawl fishery in areas 610 and 620, compared with the years prior to the 1999 regulation. It is also clear that there are still a number of landings made each year that are over 300,000 pounds (187 total for the years 1999-2006 representing 14.9 million pounds).

Given the wording of the existing regulation, it is possible for landings in the western Gulf pollock fishery to exceed 300,000 pounds (126 mt.) per day without incurring a violation. This situation has resulted in disputes among fishermen in the fishery, and has also created difficulties for NMFS enforcement in pursuing compliance with a regulation that does not fully meet the Council intent, as stipulated in the draft problem statement.

Alternative 1, the status quo, would continue the current trip limit regulation with no change. The draft alternative 2 presents language intended to more effectively restricts trawl pollock harvests in areas 610 and 620 to 300,000 pounds per day.

Report of the Scientific and Statistical Committee

The SSC supports release of the draft for public review.

Report of the Enforcement Committee

The Committee discussed the definition of a calendar day and landing limits within Alternative 2 and noted that a calendar day defined as 12 am to 12am (or 0001 hrs to 2400 hrs) would provide easier tracking of compliance with the trip or landing limits, utilizing fish tickets. With Enforcing a daily harvest limit would be difficult and could be practically enforced only through landings activity. However the landing provisions are easier to enforce through fish tickets. The Committee made the following recommendations to modify the language within Alternative 2:

- (a) Limit trawl catcher vessels in the Gulf of Alaska pollock fishery to landing no more than 136 metric tons, through any delivery means, in a calendar day – 12 AM to 12 AM (or 0001 hrs to 2400 hrs).

(b) The cumulative amount of pollock harvested from any GOA regulatory area and landed by a catcher vessel cannot exceed the daily trip limit of 136 metric tons times the numbers of calendar days the directed pollock fishery is open in the area of harvest.

The Committee noted that it assumes no changes to tender vessel restrictions in Areas 610 and 620 under the proposed action. For additional comments on this issue, please see the Enforcement Committee minutes, Appendix VI to these minutes.

Report of the Advisory Panel

The AP recommends the Council release the EA/RIR/IRFA for public review with the following changes:

Eliminate "Western" in the title and adopt the clarifying language recommended by the enforcement committee:

- A. Limit trawl CV in the GOA pollock fishery to landing no more than 136 MT, through any delivery means, in a calendar day - more 12am -12am [0100-2400]

AND

The cumulative amount of pollock harvested from the GOA and landed by a trawl catcher vessel cannot exceed the daily trip limit of 136 mt times the numbers of calendar days the fishery is open for the respective sub-management areas, i.e. 610, 620, and 630.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salveson participated in this discussion for Denby Lloyd and Jim Balsiger, respectively.]

The Council received a report on the initial analysis from Jim Richardson (NPFMC staff), reports from the SSC, AP and Enforcement Committee, and oral public comments on this issue.

Sue Salveson moved to approve a revised problem statement, as follows:

Problem Statement

Section 679.7(b)(2) places a 136 mt (300,000 lb) limit for the amount of pollock that can be aboard a catcher vessel in the Gulf of Alaska **to meet objectives of SSL protection measures**, but places no limit on the number of trips per day and does not place a limit on the total amount of pollock that can be harvested and landed by a catcher vessel in a day. The trip limit was intended to slow down the race for fish in the Pollock fishery by limiting harvests on catcher vessels to 300,000 lb of unprocessed Pollock per fishing trip.

Catcher trawl vessels may be circumventing the intent of the trip limit by making multiple 300,000 lb deliveries in a day. ~~to tenders in the western GOA which have a 600,000 lb limit [Section 679.7(b)(3)(ii)].~~ It was generally believed that only one trip per vessel would occur per day when the Council made its recommendation, but the regulation, as written, does not impose a daily limit. ~~The higher tender trip limit would allow one vessel to offload 300,000 lb harvests twice in the same day and still land its own third trip limit and still operate within the regulation.~~ Multiple trips and offloading **in a day** ~~to tenders~~

allows a faster catch rate by those vessels than if ~~they were delivering to plants on shore or~~ only one trip was allowed per day.

The motion was seconded by Bill Tweit and carried without objection..

Ms. Salveson noted that the intent is to incorporate more explicitly outline the original objectives of the trip limit, which was to maintain spatial and temporal dispersion of the pollock harvest in the Gulf of Alaska to meet objectives of SSL protection measures. Additionally, the original action addressed the entire Gulf of Alaska and issues of tendering were not addressed, therefore Ms. Salveson noted that she has focused the action on daily trip limits.

Sue Salveson moved to approve a revised Alternative 2, as follows, noting that the focus is being changed from the Western GOA to include any GOA regulatory area.:

Alternative 2:

- (a) Limit trawl catcher vessels in the Gulf of Alaska (GOA) pollock fishery to landing no more than 136 mt, through any delivery means, in a calendar day--12 AM to 12 AM (or 0001 hrs to 2400 hrs); and**
- (b) The cumulative amount of pollock harvested from any GOA regulatory area landed by a trawl catcher vessel cannot exceed the daily trip limit of 136 mt times the numbers of calendar days the fishery is open in the respective regulatory area.**

The motion was seconded by Gerry Merrigan and carried without objection.

Ms. Salveson noted that the Enforcement Committee's concerns highlight the need to move to a calendar day and limiting the amount of harvest through any delivery means in a calendar day. The motion also would apply the trip limit to all GOA regulatory areas. Ms. Salveson also pointed out that Enforcement cannot monitor or regulate harvests, but can regulate landings, thus the focus on landings in this action.

D-1(c-d) Groundfish Harvest Specs/Amendments 80 and 85

ACTION REQUIRED

- (c) Report from NMFS on specifications per Amendments 80 and 85.**
- (d) Recommend proposed groundfish specifications for 2008/2009.**

BACKGROUND

Starting in 2005, the Council implemented a new policy of adopting proposed BSAI and GOA groundfish specifications for a two-year period each October with final specifications set each December. Further, the Council adopted a biennial cycle for some GOA and AI groundfish stocks, timed for when trawl surveys provide new data. Therefore, 2008 specifications that were adopted in December 2006 have been published in the *Federal Register* and will start the fishery on January 1, 2008. The proposed specifications for review at this meeting will be published in the proposed rule. Final specifications scheduled for review in December 2007 will replace those that started the 2008 fisheries, after they are published in the final rule in late February/early March 2008.

During their respective meetings on September 20, 2007 the BSAI and GOA Groundfish Plan Teams recommended proposed groundfish specifications for 2008 and 2009 for publication in the proposed rule (Item D-1(d)(1)). The recommendations are based on rollovers of the established 2008 final specifications rather than projections for Tier 1 to 3 stocks that have been made previously. The teams felt the rollover approach was preferable to the projection model because the former is based upon stock assessments that used the best information available at the time. The reports from the GOA plan team meeting and BSAI plan team meeting are attached as Item D-1(d)(2). The joint plan team report will be provided at the meeting.

Bering Sea/Aleutian Islands. Prohibited Species Catch (PSC) limits are established for halibut, red king crab, Tanner crab, opilio crab, and herring. These PSC limits are further allocated among gear types and apportioned by target fisheries. The 2008 PSC limits and apportionments, as implemented in regulation, are attached as Item D-1(d)(3).

CDQ Fisheries	
Gear/Target	Recommended DMR
<i>Trawl</i>	
Atka mackerel	85
Bottom pollock	86
Rockfish	82
Flathead sole	87
Pelagic pollock	90
Rock sole	86
Yellowfin sole	86
<i>Pot</i>	
Sablefish	34
<i>Longline</i>	
Pacific cod	10
Turbot	4

The BSAI Plan Team adopted the IPHC staff recommendations for 2008 halibut discard mortality rates (DMRs) for the community development quota fisheries (CDQ), which were based on mean DMRs calculated from 1998-2006 data (at right). The rates for the non-CDQ fisheries have been set in regulations through 2009. Rates for non-CDQ fisheries have already been published in regulation for 2007-2009 (Item D-1(d)(4)).

The BSAI and GOA teams endorsed an interagency staff recommendation that the Council may wish to consider revising requirements in regulations for escape panels on all pots that catch sablefish in the BSAI (pots are not allowed in the GOA). The proposal is to have a rectangular panel of the same dimensions as the currently required slash panel (18 inches in length). This recommendation came as a result of a December 2005 Council request for information regarding a number of management issues related to sablefish (see appendix to the joint team minutes). However, ADF&G staff has noted that 1) Canadian studies that support this recommendation used conical traps and not rectangular traps and 2) crab pots are also required to have escape rings. Additional staff work should occur before a regulatory amendment is initiated.

Gulf of Alaska. Prohibited Species Catch (PSC) limits are established for halibut. Total halibut PSC limits for all fisheries and gear types total 2,300 mt. The halibut PSC apportionments recommended based upon the 2007 apportionments are attached as Item D-1(d)(5).

GOA TAC Considerations for State Pacific Cod Fishery: Since 1997, the Council has reduced the GOA Pacific cod TAC to account for removals of not more than 25% of the Federal P. cod TAC from the state parallel fisheries. Using the area apportionments of the 2008 P. cod proposed ABC recommended by the Plan Team (for the proposed rule), the federal TAC for P. cod would be adjusted as listed below.

Proposed 2008 and 2009 Gulf of Alaska Pacific cod ABCs, TACs and state Guideline Harvest Levels (GHLs) (mt).

Specifications	Western	Central	Eastern	Total
ABC	27,846	39,270	4,284	71,400
State GHL	6,961	9,817	428	17,206
(%)	25	25	10	24.1
Federal TAC	20,885	29,453	3,856	54,194

Report of the Scientific and Statistical Committee

The SSC concurs with the preliminary groundfish specifications suggested by the plan teams. The SSC noted that the public should be aware that these preliminary numbers will be revised in December.

The SSC also received a review of new stock assessment models. Please see the SSC Minutes, Appendix II to these minutes, for comments on the presentation.

Report of the Advisory Panel

BSAI

The AP recommends the Council adopt the preliminary BSAI 2008/2009 groundfish harvest specifications, which are the OFLs, and ABCs as recommended by the Plan Teams and SSC and with TACs as noted in the attached table.

The AP recommends the Council adopt the preliminary PSC bycatch allowances and seasonal apportionments of halibut and crab for 2008/2009 for the BSAI Trawl limited access sector as noted in the attached table, and herring and red king crab in the RKCSS as noted in Table 7a in the action memo.

The AP recommends the Council adopt the 2008 halibut DMRs for the CDQ fisheries as noted in the table in the action memo.

The AP recommends the percentage for the jig gear allocation of Atka mackerel be set at 0.5% . .

GOA

The AP recommends the Council adopt the proposed specs for 2008-2009 OFLs and ABCs as recommended by the SSC.

The proposed TACs would be set as follows:

Set the 2008 and 2009 GOA proposed specifications where TAC is equal to ABC for stocks with the following exceptions:

1. The Pcod TAC is reduced according to the table in the action memo to account for the apportionment to the State waters fishery in 2008 and 2009.
2. Roll over the 2007 TAC for 2008 and 2009 for:
 - a. Shallow water flatfish and flathead sole in the Central and Western GOA
 - b. Arrowtooth flounder for all areas
 - c. Other slope rockfish in the EYAK/SEO
 - d. GOA Atka mackerel
 - e. GOA other species.

Additionally, the AP recommends the Council adopt the GOA halibut PSC apportionments, annually and seasonally, for 2007 as indicated in D-1(c, d) should be rolled over for 2008-2009 and that the trawl halibut PSC apportionment be further subdivided between the deep and shallow complex halibut both annually and seasonally as noted in the attached table (see AP Minutes, Appendix III to these minutes).

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salvesson participated in this discussion for Denby Lloyd and Jim Balsiger, respectively.]

The Council received a review of the current method and cycle for setting groundfish harvest specifications in the GOA and BSAI groundfish fisheries from Mary Furuness and Glenn Merrill (NMFS-AKR). Additionally, the Council received staff reports from Diana Stram and Jane DiCosimo (NPFMC Staff) on the proposed 2008-09 groundfish harvest specifications as proposed by the GOA and BSAI Groundfish Plan Teams. The Council also received reports from the SSC and AP and oral public comments on this agenda issue.

Gerry Merrigan moved to approve the recommendations of the Advisory Panel (see above) for the preliminary 2008-09 groundfish harvest specifications. The motion was seconded by Duncan Fields and carried without objection.

The approved draft 2008/09 groundfish harvest specifications are included as Appendix VII to these minutes.

Gerry Merrigan requested that the sablefish stock assessment author to look at the fishery's CPUE and coefficient variance and how that is being used provide it to the Plan Team. The issue has been raised in the Plan Team but referred back to the Council as an apportionment issue.

D-1(e) Seabird Avoidance Measures-Area 4E

ACTION REQUIRED

Receive Update on Seabird Avoidance Measures for IPHC Area 4E

BACKGROUND

At the February 2007 meeting, the Council approved a revision to seabird deterrence regulations in the hook and line fisheries in the Alaskan EEZ. The Council's motion stated that, for inside waters, which include southeast Alaska, Prince William Sound, and Cook Inlet, use of seabird deterrence will not be required. Waters not considered "inside" include the entire EEZ and three areas of southeast Alaska: outer Chatham Strait, Dixon Entrance, and outer Cross Sound. In these waters, the use of seabird deterrence devices by all hook and line vessels will continue to be required but performance standards for small vessels (>26 ≤55 ft LOA) will change, depending on vessel rigging and vessel length. The Council also approved eliminating the "other device" requirement and the seabird avoidance plan, and imposed a provision for discretionary use of seabird deterrence by small vessels in high wind conditions. The Council's motion is attached as Item D-1(e)(1). The Proposed Rule was published in the Federal Register on September 19, 2007 (see Item D-1(e)(2)).

As part of the motion, the Council requested an analysis of a trailing amendment to exempt small vessels from seabird deterrence regulations in IPHC Area 4E. This request was based on public comments that the small boat fishery in this area rarely encounters seabirds, and that use of deterrence devices is difficult given the type of boats used. Available data provided in the EA/RIR/IRFA suggested that exempting all or part of Area 4E might be appropriate, but an analysis of new short-tailed albatross satellite tagging data would be required to better inform such a decision. The Council requested that this analysis be conducted.

Staff have proceeded with that analysis, and have developed a preliminary draft set of alternatives for Council review and comment. A short discussion paper that outlines several possible alternatives is attached as Item D-1(e)(3). After Council review, staff will proceed; the Council is scheduled to receive the draft trailing amendment analysis for initial review at its February 2008 meeting.

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

Report of the Advisory Panel

The AP recommends the Council direct staff to prepare an analysis based on the discussion paper's draft alternatives including the addition of maps, which clarify the geographic boundaries of the suboptions.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

Kristen Mabry (NMFS-AKR) and Greg Balough (USFWS) provided a review of a discussion paper on proposed seabird avoidance measures in IPHC Area 4E. The Council also received the Advisory Panel report. There was no oral public comment on this issue.

Gerry Merrigan moved to approve the recommendation of the Advisory Panel, plus the SSC request to review techniques for statistical analysis. The motion was seconded and carried without objection.

D-1(f) Tasking Plans – Other Species Complex

Because of time constraints, this agenda item was deferred to a later meeting.

D-2 Salmon Management

ACTION REQUIRED

- (a) **Salmon Bycatch Workgroup Report**
- (b) **Refine alternatives for analysis**
- (c) **Report on salmon excluder EFP**

BACKGROUND

(a) Salmon Bycatch Workgroup Report:

In April, 2007, the Council appointed a Salmon Bycatch Workgroup to work with staff in providing recommendations to the Council for refining alternatives under consideration for salmon bycatch reduction measures in the Bering Sea pollock fishery. The Workgroup met on August 29, in Anchorage AK to review preliminary analyses by staff and to provide further recommendations to the Council on the draft alternatives. A report from the workgroup including their specific recommendations for the Council is attached as Item D-2(a).

(b) Refine alternatives for analysis:

At this meeting, the Council will receive the report from the Salmon Bycatch Workgroup (SBW) and review a discussion paper from staff which lays out the Council motions on salmon bycatch into a proposed alternative structure. This paper is attached as Item D-2(b)(1). The discussion paper reviews elements and revised options and presents outstanding issues. The Council will review both the report from the workgroup as well as the discussion paper by staff and further

refine alternatives as necessary.

Several discussion papers have been prepared for review by the SSC at this meeting. These papers cover analytical methodologies for addressing several aspects of proposed alternatives and include:

- Item D-2(b)(2) a draft paper that addresses how one might establish a cap relative to salmon run size impacts**
- Item D-2(b)(3) identifying candidate closures areas based on either proposed rate-based or threshold criteria**
- Item D-2(b)(4) methods using a cost benefit optimization technique to identify candidate closure areas and times.**

Input from the SSC is sought on identifying appropriate methodologies for use refining the alternatives for the Council on salmon excluder EFP:

(c) Report on salmon excluder EFP:

An update will be provided on the on-going investigations to evaluate the use of a salmon excluder device on pollock trawl nets in the Bering Sea. The 2 year study tested incremental changes in the design and location of the excluder device. Investigations focused on the use of the device on both catcher vessels (using a recapture net), and catcher processors (employing side by side vessel comparisons in year one and a recapture net in year two). A preliminary report following the spring 2007 excluder trials is attached as Item D-2(c). Additional information on results from both years of the experiment will be provided by the principal investigators at this meeting.

Report of the Scientific and Statistical Committee

After hearing from Dr. Ianelli (AFSC) on recent efforts to develop a method to estimate the impact on salmon run sizes in western Alaska rivers resulting from bycatch in the BSAI pollock fishery, the SSC encouraged further development of the model. With regard to a model being developed by Alan Haynie (AFSC) to model the optimal design for BSAI pollock fishery closures to effectively reduce salmon bycatch, the SSC suggested that inclusion of spatial data on river of origin, if and when the data becomes available, would be a useful enhancement. For more detailed comments, please see the SSC minutes, Appendix II to these minutes.

With regard to the presentation on recent field testing results of salmon excluder devices for pollock trawls the SSC encouraged further work and recommended that the research effort include repeated experiments in different years to examine the impact of changing environmental conditions.

Report of the Advisory Panel

The AP recommends the Council forward the alternatives for analysis incorporating the recommendations of the Salmon Bycatch Workgroup in its August 29, 2007 minutes. This includes recommendations to:

- Modify descriptions of cap formation alternatives
- Explicitly add the alternatives for new closures that would allow for an exemption for the fleet to these new closures.
- Consider additional rate-based breaks in formulating criteria for identifying closures such that a more defined and consistent range of rate breaks are considered. (e.g. 0.1, 0.2, 0.3, etc.)

Additionally, the AP recommends striking the last sentence of the draft problem statement and adding the following:

In order to address the possibility that a coop could opt out of the VRHS program or that the Council could determine that the VRHS program does not adequately reduce salmon bycatch, alternatives to the VRHS system and/or the regulatory salmon bycatch program should be analyzed to assess whether they would be more effective in reducing salmon bycatch.

The AP recommends the Council encourage the Salmon Bycatch Workgroup to continue their efforts as analysis progresses.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd.]

The Council received a staff report from Diana Stram (NPFMC staff) on the current Salmon Bycatch Workgroup report and its recommendations for analysis of methods to further reduce salmon bycatch in the pollock trawl fishery. The Council also received SSC and AP reports and oral public comments on this issue.

Earl Krygier moved the following written motion:

Forward the following issues to the Salmon Bycatch Working Group, requesting that they consider the following options to address salmon bycatch in the Bering Sea pollock fisheries and report back to the Council at their December 2007 meeting.

Chinook and other salmon bycatch caps representing the following years be developed:

Cap formulation alternatives:

1. Establish Chinook and non-Chinook salmon caps based on:

Average historical bycatch

- i. 3 years (2004-2006)**
Option: 20% increase for non-Chinook
- ii. 5 years (2002-2006)**
- iii. 10 years (1997-2006)**
Option: drop year 2000
Option: drop year 2006

2. Set cap relative to salmon returns: (To determine specific salmon stock impacts from bycatch)

3. The 2007 Incidental Take number (87,500) will be included in the analysis and serve as the upper limit cap for Chinook salmon bycatch in the analysis.

4. International treaty considerations for Chinook salmon

Average historical bycatch pre-2002

- i. 3 years (1999-2001)**
- ii. 5 years (1997-2001)**
- iii. 10 years (1992-2001)**

Status quo in the alternatives will be described as the VRHS system with the existing exemption to the CSSA closures. An option will be explicitly added to the alternatives for new closures which would likewise allow for an exemption for the fleet to these new closures.

Additional rate-based breaks will be considered in formulating criteria for identifying closures such that a more defined and consistent range of rate breaks are considered (e.g. 0.1, 0.2, 0.3, 0.4,...)

Staff will develop a method to apportion caps by closure area in a way that minimizes bycatch (e.g. to evaluate separate trigger caps by closure area apportioned according to the overall limit) as well as a single cap which triggers multiple areas.

The Work Group will examine dividing the final cap by sectors (50% shore based CV fleet; 10 % for the mothership fleet and 40% for the offshore CP fleet). The sector allocations of Chinook salmon bycatch will be divided up by pollock coops within each sector based upon the percent of total sector pollock catch their coop allocation represents. When the Chinook salmon coop cap is reached, the coop must stop fishing for pollock and may lease their remaining pollock to another coop (inter-cooperative transfer) within their sector for that year (or similar method to allow pollock harvest with individual coop accountability).

The Work Group will also consider developing a new suboption in conjunction with a hard cap or trigger that proposes alternative management measures to remain beneath a proposed cap (with or without closed areas).

The Work Group should be expanded to include a State of Alaska Board of Fisheries member.

Lastly, the Council adopts the proposed Problem Statement as modified by the AP.

The motion was seconded and carried without objection.

With regard to timing and process, it was clarified that the Workgroup would report back in December, but the current schedule for a preliminary review analysis available for the March 2008 meeting. Jim Balsiger noted that the Agency will provide a draft Notice of Intent for the NEPA document at the December meeting, as outlined in the workplan.

D-3 Crab Management

ACTION REQUIRED

- a) **Crab Plan Team Report; Approve BSAI Crab SAFE**
- b) **Initial review of crab overfishing definitions analysis**

BACKGROUND

- a) **Crab Plan Team Report; Approve BSAI Crab SAFE**

The Crab Plan Team met at the Alaska Fisheries Science Center in Seattle, WA from September 12-14, 2007 to review the status of stocks and to compile the annual Stock Assessment and Fishery Evaluation (SAFE) report. The Crab SAFE report was mailed to you September 18th. The SAFE report summarizes the current biological status of fisheries, total allowable catch (TAC), guideline harvest levels (GHL), and analytical information used for management decisions or changes in harvest strategies. The report is assembled by the Crab Plan Team with contributions from plan team members as well as from additional personnel from the State of Alaska, Department of Fish and Game (ADF&G), and the National Marine Fisheries Service (NMFS). The report from the Crab Plan Team is attached as Item D-3(a).

- b) **Initial review of crab overfishing definitions analysis**

An Environmental Assessment (EA) has been prepared which evaluates proposed changes to the current overfishing definitions for BSAI crab stocks. The proposed action is to establish a set of overfishing levels (OFLs) that provide objective and measurable criteria for identifying when a BSAI crab fishery is overfished or when overfishing is occurring, in compliance with the Magnuson-Stevens Act. The BSAI crab FMP establishes a State/Federal cooperative management regime that defers crab fisheries management to the State of Alaska with Federal oversight. The Magnuson-Stevens Act requires that FMPs specify objective and measurable criteria for identifying when the fishery is overfished (with an analysis of how the criteria were determined

and the relationship of the criteria to the reproductive potential of stock). The OFLs are a Category 1 measure in the FMP, and as such revisions to the OFLs require an FMP amendment.

Determinations of total allowable catches (TACs) and guideline harvest levels (GHLs) are a Category 2 management measure and are deferred to the State following the criteria in the FMP. Catch levels established by the State must be in compliance with OFLs established in the FMP to prevent overfishing. NMFS annually determines if catch levels exceed OFLs or if stocks are overfished or are approaching an overfished status. If either of these occurs, NMFS notifies the North Pacific Fishery Management Council (Council) and the Council has one year to develop an FMP amendment to end overfishing and the rebuild the stock.

The purpose of the proposed action is to establish status determination criteria in compliance with the Magnuson-Stevens Act and the national standard guidelines. The Council reviewed this analysis in June 2007. At that time, given extensive comments by the Crab Plan Team and the SSC, the Council requested that the analysis be revised for initial review in October 2007. Accordingly the analysts have substantially revised the analysis. The analysis presents three alternatives with two different sets of options. These are summarized below:

Alternative 1: (Status Quo) Amendment 7 provided fixed values in the FMP for the status determination criteria: minimum stock size threshold (MSST), maximum sustainable yield (MSY), optimum yield (OY), and maximum fishing mortality threshold (MFMT) for the BSAI king and Tanner crab stocks.

Alternative 2: Tier system with five Tiers. The FMP amendment would specify the Tier system and a framework for annually assigning each crab stock to a Tier and for setting the OFLs (see Options 1 and 2). The Tier system with five Tiers would provide an OFL for all FMP stocks (see Options A and B).

Alternative 3: Tier system with six Tiers. The FMP amendment would specify the Tier system and a framework for annually assigning each crab stock to a Tier and for setting the OFLs (see Options 1 and 2). The Tier system with six Tiers would provide an OFL for stocks with sufficient catch history and, in Tier 6, set a default OFL of zero for those stocks with insufficient information from which to set an OFL, unless the SSC establishes an OFL based on the best available scientific information

The two sets of options are summarized as follows:

Options 1 and 2 provide options for the OFL setting and review process by which stocks would be annually assigned to Tier levels, the OFLs would be set, and the timing of the annual review process by the Crab Plan Team, Scientific and Statistical Committee, and Council.

Option 1: Council annually adopts OFLs. In June, the Council would adopt the final Tier level assignments and OFLs for each stock. OFLs would be determined based upon model estimates prior to the summer survey because the Council would adopt the OFLs before the survey.

Option 2: Council annually reviews OFLs. OFLs would be calculated after the survey data are available in late August. The Council would review the status of the stocks, the OFLs, and the TACs in the Fall.

Options A and B provide options for the stocks managed under the FMP, and therefore, determine the stocks for which OFLs are required.

Option A: This option would remove eleven stocks from the FMP for which the State is interested in the conservation of management of the stock and there is no need for additional Federal management.

Option B: Status quo FMP species

The analysis reviews the impacts on crab stocks, groundfish incidental catch limits for crab species, seabirds, marine mammals, threatened and endangered species and the economic impacts on participants in the crab fisheries. The executive summary of the EA is attached as Item D-3(b)(1). The full analysis was mailed to you on September 4th. A summary of errata to this analysis is attached as Item D-3(b)(2). This analysis is scheduled for initial review at this meeting.

Report of the Scientific and Statistical Committee

In response to issues of concern raised by the Crab Plan Team, the SSC urged the Team to pursue analysis of potential consequences of high fishing mortalities on the southern portion of the snow crab stock. The SSC noted that it is expected that several other concerns will be addressed in a requested CIE review of the snow crab assessment. The SSC also urged the Plan Team to begin working on implementation issues relating to the proposed Amendment 24 (Revised Overfishing Definitions) as soon as possible. Please see the SSC Minutes, Appendix II to these minutes, for more detailed comments.

Report of the Advisory Panel

(a) BSAI Crab SAFE

The AP recommends the Council approve the BSAI Crab SAFE.

(b) Crab Overfishing analysis

The AP recommends the Council release the Crab Overfishing analysis for public review and further recommends that the Council request that NMFS and ADF&G staff work together on implementation issues.

COUNCIL DISCUSSION/ACTION

[NOTE: Ed Rasmuson was not present for this discussion.]

Diana Stram provided reports on the Crab Plan Team's meetings and the BSAI Crab SAFE document and the analysis for revised overfishing definitions for the crab fisheries. The Council also received comments from the SSC, AP and oral public comments.

Bill Tweit moved to approve the Crab SAFE document, taking note of the SSC's comments regarding implementation issues which may arise on the approval of BSAI Amendment 24 (revised overfishing definitions). The motion was seconded and carried without objection.

John Bundy moved to approve the recommendations of the Advisory Panel to release the crab overfishing analysis for public review and to request that NMFS and ADF&G staff work together on implementation issues. The motion was seconded and carried without objection.

D-4 Arctic Fishery Management

ACTION REQUIRED

A. Receive update report on Arctic FMP and Ecosystem Committee recommendations and take action as necessary.

B. Review and approve Arctic outreach plan.

BACKGROUND

At the June 2007 meeting, the Council passed a motion directing staff to prepare a draft Arctic FMP and draft amendments to the scallop and crab FMPs that terminate their geographic coverage at Bering Strait, and to develop an accompanying analysis that considers two options for the Arctic FMP: close the entire Arctic region to all commercial fishing, or close the entire Arctic region to commercial fishing except for the red king crab fishery that has previously occurred in the southern Chukchi Sea. The Council's June 2007 motion is attached as Item D-4(a).

Since June, staff has developed a work plan and schedule for drafting an Arctic FMP, amendments to the scallop and crab FMPs, and the accompanying analyses (the draft work plan and schedule is attached as Item D-4(b)). The schedule calls for Council review of a preliminary draft of the Arctic FMP at its December 2007 meeting, and an initial review of the FMP in February 2008. Following public review, the Council is then scheduled to take final action at their June 2008 meeting.

The Council's June 2007 motion included a recommendation to consult with stakeholders, including Arctic communities, to present the Council's plans for developing an Arctic FMP and to seek input and suggestions for future fishery management in Alaskan Arctic EEZ waters. In response to this recommendation, staff has prepared a draft plan for conducting outreach to stakeholders, including communities and other entities in the Arctic region. That outreach plan is attached as Item D-4(c).

The Council has directed staff to work with the Council's Ecosystem Committee to develop the draft FMP, scallop and crab FMP amendments, and accompanying analyses. A plan for proceeding with the Arctic FMP and related analyses was presented to the Ecosystem Committee on August 22, 2007. The Ecosystem Committee adopted several recommendations for Council consideration; those recommendations are contained in the Ecosystem Committee's minutes, which are attached as Item D-4(d).

The Council is scheduled to review the work plan, outreach plan, and Ecosystem Committee recommendations and provide further direction to staff.

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

Report of the Advisory Panel

The AP recommends the Council support development of a comprehensive fishery management plan and environmental assessment for the Arctic management region defined in the staff discussion paper (North of Bering Strait at Point Hope). This FMP should accommodate existing fisheries in that region. The AP also supports the proposed outreach plan and recommends that staff consider specific outreach during AFN and other seasonal gatherings of northern region community members.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier participated in this discussion for Denby Lloyd. Mr. Rasmuson was not present for this discussion.]

The Council received a staff report from Bill Wilson on a proposed work plan and schedule for drafting an Arctic FMP and amendments to the Scallop and Crab FMPs. The Council also received the AP report, a written report from the Ecosystem Committee, and oral public comment.

With regard to public outreach to Arctic communities in preparing the FMP, it was noted that Mr. Wilson will contact key persons and entities in various communities to provide information and will travel to those communities that request further presentations and information.

Earl Krygier moved to approve the recommendations of the AP and the four recommendations of the Ecosystem Committee in the Committee's meeting minutes dated August 22, 2007. The motion was seconded and carried without objection. For reference, the minutes of the Ecosystem Committee are found in Appendix VIII to these minutes.

Council members agreed with the work plan as provided by staff. Staff will report its progress on the outreach effort to the Council in December. An initial review draft of the FMP will be provided to the Council in February, with initial review scheduled for April and final action in June.

D-5 Staff Tasking

ACTION REQUIRED

- (a) Review tasking and committees and provide direction.
- (b) Receive the remainder of the Ecosystem Committee Report.

BACKGROUND

Committees and Tasking

The list of Council committees is attached as Item D-5(a)(1). Item D-5(a)(2) is the three meeting outlook, and Item D-5(a)(3) and Item D-5(a)(4) respectively are the summary of current projects and tasking. At the last meeting, the Council initiated several new projects (Halibut subsistence rural eligibility, Kanatak Tribe halibut subsistence, Saint George community protection measures, post-delivery transfers for CGOA Rockfish) to the tasking list. The Council may wish to discuss tasking priorities to address these projects, as well as potential additions discussed at this meeting, given the resources necessary to complete existing priority projects.

In 2004, the Council adopted a groundfish management policy as part of a comprehensive programmatic review of the fisheries. The Council developed a workplan to guide the full implementation of the policy, and reviews the status of this workplan at each meeting. An updated workplan is attached as Item D-5(a)(5).

Ecosystem Committee meeting

The Ecosystem Committee met on August 22, 2007. The minutes are attached as Item D-5(b)(1). In addition to discussions on the Arctic FMP (addressed in Agenda Item D-4), the Committee received an update on the Council's participation in the recent meeting of the Alaska Marine Ecosystem Forum, a group of 11 Federal and 4 State agencies with jurisdiction over activities in marine waters. The purpose of meeting is to promote information exchange and coordination, and the meeting summary is attached as Item D-5(b)(2). Additionally, the Committee received updates on NOAA's intention to conduct an integrated ecosystem assessment (IEA) in Alaska in 2010, for which planning is currently underway, as well as the NOAA Alaska Regional Coordination Team. The Committee recommends that the Council request a presentation from NOAA on the upcoming IEA. A copy of a recent powerpoint presentation on IEAs, given by Steve Murawski, is attached as Item D-5(b)(3).

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

Report of the Advisory Panel

The AP recommends that the Council request staff to extract and update the Tanner crab section of the GOA groundfish rationalization bycatch discussion paper from October 2005.

Throughout coastal Alaska, people have wide-ranging perceptions regarding halibut abundance, particularly in waters adjacent to communities. Whereas we continue to hear about concerns such as "localized depletion," "excessive harvest intensity," and other abundance-related issues, the Council has not addressed these relatively fine-scaled, or "local" issues. This is due to the fact that the IPHC and therefore the NPFMC manage halibut using very large IPHC areas. In order to inform future discussions on halibut issues, the AP recommends that the Council request from ADF&G and IPHC any information they may have regarding localized depletion in IPHC areas 2C and 3A.

COUNCIL DISCUSSION/ACTION

[NOTE: Earl Krygier and Sue Salvesson participated in these discussions for Denby Lloyd and Jim Balsiger, respectively.]

Chris Oliver provided an overview of staff tasking issues generated during this meeting, as well as a revised draft three-meeting outlook.

SSL Recovery Plan/BiOp

Earl Krygier moved the following:

The schedule for completion of the SSL Recovery Plan, the "status quo" BiOp, and the consideration of revisions to the existing SSL mitigation measures are closely linked. This schedule has been in flux for a number of reasons. NMFS has proposed that scoping be initiated now in anticipation of developing an EIS to analyze potential changes to the existing SSL mitigation measures. The Council believes that scoping would be premature due to the new schedule for preparation of the Recovery Plan and the BiOp. Therefore, the Council:

- 1) Requests that the discussion regarding scoping be rescheduled to the April (2008) Council meeting. This discussion would follow the release of the final Recovery Plan now scheduled for March of 2008. The Council believes that the information contained in the final Recovery Plan will be important to inform the public about the issues and range of alternatives for possible mitigation measures, and thus important to meeting the objectives of scoping for the EIS.**
- 2) Include on the April agenda the discussion regarding scoping. At that time the Council will consider the new information in the Recovery Plan, discuss the purpose and action that might be initiated, and identify the possible range of alternatives, the relevant scientific information and other matters that should be included in the notice of intent to inform the public and achieve the goal of scoping.**
- 3) Recommends that work continue on the 'status quo' BiOp and that it remain on the schedule for May, 2008.**

Because there are no changes envisioned in the Status Quo BiOp there is no need for scoping until the Council considers changing the current mitigation measures.

The motion was seconded.

Ms. Salveson advised that under NEPA a Notice of Intent (NOI) should be published as soon as practicable after a decision is made to prepare an EIS. The purpose of a NOI is to provide an early and open process for identifying the scope of issues and identifying significant issues that might be related to the proposed action. The Agency is trying to integrate the NEPA process into the Council process so that a NEPA timeframe would not create delays in the Council process. In order to do that, the Agency thinks it is necessary to initiate a scoping process as soon as possible in the process. A delay of six months in the NEPA process will most likely create a delay in the ultimate rulemaking phase of the project.

The motion carried, 10 to 1, with Salveson voting no.

Socioeconomic Data

The motion tabled under Agenda Item C-7 (Socioeconomic Data Collection) was removed from the table for discussion during Staff Tasking:

Duncan Fields moved that the Council Chair appoint fishing industry representatives and at least one coastal community representative to work with the current workgroup. (See additional discussion under agenda item C-7 on this issue.)

Based on previous discussion, it was determined that the Chair will appoint a small Council committee, since it is not feasible to appoint members to the inter-agency committee. A call for persons interested in serving on the committee will be published. Ms. Salveson noted that the inter-agency workgroup will look forward to working with a Council committee which will provide an opportunity for an exchange of information and support for the project.

There was no objection to this approach.

IFO Constructive Loss

Using information supplied during public comment, **Gerry Merrigan moved the following:**

20 percent clarification

For a total loss or repairs to a vessel resulting from a sinking, grounding or fire then the ownership of the vessel (in this case initial QS holders) would be exempt from the 12-month pre-ownership requirement, but not from the 20 percent ownership provision for continuing to fish as an initial QS holder.

The exemption for the 12-month requirement would be good from the date of the incident to December 31st of the following year. The exemption for repairs would be available provided repairs were to result in 60 days of shipyard time. (NMFS could require a statement from the hull insurance company for verification)

Note: The request for an exemption for either a total loss or for partial loss has been focused at the 12 month –pre-ownership requirement, not the 20 percent ownership requirement.

The motion was seconded by Sam Cotten and carried without objection. NMFS staff will advise the Council at the December meeting what type of regulatory action will be needed to accomplish this.

Crab Loan Program

Gerry Merrigan moved that the intent of the Council is that the loan program for the entry level into the Crab IFQ program move forward consistent with previous Council intent that loans be issued preferential to entry-level participants similar to the Council's intent in the halibut/sablefish IFQ program. The Council requests that NMFS bring back to the Council in December a report on (a) status of the loan program appropriations, (b) the status of NMFS Financial Services' implementing regulations for the loan program, and the extent to which the regulations support Council intent in its June 2007 letter, as well as the intent of the Crab EIS of June 2004. and (c) what is the ability of Financial Services to report on the extent to which the loan program is addressing entry-level participants.

The motion was seconded and carried without objection.

During discussion, Ms. Salveson noted that a formal letter to the agency is not required. NMFS staff will provide an update in December although Ms. Salveson indicated that she was not sure how much more information would be available or whether the Agency can act on this request without an amendment to the regulations. Mr. Krygier suggested that NMFS could be asked to provide smaller loans first which would be more likely to be requested by entry-level entities.

Committees

NPFMC/ABOF Joint Protocol Committee: Sam Cotten will replace Eric Olson on this committee.

Halibut Charter Stakeholder Committee. Regarding the request to add a community representative, a notice will be published in the newsletter for recommendations. The Chair will appoint.

IFQ Implementation Committee. Advertise to fill Gerry Merrigan's seat on the committee; the Chair will appoint.

Observer Advisory Committee. The Chair will replace member Rocky Caldero with recommendations received through a newsletter solicitation.

Steller Sea Lion Mitigation Committee: Beth Stewart, Aleutians East Borough, will replace Sam Cotten on this committee.

Advisory Panel Vacancy. The Chair will appoint an interim AP member to fill the remaining year of Mr. Fields' AP term.

Crab Workgroup Additions. The Chair will reconstitute the group and appoint a Council member to chair it. The reconstituted group will include four community and 2 crew representatives.

AP/SSC Appointments. Staff will put out a call for nominations for Advisory Panel appointments due in December. Council members asked staff to provide a current list indicating members whose terms are expiring. Mr. Hyder noted that one Oregon representative on the AP will step down at the end of the year. Additionally, Oregon is looking for a replacement for Steve Parker who is leaving the SSC. Mr. Oliver also noted that in December the U.S. Fish and Wildlife Service will request a seat on the SSC.

GOA Bycatch

As previously mentioned during the meeting, **Earl Krygier moved that the staff update the previous discussion paper on GOA bycatch dated October 2005 and provide it to the Council as soon as staff is available.** The motion was seconded and carried without objection.

Adak Fisheries Request for Processor Permit

Regarding the application of Adak Fisheries for an AFA processor permit, **Sam Cotten moved that the Council provide for public comment on this issue at the December meeting.** The motion was seconded.

Gerry Merrigan moved to amend to schedule public comment at the February 2008 meeting. The motion was seconded and failed, 6 to 5, with Cotten, Fields, Hyder, Krygier, Rasmuson and Olson voting against.

Mr. Cotten's motion carried, 7 to 4, with Salveson, Cotten, Fields, Hyder, Krygier, Rasmuson and Olson voting in favor.

Electronic Reporting Workshop. Earlier in the meeting the Executive Director noted that the North Pacific Research Board is planning a workshop on electronic reporting issues and has suggested the Council may wish to co-sponsor. The Council directed Mr. Oliver to discuss the possibilities with NPRB and relevant agencies and provide more information to the Council at the next meeting.

Earl Krygier moved to task the Observer Committee with developing new strategies to evaluate the protocols for deploying electronic observation equipment in the Gulf of Alaska groundfish fisheries based on the recommendations that result from the NPRB workshop. The motion was seconded. During discussion the Council suggested that Chris Oliver work with the Executive Director of NPRB to figure the best timing before tasking the Observer Committee. Mr. Krygier agreed with this approach. The motion carried without objection. Bill Tweit suggested that work being done in the Pacific Council on this issue be taken into account.

ADJOURNMENT

Council Chair Eric Olson adjourned the meeting at approximately 4:50 pm on Tuesday, October 9, 2007.

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