

North Pacific Fishery Management Council

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Certified _____
David Benton, Chairman
Date _____

MINUTES

151st Plenary Session NORTH PACIFIC FISHERY MANAGEMENT COUNCIL June 6-11, 2001 Kodiak, Alaska

The North Pacific Fishery Management Council met June 6-11, 2001 at the Kodiak Best Western Inn in Kodiak, Alaska. The Scientific and Statistical Committee met June 4-5, and the Advisory Panel met June 4-8, also in Kodiak. The following members of the Council, staff, SSC and AP attended the meetings.

Council

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

Bob Mace (Vice Chair)
Dave Hanson
David Fluharty
Kevin O'Leary
RADM Tom Barrett/CAPT Vince O'Shea
Robert Penney
H. Robin Samuelsen, Jr.

NPFMC Staff

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

Maria Tsu
David Witherell
Helen Allen
Gail Bendixen
Maria Shawback

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Support Staff

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

Doug Demaster, NMFS-NMML
Michael Payne, NMFS-PRD
Phil Smith, NMFS-RAM Div.
Wayne Donaldson, ADFG
Sally Bibb, NMFS-AKR
Robert Wolfe, ADFG

Scientific and Statistical Committee

Richard Marasco, Chair
Steve Berkeley
Keith Criddle
Doug Eggers
Steve Hare
Jeff Hartman

Jack Tagart, Vice Chair
Mark Herrmann
Sue Hills
Dan Kimura
Seth Macinko
Terry Quinn

Advisory Panel

John Bruce, Chairman
Dave Benson
Dave Boisseau
Al Burch
Craig Cross
Ben Ellis
Dan Falvey

Stephanie Madsen, Vice Chair
Lance Farr
Duncan Fields
Dave Fraser
Arne Fuglvog
John Henderschedt
Spike Jones

Hazel Nelson
Kris Norosz
Michelle Ridgway
Jeff Steele
Jeff Stephan
Lyle Yeck

Other Attendees

The following people signed the attendance register:

Janet Smoker
Greg Baker
CDR Richard Preston
Steve Hughes
Heather Gilroy
Thorn Smith
Jack Hill
Simeon John
Howard Amos
Steven White
Clifford Kaganak, Sr.
Cark Jack
Wassilie Boulte
Bob Mahood
Mary Oslin
Glenn Reed
Phillip Lestenkof

Simeon Swetozof, Jr.
Matt Doherty
Matthew Weber
Robert Mikol
John R. Mercurief, Sr.
Frank Kelty
Mike Szymanski
John Iani
Joe Plesha
Tom Suryan
Keith Colburn
Beth Stewart
Donna Parker
Vern Hall
Margaret Hall
Earl Comstock
Rick Mezich

Alec Brindle
Arni Thomson
Brent Paine
Mark Buckley
Joe Sullivan
Heather McCarty
Marcus Alden
Gabrielle LeDoux
John Dooley
Terry Leitzell
Joe Childers

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

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

Chairman David Benton called the meeting to order at approximately 8:05 a.m. on Wednesday, June 6, 2001.

Agenda. Linda Behnken requested a staff briefing on NEPA and how it relates to the groundfish programmatic SEIS. Mr. Benton announced an executive session for later in the week and asked that General Counsel brief the Council on the status of EFH litigation and the status of discussions between NOAA and/or Justice and the plaintiffs in the SEIS case. The agenda was approved with these additions.

Approval of Minutes: Kevin Duffy requested an addition to the April 2001 meeting minutes. He will submit them in writing for inclusion in a new draft to be available for approval at the September meeting.

Admiral Barrett announced that Captain O'Shea will be taking a new position with the Coast Guard in Juneau and that Commander Richard Preston will be the new Council alternate for the Admiral.

B. REPORTS

Chris Oliver gave the Executive Director's report (B-1), and the Council received reports on State fisheries issues (B-2), NMFS and Coast Guard enforcement and surveillance reports (B-3), NMFS fisheries management (B-4), and a report from Alaska Board of Fisheries Chairman Dan Coffey on the Board's recent meetings on halibut subsistence and LAMPs, and a draft discussion paper on halibut regulatory changes from Jay Ginter, NMFS-Alaska Region.

DISCUSSIONS/ACTION RESULTING FROM REPORTS

NMFS Management Report. Sue Salveson advised the Council that NMFS has submitted an amendment to the Emergency Rule for Steller sea lion protection measures which will delay the starting date for Pacific cod fisheries for all vessels in the Gulf of Alaska until September 1 and for Pacific cod in the Bering Sea by non-trawl gear by vessels over 60 ft. Jim Balsiger stressed that the closed areas that will be in effect on June 10 are the same as those in the original November 30, 2000 Biological Opinion. Changes to be made as a result of Council recommendations will not go into effect until at least mid-July.

Ms. Salveson also reviewed a May 31, 2001, letter to the Council from Jim Balsiger advising the Council that as a result of the passage of the American Fisheries Act and approval of the inshore/offshore amendments at about the same time, there are several overlapping, inconsistent, or confusing regulations that need to be addressed. NMFS provided the Council with several recommended changes which would be incorporated into the final AFA rulemaking to implement Amendments 61/61/13/8 unless the Council wanted more substantive changes to the inshore-offshore regulations.

Linda Behnken moved to adopt the recommendations of NMFS (items 2, 3, and 4 in their letter of 5/31/01) for changes to the inshore-offshore regulations. The changes would be incorporated into the final AFA rule, providing an opportunity for public and/or Council comments at the October meeting. The motion was seconded by Dave Fluharty and carried without objection.

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The Council was also asked to concur with a revised EA/RIR for Amendment 6 to the Salmon FMP, to revise the overfishing definition to be consistent with the language of the Magnuson-Stevens Act and policies of the State of Alaska and the Pacific Salmon Commission.

The SSC advised the Council that it supports the adoption of the preferred alternative for the amendment and provided the staff with comments regarding the analysis.

Linda Behnken moved to adopt the recommendations of NMFS for the salmon overfishing definition and suggested that the agency take into account the comments of the SSC to the extent possible. The motion was seconded by Dave Fluharty and carried without objection.

The Council received written and oral testimony from industry representatives requesting emergency action to stop directed fishing for shallow water complex fisheries now authorized to begin on June 10, and to roll forward any remaining halibut PSC to the September 1st opening date for the Gulf Pacific cod fisheries. When the Pacific cod opening date was changed to September 1, the trawl halibut bycatch mortality cap release of 150 mt was not changed to match the new opening date. As a result that halibut PSC would be released on June 11 and industry is concerned that the trawl fisheries will use the PSC and possibly preempt the Pacific cod fisheries scheduled to open on September.

Kevin O'Leary moved to request NMFS for an emergency rule to stop directed fishing for shallow water complex fisheries now authorized to begin on June 10, and roll forward any unused halibut PSC available as of July 1, to September 1. The motion was seconded by Kevin Duffy and carried with Balsiger objecting (emergency rule).

Sue Salvesson indicated that NMFS is willing to do everything it can to resolve this oversight as quickly as possible.

Halibut Subsistence and LAMPs. Dan Coffey, Chair of the Alaska Board of Fisheries, provided the Council with a report of recent community meetings held on halibut subsistence issues and Board recommendations for changes to the halibut subsistence program the Council previously approved. Mr. Coffey also provided the Council with the Board's schedule for LAMP meetings during the next three years.

A motion was approved to send a letter to the Secretary of Commerce identifying the Board's progress on halibut LAMPs, and because the Board is undertaking this task at the request of the Council, suggesting extra funding be made available to the Board, if at all possible. The letter would also be sent to ADF&G Commissioner Frank Rue, Governor Tony Knowles, and the Alaska Congressional delegation.

Linda Behnken moved to initiate an analysis of the Board's recommendations for changes to the halibut subsistence regulations previously approved by the Council, with one additional alternative for the Sitka Sound of gear restrictions of 1 line, 2 hooks, and a two-fish per day bag limit. The motion was seconded and carried without objection. The options for analysis would be:

- | | |
|-----------------|--|
| Gear limits: | 2 hooks in Sitka Sound only;
5 hooks in Kodiak, Prince William Sound, Cook Inlet only;
No gear restrictions in Areas 4C, 4D, 4E. |
| Harvest limits: | No daily bag limits in Areas 4C, 4D, 4E;
20 fish annual limits in Sitka Sound and Kodiak;
2 fish bag limit in Sitka. |

- Proxy fishing: Allowed in Sitka Sound and Kodiak;
Examine State proxy system as a model;
Examine impacts of allowing multiple harvest limits per vessel (i.e., stacking).
- Fishing areas: Redefine the geographic boundaries of the Cook Inlet non-subsistence fishing area.

The motion was seconded and carried without objection. The analysis will be provided for final action at the December Council meeting, but staff was directed to distribute the draft analysis as early as possible to allow for public input. The Council noted that analysis of these changes would be a follow-up amendment and is not meant to delay implementation of the original subsistence regulations previously approved by the Council.

Jay Ginter, National Marine Fisheries Service-Alaska Region provided the Council with a discussion paper on issues needing Council clarification or concurrence before the regulations for the Council's original halibut subsistence amendment can be finalized. The fifteen issues clarified are provided in Appendix II to these minutes.

Mr. Ginter assured the Council that he is working with the Tribes and other relevant agencies in developing the necessary recordkeeping and reporting requirements for subsistence-caught halibut.

FORMAT FOR COUNCIL MEETING MINUTES

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

C. NEW OR CONTINUING BUSINESS

C-1 Steller Sea Lion Measures

ACTION REQUIRED

- (a) Receive report on research funding.**
- (b) Receive report on independent review.**
- (c) Receive report from the RPA Committee.**
- (d) Finalize alternatives for analysis.**

BACKGROUND

(a) Report on Research Funding

In May NMFS conducted reviews of proposed SSL research, including review by a Constituency Panel nominated through the Council, to be funded by the approximately \$15 million available for such research. The results of that review process are summarized as Item C-1(a)(1). Also attached (C-1(a)(2)), is a summary of research being supported by NOAA OAR/NOS through the Cooperative

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Institute for Arctic Research (CIFAR). NMFS staff are available to provide additional details on these research initiatives.

(b) Update on independent reviews

Two reviews of the Biological Opinion and its underlying science have been contracted by the Council using our special SSL funding: the National Academy of Science (NAS) review and a short-term review by an independent team of scientists. Item C-1(b)(1) is a copy of the SOW for the short-term independent review, for which we expect an initial report at this meeting and a final report in September. Members of that review team are (1) Dr. Don Bowen (Chair) from the Bedford Institute of Oceanography, DFO, Nova Scotia; (2) Dr. Dan Goodman, Systems Ecologist, Department of Biology, MSU; (3) Dr. John Harwood, Sea Mammal Research Unit of the Gatty Marine Lab, University of St. Andrews, Scotland; and, (4) Dr. Gordon Swartzman, School of Fisheries and Center for Quantitative Science, UW. Dr. Swartzman and Dr. Goodman will be on hand at this meeting to report on the team's preliminary findings, attached as Item C-1(b)(2). The review team will continue to meet through this fall when we are scheduled to make a final decision on the RPAs and experimental design.

The National Academy of Sciences study is also underway. This study will examine interactions between Alaska groundfish fisheries and Steller sea lions (SSL) and the role of these fisheries in the evolving status of the SSL population. The focus of the study will be: 1) the status of current knowledge about the decline of the SSL population in the Bering Sea and Gulf of Alaska ecosystems, 2) the relative importance of food competition and other possible causes of SSL population decline and impediments to SSL recovery, 3) the critical information gaps in understanding the interactions between SSLs and Alaska fisheries, 4) the type of research programs needed to identify and assess potential human and natural causes of SSL decline, and 5) the components of an effective SSL monitoring program, with yardsticks for evaluating the efficacy of various management approaches. We will receive a report from them in June 2002.

The SSC's final report on its review of the November 30, 2000 BiOp is also included as Item C-1(b)(3).

(c) RPA Committee

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

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

The RPA Committee met several times to review SSL science, the Biological Opinion RPA, and fishery and survey information. Meetings were held on February 10, February 20, March 6-7, March 26-29, April 9, May 9-11, and May 21-24, 2001. Minutes from the last two meetings, including the Committee's recommendation for the EIS Alternative RPA for 2002 and beyond, are attached as Item C-1(c)(1). Committee Chairman Larry Cotter will report to the Council on their recommendations.

(d) 2002 Amendment package

A full amendment package is being developed for Council action in October 2001, which would propose a package of sea lion protective measures (RPAs) for implementation in January 2002. Staff has begun work on the environmental impact statement (EIS). We are contracting out much of the socioeconomic analysis, under the guidance of NMFS Region economists (Drs. Muse and Queirolo).

A notice of intent to prepare an EIS was published on May 15, and comments will be accepted through June 22, 2001. A scoping document has been prepared, and is included as Item C-1(d)(1). The scoping document includes a notice of availability, including alternatives, an annotated schedule of milestones for analysis, and a list of issues raised to date. At this meeting, the Council will need to

develop final alternatives for the analysis to be completed over the summer, with initial review in early September.

Item C-1(d)(2) is a letter from ADF&G Commissioner Frank Rue to Dr. Balsiger outlining the State of Alaska's perspectives on state water fisheries relative to SSL research and protection. Item C-1(d)(3) is a report on distribution and abundance of killer whales on the southeast Bering Sea shelf and slope during the summers of 1997 and 1999, submitted by Dr. Cynthia Tynan (NMFS). C-1 Supplemental contains additional written comments for this agenda item.

Report of the Steller Sea Lion RPA Committee

After several meetings the RPA Committee developed a composite industry proposal containing RPA recommendations for Council consideration. The full recommendations of the committee are attached to these minutes as Appendix III. Several alternative proposals were attached to the committee's minutes as not all committee members could support the composite proposal provided to the Council.

Report of the Scientific and Statistical Committee

Research Funding. The SSC acknowledged that the expedited peer review of research projects and issuance of contracts was necessary this year, however, members stressed the hope that more time can be given to the peer review for future award cycles.

RPA Committee. The SSC had no recommendations with regard to a preferred alternative, however it did express concern with the method used to quantitatively evaluate the benefits of the proposed alternatives. The SSC believes that caution should be exercised in using the results of the population trend analysis which was used, and strongly urged further clarification of several issues. (Please see SSC Minutes, Appendix IV to these minutes for specific recommendations.)

RPA SEIS. Although the SSC is normally given a chance to comment on analyses to be done, in this case only a table of contents for the EIS has been provided. As a result, the SSC has been unable to comprehensively review the plan for the analytical document.

Report of the Advisory Panel

The AP recommends the Council adopt the RPA committee's recommendation as 'Alternative E.'

Additionally, the AP requests the Council direct the RPA Committee, when reviewing the analysis, to examine the opportunity to adjust the alternatives to address:

1. The effects of making the Western and Central GOA pollock "C" season start date August 25 vs. the proposed September 1 date.
2. The effects of making the W GOA "A" season pollock allocation 30% and "B" season 20% vs. the proposed "A" 25% and "B" 25%.

Further, the AP recommends the Council facilitate the development, implementation, and continued use of co-ops and rationalization programs as an integral part of the RPA measures that are adopted to protect Steller sea lions.

DISCUSSION/ACTION

Bob Mace moved to adopt the recommendations of the Advisory Panel in their draft minutes of June 7, 2001. The motion was seconded by John Bundy.

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Linda Behnken moved to amend as follows: Remove Alternatives B and C (working from the ‘Table comparing application of management tools under the different alternatives’ on page 6 of the Steller Sea Lion Protection Measures in the Alaska Groundfish Fisheries SEIS scoping document dated May 18, 2001) and ask staff to analyze the Leape/Cline proposal, amended to include the zonal approach provided by the Alaska Marine Conservation Council for Gulf of Alaska Pacific cod. (These two proposals were appended in the SSL RPA Committee Report.) The motion was seconded by Kevin Duffy and carried, 7 to 4, with Austin, Bundy, Fluharty and Penney voting against.

Ms. Behnken stressed that removing these two alternatives would not deprive the public of a reasonable range of alternatives because Alternative B essentially contains the management measures in place in 2000 and did not have any specific measures relative to cod that the Council ever addressed, and Alternative C is the same with the overlay of the injunction that closed all trawling within 20 nautical miles of rookeries. Ms. Behnken said she felt that the Council will not consider either one of these alternatives seriously and that the current suite of alternatives covers all reasonable options for analysis and comment.

Kevin Duffy moved to add two additional issues for analysis: (1) review a limited fishing zone in the Chignik area (Area 4) for fixed gear out to ten (10) miles from Castle Cape to Foggy Cape for vessels under 60 ft.; and (2) review a limited fishing zone in the Dutch Harbor area (area 9) for fixed gear out to ten (10) miles from Cape Cheerful to Umnak Pass for vessels under 60 ft. This was accepted as a friendly amendment to the main motion.

Also accepted as a friendly amendment was a request **to analyze the effects of expiration or extension of the AFA cooperative regulations within the context of SSL RPAs.**

At this time the motion was tabled until the next day in order for staff to prepare a written copy of the motion as currently structured.

Staff provided the Council with a written motion and a complete copy of the Leape/Cline proposal, and a restructured table comparing the applications of management tools under the various alternatives. The alternatives were re-specified as 1, 2, 3, and 4. Alternative 1 would be the no-action alternative; Alternative 2 would be the Leape/Cline/AMCC alternative; Alternative 3 would be the BiOp3 RPA alternative; and Alternative 4 would be the RPA Committee’s alternative.

The Chair waived the rules of reconsideration and declared all portions of the motion open to amendment without a motion to reconsider.

Dave Fluharty moved to remove the AMCC Gulf of Alaska proposal from item 9 of the written draft motion, “A zonal approach would be implemented for cod fisheries. . .,” and place it as option 3 under Section 1, (under the RPA Committee’s recommended alternative). The motion was seconded by Bob Penney and carried without objection.

Bob Mace moved to re-insert the original Alternative B for analysis. The motion was seconded by Robin Samuelsen and carried without objection.

In discussion of the issue of effects of the expiration or extension of the AFA co-op regulations within the context of SSL, it was clarified that the analysis would be qualitative, i.e., what might occur if the AFA expires. Any further amendments with regard to the AFA would occur at a later date.

Dave Fluharty moved to re-insert the Gulf of Alaska Pacific cod language from the Leape/Cline proposal back into item 9 of the written motion. The motion was seconded by Linda Behnken and carried

without objection. The result of Dr. Fluharty's two motions on this would simply have the analysts consider both the Leape/Cline and AMCC recommendations on this issue.

Bob Penney moved to delete the option to "prohibit all trawling for all species within critical habitat." The motion was seconded by Dennis Austin and failed, 9 to 2, with Austin and Penney voting in favor. General Counsel advised the Council should consider a full range of alternatives in order to avoid jeopardy.

Linda Behnken moved to request a discussion in the analysis looking at the options and impacts of allowing back-up systems to the VMS in case VMS becomes mandatory. The motion was seconded by Bob Penney and carried without objection.

The main motion, as amended, carried 10-1, with Austin voting against. The full motion is appended to these minutes as Appendix V.

C-2 BSAI Crab Rationalization

ACTION REQUIRED

Review discussion paper on proposed alternatives for analysis; provide direction to staff.

BACKGROUND

At the April 2001 meeting, the Council requested staff to prepare a discussion paper for the June meeting on the proposed elements and options for the BSAI Crab Rationalization program. Specifically, the Council requested staff to provide perspectives on the anticipated amount of effort and time required to analyze the suite of options under consideration and, where possible, identify ways to make the analytical task more manageable. The Council requested staff to highlight in the discussion paper any proposed options that may be problematic in terms of data requirements, analytical difficulty, and management aspects in light of the Council's desire for the analysis to be completed by December 2001. The staff was instructed to use the AP motion (which includes alternatives from the Crab Rationalization Committee) as the focus of the discussion paper. The Council also requested that the discussion paper address several additional options pertaining to processing shares, skipper and crew shares and controls on vertical integration. The draft AP motion, revised to include these additional options, is attached under Item C-2(b).

The requested discussion paper has been prepared by staff with input and assistance from ADF&G, NMFS, NOAA General Counsel and Northern Economics. An executive summary of the discussion paper is attached under Item C-2(a). While the discussion paper is *not* an analysis of the proposed program, it is intended to assist the Council in finalizing alternatives and options for formal analysis. In addition to providing perspectives on the analytical effort, this discussion paper includes an assessment of the scope of the analysis requested by Congress and whether formal analysis of cooperatives as an alternative to the proposed IFQ program is needed. Staff notes that, while cooperatives were considered at length during the ad-hoc industry committee meetings, the Crab Rationalization Committee focused mainly on IFQ-type approaches to rationalization. The discussion paper also requests the Council to clarify its intent on a number of issues and proposed options.

In addition to the discussion paper, the Council may also wish to consider issues highlighted in the ADF&G letter dated March 22, 2001 (addressed to Chairman Benton, from Kevin Duffy). A copy of the ADF&G letter is included under Item C-2(c). In particular, the letter articulates ADF&G's position regarding management of an IFQ program using Guideline Harvest Levels (GHLs) or Total Allowable Catches (TACs). This issue, as well as other issues raised in the letter, were considered by the Crab Rationalization Committee during its March 22-23 meeting. As mentioned by staff during the April 2001 meeting, the Committee recommends that the Council request the State to work with staff to address the following two issues: (1) collection of economic data to monitor the impact of rationalization, and (2) funding sources for management, research and enforcement. To the extent

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that the State provides the requested input to staff, both issues will be addressed more fully in the analysis.

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

Report of the Advisory Panel

The Advisory Panel recommended an extensive array of elements and options for analysis (please see the AP Minutes, Appendix VI to these minutes for the entire list).

DISCUSSION/ACTION

Bob Mace moved approval of the Advisory Panel recommendations. The motion was seconded by Linda Behnken.

Kevin Duffy moved to include a detailed set of options and alternatives for co-ops in addition to those contained in the AP motion [(a) An AFA-type co-op; and (b) a Dooley-Hall type of co-op]. The motion was seconded by Bob Penney.

Mr. Duffy advised the Council that in the State's perspective, conservation is obviously the first priority in sustainable fishery management and achieving economic efficiency in the harvest of Alaska's fishery resources is extremely important. There is a need, however, to balance the need to conserve stocks, reduce bycatch, minimize habitat impacts, and achieve full utilization of the harvestable resources. Economies of fishery-dependant communities should be protected as well as allowed to grow with new opportunities. Any strategies for more sustainable and efficient fisheries should contain explicit mechanisms to provide measurable reductions in bycatch on a fishery-by-fishery basis, must provide measurable reductions in habitat impacts, including allowances, where possible, to transition to lower-impact gear types. Safety is always a major concern. Additionally, any rationalization needs to include the harvesting and processing sectors and the communities and protect all their interests to the extent possible. An owner-operated fleet by Alaskans should be maintained and excessive consolidation and vertical integration needs to be controlled and the contributions of skippers and crew should be recognized in any rationalization program.

Linda Behnken suggested adding a section (I) to Mr. Duffy's suite of options that would add the protection for traditional and historic crew shares and the Canadian Groundfish Development Authority Code of Conduct, as in the AP's IFQ elements and options. This was accepted as a friendly amendment.

Mr. Samuelson recommended changing the number required to form a co-op to 4 unique vessel/owners, to avoid confidentiality issues in reporting and data gathering. This was also accepted as a friendly amendment.

Linda Behnken moved to re-insert Options 1-4 under Section 1.7.3 - Catch Accounting Under IFQs - wherever it appears in the main motion and Mr. Duffy's amendment (The AP had recommended deleting these options). This was accepted as friendly by both Mr. Mace and Mr. Duffy.

Mr. Duffy's amendment carried, 10 to 1, with Fluharty voting against.

John Bundy moved the following:

Substitute the following language for Section 1.2–Persons eligible to receive an initial allocation of QS must be:

(a) persons that own the catch history and/or fishing rights of BSAI crab vessels that satisfied: (i) the General Qualification Period and Endorsement Qualification Period landings requirements of the License Limitation Program (LLP), and (ii) either the Recent Participation Period landings requirement, or one or more of the specific exemption requirements of Amendment 10 to the LLP; and

substitute the following language for Section 1.4.1(b):

The underlying principle of this program is one history per vessel. However, the initial allocation of quota share will allow stacking or combining of histories of vessels that each satisfied (i) the General Qualification Period and Endorsement Qualification Period landings requirements of the License Limitation Program (LLP) and (ii) either the Recent participation Period landings requirement, or one or more of the specific exemption requirements of Amendment 10 to the LLP.

The motion was seconded and carried without objection.

Mr. Bundy offered the following justification for the amendments:

With regard to Section 1.2, a portion of Mr. Bundy’s written justification stated: It is generally acknowledged that the Capacity Reduction Act (PL 106-554) was intended to codify the crab LLP requirements as modified by Amendment 10 [to the BSAI Crab FMP] (the “recent participation requirement”). However, the Act was inadvertently drafted such that some vessels that qualified under the LLP do not qualify for a “certificate of eligibility” under the Act, and the Act does not provide for replacement of certified vessels. While a technical amendment to address this issue is in the works, it has not yet been adopted. This change would make IFQ eligibility consistent with prior Council limited entry policies for the BSAI crab fisheries, and consistent with the Act as it is intended to be amended. It permits staff to conduct analysis of initial allocation without conditioning it on changes to law that have not occurred.

With regard Section 1.4.1, Mr. Bundy’s written justification stated: Some persons have combined the LLP licenses of two or more vessels in order to obtain greater fishing opportunities. These combinations were specifically recognized as legitimate in the Council’s deliberations concerning Amendment 10, and they have had the beneficial effect of reducing the number of vessels employed in the overcapitalized crab fisheries. This change would recognize those combinations, provided that each of the combined licenses meets all of the Council’s LLP requirements, including the Amendment 10 recent participation requirement, or one of the specific Amendment 10 exemptions.

Additionally, **Kevin Duffy moved to add an additional suboption under sections 1.4.2.1, 1.4.2.2, and 1.4.2.7 to include an additional year under each, as follows:**

**1.4.2.1, Option 4: 1996-2000 seasons
(a) best 4 seasons**

**1.4.2.2, Option 4: 1996-2000 seasons
(a) best 4 seasons**

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**1.4.2.7, Option 5: 1996/97 - 2000/01 seasons
(a) best 4 seasons.**

The motion was seconded.

John Bundy moved to amend the amendment to add the years 1990-1999 for each fishery and drop the provision of “any three years the fishery was open during that period.” The motion was seconded by Linda Behnken and failed, 6 to 5, with Austin, Balsiger, Behnken, Bundy and Fluharty voting in favor.

Mr. Duffy’s amendment carried, 10 to 1, with Fluharty voting against.

Under Section 1.6.1, Linda Behnken moved to clarify the options for the definition of sea time to: insert “sea time in any of the U.S. commercial fisheries in a harvesting capacity” under option 1, and option 2 would be restated to read “sea time in any State of Alaska commercial fishery and or any Gulf of Alaska or Bering Sea/Aleutian Islands commercial fishery. Option 3 would remain as stated in the main motion. The motion was seconded by Kevin Duffy and carried without objection.

Under Section 1.7.2, Catcher/Processor Shares, Linda Behnken moved to amend 1.7.2.2. to read “Catcher/processors shall be granted PQs based on their processing history.” The motion was seconded by Robin Samuelsen and carried without objection. The intent would be that processors would receive history for crab they actually processed.

Under the same section, Ms. Behnken moved to add two additional options: (1) specify that catcher/processors may purchase catcher vessel quota share, but cannot process the product harvested as a result of those shares; and (2) specify that catcher/processors can sell processed or unprocessed crab. The motion was seconded by Bob Penney and carried without objection.

Linda Behnken moved to re-instate the four options under Section 1.7.3 which were deleted from the AP motion:

1.7.3 Catch accounting under IFQs - all landings including deadloss will be counted against IFQs. Options for treatment of incidental catch are as follows:

- Option 1. No discards of legal crab will be allowed and sufficient IFQs for legal crab must be available.**
- Option 2. No discards of “marketable” crab will be allowed for opilio crab and sufficient IFQs for “marketable” crab must be available. (Legal size for opilio is 3.1 inches but the industry standard is 4 inches.)**
- Option 3. No discards of opilio crab with a carapace of 4 inches or greater in width.**
- Option 4. Discards of incidentally caught crab will be allowed. (This option would allow, for example, incidental catch of bairdi crab in a red king crab fishery to be discarded without counting against bairdi IFQs.)**

The motion was seconded by Kevin Duffy and carried without objection.

For Section 1.8.1, Option 1, Ms. Behnken moved that the analysts also consider proposals for initial allocations of 0-20% between skippers and crew members based on participation and commitment

to the fishery during the qualifying period, using a point system as proposed by Tony Lara during public comment. The motion was seconded by Kevin Duffy and carried without objection.

Ms. Behnken also moved to re-insert the original Option 3, renumbered as Option 4, under Section 1.8.1 under this section: “to consider “Protection of traditional and historical crew share percentages with no sunset” (including a discussion of the Canadian Groundfish Development Authority Code of Conduct). The motion was seconded by Kevin Duffy and carried with Robin Samuelsen objecting. With this option re-inserted into the analysis, item “P” in the AP’s list of discussion topics was deleted because this option would cover the discussion point requested by the AP.

Under Section 1.8.1, add a new option: Additional Owner on Board requirements:

- a. **Phase in conversion of a portion of initially issued QS to owner on board QS using the following schedule: Year 5 - 10%; Year 7 - 20%; and Year 10 - 30%.**
- b. **Upon sale of initially issued QS require 20-50% of transferred QS to convert to owner on board QS.**

The motion was seconded by Bob Penney and failed, 6 to 5, with Balsiger, Behnken, Duffy, Samuelsen and Benton voting in favor.

Jim Balsiger moved to use the same recency requirements in section 2.3 as those adopted for section 1.4.2. The motion was seconded by Bob Penney and carried without objection.

Under Section 3.1, John Bundy moved to add a third region as an option, as follows:

That an Aleutian Region be identified; that deliveries of Aleutian Islands brown king and Adak red king crab be split into a Western (west of 174°W longitude) area and Eastern (east of 174°W) area, with a suboption that would require up to 50% of the Western Aleutian Islands brown king crab harvest be processed in the western Aleutian Islands brown king crab region. The motion was seconded by Linda Behnken and carried without objection.

Robin Samuelsen pointed out that any analysis needs to address the spillover effects of new management programs on other fisheries, such as salmon and herring processing and tendering. Maria Tsu responded that the analysts will try to address this issue within the analysis.

Bob Penney moved to add an additional option under Section 4 - Program Review, as follows: Option: 5 year or 7 year sunset. The motion was seconded by John Bundy and carried without objection.

Kevin Duffy moved to renumber Section 4 to Section 5, and insert the following as Section 4:

- 4. Community Development Allocation**
 - Option 1. No change from existing program.**
 - Option 2. Expand existing CDQ program to all crab fisheries under this analysis.**
 - Option 3. Increase all species of crab to 10%**
 - Option 4. Increase all species of crab to 12.5%.**
 - Option 5. For the Aleutian Islands brown king crab fishery, the percentage of resource not utilized (difference between actual catch and GHL) during base period is allocated to the community of Adak.**

The motion was seconded by Robin Samuelsen and carried with Fluharty objecting.

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Under Program Review, re-numbered as Section 5, Kevin Duffy moved to insert at the end of Options 1 and 2 the following: “. , , regions including an analysis of post-rationalization impacts to coastal communities in terms of adverse economic impacts and options for mitigating those impacts.” The motion was seconded by Linda Behnken and carried without objection.

The following suggestions for the analysis of this section were accepted as friendly amendments:

- Look at impacts (costs and benefits) to all segments of the industry (not just coastal communities) relative to the program and program goals.
- Ask the SSC to identify explicit goals and ways to measure success of the program relative to those goals for future evaluation and/or changes to the program
- Ask the SSC to also identify the necessary economic variables for preparation of future reporting under this rationalization program.

Mr. Bundy expressed the hope that the analysis will address the downside of excessive economic planning by government, whether by the Council or the State of Alaska, including the decrease in asset value and decrease in the value of quota shares caused by some of the proposed measures. And, in general the adverse impacts to society and individuals caused by diminishing economic freedom.

The motion carried without objection.

The main motion, as amended, carried unanimously. A copy of the final motion is appended to these minutes as Appendix VII.

C-3 American Fisheries Act

ACTION REQUIRED

- Final action on co-op leasing proposal.**
- Review DRAFT report to Congress and provide direction.**
- Extension of emergency rule for 2001.**
- Review industry proposals on bycatch measures.**

BACKGROUND

- Co-op leasing proposal**

In April we reviewed the draft analysis for an amendment to the AFA regulations which would allow inshore pollock co-ops to contract with other AFA-qualified vessels outside of that co-op, for the purpose of harvesting the co-op's pollock allocation. With some minor changes the Council approved the document for public review and final action at this meeting. The Executive Summary from that analysis is attached as Item C-3(a).

- DRAFT report to Congress on AFA implementation**

We have compiled, and mailed to you last week, a draft report to Congress and the SOC, as stipulated in the Act. While technically due last fall, we delayed submission of this report so that we would have a full year of both inshore and offshore co-op experience. This is a first draft, and we intend to further distill this into a more concise report, particularly the section on community impacts. I envision a report of less than 50 pages, along with an Executive Summary, with several attachments containing further detail. Darrell Brannan and Dr. Mike Downs will summarize the draft for you and we will be

seeking your guidance on how to proceed. One option would be to take comments and guidance from the Council at this meeting, and allow an additional three weeks for further input from the public or Council members, which we would incorporate as appropriate, and go ahead and submit the report (perhaps after distributing to Council members for any final comments).

(c) Extension of Emergency Rule for 2001

Item C-3(c)(1) is a recent letter from NMFS explaining their intent, with Council concurrence, to extend the emergency interim rule implementing certain provisions of the AFA through 2001. This would simply extend, through 2001, what the Council already approved last October, and permanent rulemaking would take over in 2002. Item C-3(c)(2) is a letter from Icicle Seafoods requesting the Council to consider amendments to the AFA regulations which would allow floating processors to operate in more than one geographic location in the BSAI while processing pollock. I am unsure whether such a proposal could be incorporated in the permanent rulemaking which the Council will review later this fall, or whether it needs to be considered in the larger context of staff tasking.

(d) Industry proposals on bycatch management

Last October you took action to establish BSAI pollock processing caps per the stipulations of the Act. At that time you did not take specific action with regard to groundfish processing sideboards, but indicated that we would revisit this issue through a variety of potential measures, including processing sideboards as described in the existing analysis, and including possible adjustments to the IR/IU provisions which are scheduled to go into effect in 2003. During that discussion you also indicated a desire to consider, within that package, possible bycatch reduction measures to further address provisions of the Sustainable Fisheries Act, and invited industry to submit potential measures for your review at this meeting. Formal analysis of such measures, including IR/IU adjustments, would not necessarily need to begin immediately, given that we have until 2003 before the IR/IU flatfish measures take effect. Item C-3(d) is a letter from the Groundfish Forum with their suggestions, which include: (1) modification of the flatfish IR/IU requirements; (2) LLP recency for the non-AFA trawl Cps; (3) reduction in the total BSAI trawl halibut mortality cap by 10%; and, (4) implementation of the halibut mortality avoidance program (HMAP).

Report of the Scientific and Statistical Committee

The SSC addressed only the draft Report to Congress. The SSC pointed out that a thorough evaluation of benefits and costs associated with the AFA would be useful, particularly because of the tremendous interest in extending the co-op model to additional fisheries. The SSC also provide more detailed suggestions for improvements to the report (please see SSC Minutes, Appendix IV to these minutes for specific comments).

Report of the Advisory Panel

BSAI Amendment 69: The AP recommended the Council adopt Alternative 2 for Amendment 69: To allow an inshore pollock cooperative to contract with AFA catcher vessels that are qualified for the inshore sector, but outside their coop for the purpose of harvesting the co-op's BSAI pollock allocation.

Extension of Emergency Rule for 2002: The AP recommended the Council initiate an analysis to end the single geographic location requirement in the AFA regulations in order to allow AFA inshore floating processors to process BSAI pollock in more than one location in the BSAI during a fishing year.

Industry Proposal on Bycatch Measures. The AP requested that the Council initiate an analysis on the elements contained in the Groundfish Forum proposal with final action scheduled in June 2002. To facilitate

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this time line, the AP recommended a discussion paper be developed and brought back as soon as possible to flesh out additional issues.

The AP did not have sufficient time to address the Draft Report to Congress.

DISCUSSION/ACTION

(a) BSAI Amendment 69

Bob Mace moved to approve the recommendation of the Advisory Panel to adopt Alternative 2 for BSAI Amendment 69, to allow an inshore pollock cooperative to contract with AFA catcher vessels that are qualified for the inshore sector, but outside their co-op, for the purpose of harvesting the co-op's pollock allocation. The motion was seconded and carried without objection.

(b) Report to Congress

The Council received staff reports on the draft Report to Congress on the AFA. The report will be available for public comments through the summer and brought back for final Council review in October. Council members were also encouraged to provide comments directly to staff. Earl Krygier recommended that the issue of the lack of vessel ownership information is making completion of the report difficult be included in the public review draft and if information is not voluntarily submitted, that the Council consider sending a letter to Congress indicating that that portion of the report cannot be satisfactorily completed because data are not available. He also recommended that SSC comments also be incorporated into the public review draft.

(c) Extension of Emergency Rule

Bob Mace moved to approve the recommendation of the Advisory Panel to initiate an analysis to end the single geographic location requirements in the AFA regulations and allow AFA inshore floating processors to process BSAI pollock in more than one location in the BSAI during a fishing year. The motion was seconded by Bob Penney and carried without objection. NMFS staff had earlier advised the Council this could not be included in the emergency rule extension and would have to have a complete analysis for Council, public, and Secretarial review on a separate timeline.

Bob Mace moved to approve the recommendation of the Advisory Panel to initiate an analysis on the elements contained in the Groundfish Forum letter of May 17, 2001, with final action scheduled in June 2002. To facilitate this timeline, a discussion paper will be developed and brought back to the Council as soon as staff time is available to flesh out additional issues. The motion was seconded and carried without objection. It was clarified that the analysis package needs to be approved and ready for implementation in time for changes to the IR/IU program (2003). If there are practical or legal problems with the HMAP, it is acceptable to separate the two issues so that the amendment will be ready before changes are made to IR/IU.

Linda Behnken moved to concur with NMFS in extending the emergency rule for AFA through 2001. The motion was seconded by Robin Samuelsen and carried with Salvesson objecting (emergency rule).

C-4 Essential Fish Habitat

ACTION REQUIRED

Receive committee report.

BACKGROUND

Chairman Benton recently appointed an Essential Fish Habitat (EFH) Committee to help address Council and NMFS obligations in regard to EFH (Item C-4(a)). The report from the Committee's first meeting (held on May 30) will be provided separately at this meeting. The primary Council issue is to submit revised FMP amendments that: standardize an analytical approach to quantify, to the extent practicable, the impact of fishing activities on EFH for each of the FMPs; how much habitat is needed to achieve MSY or some comparable metric of fisheries sustainability for each FMP; how much is currently being fished; how much is protected already; and finally, to consider options for designating EFH other than the status quo.

In June 1999, several environmental and fishing groups challenged the scope and substance of the environmental assessment (EA) prepared for the EFH Amendments 55/55/8/5/5 (*American Oceans Campaign et.al.v. Daley*, Civ. No. 99-982 (D.D.C. September 14, 2000)). On September 14, 2000, the U.S. District Court issued an opinion finding the EA insufficient in scope and analytical substance and requiring NMFS to prepare an analysis that is legally sufficient under NEPA. Therefore, NMFS is re-evaluating the EFH components originally developed as part of Amendments 55/55/8/5/5 (Item C-4(b)). The SEIS will supersede the EA previously prepared in support of Amendments 55/55/8/5/5.

NMFS announced its intent to prepare an SEIS (Item C-4(c)) in accordance with National Environmental Policy Act (NEPA) for EFH components of the following fishery management plans (FMP): Groundfish Fishery of Bering Sea Aleutian Islands Area; Groundfish of the Gulf of Alaska; Bering Sea/ Aleutian Islands King and Tanner Crabs; Scallop Fishery off Alaska; and Salmon Fisheries in the EEZ off the coast of Alaska. The proposed action to be addressed in the SEIS is the development of the mandatory EFH provision of the FMPs. The scope of the analysis will cover all of the required EFH components of the FMPs as described in section 303(a)(7) of the Magnuson-Stevens Fishery Conservation and Management Act. NMFS will hold public scoping meetings and accept written comments to determine the issues of concern and the appropriate range of management alternatives to be addressed in the SEIS to describe and identify EFH and potential Habitat Area of Particular Concern (HAPC) designations, to minimize to the extent practicable the adverse effects of fishing on EFH, and to identify other actions to encourage the conservation and enhancement of EFH.

The first public scoping meeting will be held on Monday June 4, 2001 in Kodiak, Alaska. Subsequent scoping meetings are scheduled for June 8, 2001 in Dutch Harbor, June 11, 2001 in Anchorage, June 19, 2001 in Seattle, June 20, 2001 in Juneau, and June 21, 2001 in Sitka (Item C-4(d)). Mike Payne will further describe for the Council the timing and nature of this process.

Report of the EFH Committee

The EFH Committee's first meeting was held May 30 to address the needs for upcoming work on the EFH EIS. The function of the Committee will be to serve as a steering committee to facilitate input to NMFS on the EFH EIS. The Committee will aid in developing alternatives based on significant issues identified from the scoping process and aid NMFS in reviewing preliminary draft alternatives they have developed.

The Committee discussed the roles of a set of technical committees for the EIS document and the importance of scientists working with fishermen in order to promote innovation, provide for generation of new ideas, and to consult on the practical application of the technical teams' suggested approaches to habitat protection.

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The Committee recommended that the technical teams be formed as soon as possible. Chairman Benton will be consulted on the formation of the teams. The Committee also had some concerns about the legal process required by NEPA and will forward questions to NOAA General Counsel before the next Committee meeting which is scheduled for August 13-14 in Sitka.

Report of the Scientific and Statistical Committee

The SSC is concerned that the public scoping process may not elicit all issues related to EFH or fishing impacts on habitat and recommends that the agency not rely solely on public scoping to identify important habitat-related issues. The SSC believes that there are two areas where technical expertise is critical:

1. In developing new concepts for defining EFH and defining what habitats are essential to each species.
2. Determining the effects of fishing on these habitats, including effects of gear types other than bottom trawls.

The SSC further cautioned that using fishery dependent CPUE data to define which habitats constitute EFH is inappropriate because areas of high CPUE may reflect regulations, availability, fishable bottom, temporary aggregations, etc. rather than habitat critical to particular life stages.

The Advisory Panel did not address this agenda issue.

DISCUSSION/ACTION

Linda Behnken moved to approve the following draft mission statement for the EFH Committee:

It is the Council's intent that the EFH Committee act as a steering committee for the EFH EIS process. The Committee's overarching goal is to facilitate input by the industry, conservation community, Council, and general public to the EFH EIS process. More specifically, the Committee will assist in identifying:

1. **The 'significant issues' used to evaluate proposed alternatives;**
2. **The alternatives for designating EFH;**
3. **The alternatives for mitigating fishing gear impacts on habitat; and**
4. **Alternative criteria and approaches that could be used to designate and manage HAPC areas.**

Finally, the Committee will work to coordinate efforts of the various technical teams, providing input as appropriate, and provide periodic updates to the Council on the EIS for EFH.

The motion was seconded by Robin Samuelsen and carried without objection. The draft mission statement will be provided to the EFH Committee for their comments.

The Council also discussed additional members for the committee. Chairman Benton said he would consider additional members, but feels a smaller committee will be more efficient.

C-5 Groundfish Programmatic SEIS

ACTION REQUIRED

Provide comments on Draft Alaska Groundfish Programmatic SEIS to NMFS.

BACKGROUND

The Draft Alaska Groundfish Fisheries Programmatic SEIS was released for public review on January 26, 2001. The public comment period (which has been extended twice in response to public and Council requests) is scheduled to end on July 25, 2001. Scheduled for this meeting, is Council review and comment on the draft SEIS. The principle question that needs to be answered is whether the Council is satisfied with the scope, alternatives, and analysis contained in the draft and whether it provides sufficient range of both policy and management options for addressing environmental issues during the next five to ten years?

The Council has been provided with regular status reports from NMFS on the programmatic SEIS. The draft document represents more than a year's effort in compiling, summarizing, and describing the principal environmental issues that were raised during the scoping process. This is the opportunity to provide the SEIS Project Team with comments specific to the draft SEIS. The Council is not selecting a preferred alternative at this point in time. NMFS will consult with the Council on a preferred alternative after the completion of the public comment period and the team has prepared a responses to comments and conducted follow-on analysis.

Due to its large size, Steve Davis, SEIS Project Manager, recommended we break up the draft into several pieces to facilitate both review and comment.

SSC Review

The SSC's review is focusing on Chapter 4 Environmental Consequences. Members of the SSC have each reviewed and commented on a particular section, based on the member's scientific expertise. Specifically, the SSC will determine the adequacy of the information contained in the analysis and comment on whether they concur with the SEIS analysts findings of impact. It will provide the Council with comments that can identify areas of strength as well as weakness. Recommendations on how to improve the draft will be provided to the Council and the SEIS Project Team.

AP Review

The AP will focus on the model regimes (e.g. action strategies) that were developed by the SEIS Team as illustrations on how the Council and NMFS might implement a particular suite of policy objectives (Section 4.1.1 to 4.1.5). The questions before the AP are: are the actions reasonable and are there any other combinations of actions and measures that should be analyzed for the final SEIS? The AP is particularly well suited to provide the SEIS Project Team with feedback on whether its model regimes truly capture the likely range of actions that the Council might consider over the next 5-10 years. The AP will provide the Council with its recommendations on ways that the SEIS Project Team can improve on the draft analysis.

Council Review

In April, the Council was advised to concentrate its review on the policy statements contained in Chapter 2 of the draft SEIS (Section 2.4). The question before the Council is whether you agree that the policy statements contained in the GOA and BSAI Groundfish FMPs are out of date and whether you agree that the proposed policy framework accurately reflects your current policy, and more importantly, whether your future vision for these fisheries are encompassed within the range of policy

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goals and objectives developed by the SEIS Team? The Council's Ecosystem Committee was tasked in April to examine the proposed framework and provide their recommendations to you.

The Council has a number of opportunities to consult with NMFS on the Programmatic SEIS project. At this meeting, the Council is in the role of "commentor" and not decisionmaker. Council comments will be summarized and addressed in the final SEIS. Following the completion of the public comment period, the SEIS Project Team will review all comments received and determine what revisions and further analysis is necessary to prepare a final SEIS. At the appropriate time, NMFS will provide the Council with a status report on the project and when necessary time can be allocated for more formal consultations on the SEIS and future actions.

Report of the Scientific and Statistical Committee

Given the sheer size of the DPSEIS, the SSC was unable to provide a formal review of the entire document, but rather perused sections of Chapter 4—Environmental and Economic Consequences. Teams of SSC members drafted comments on sections 4.1 through 4.9 and the whole SSC reviewed the draft comments at this meeting.

The SSC noted that a DPSEIS is unfamiliar to the Council family and several questions need to be addressed. How the document will be used should be made clear both in the Executive Summary and in the body of the document. If the DPSEIS is a planning document and the analytical environment it sets are used in future, then much more emphasis should be placed on describing results in this context. Model specifications, assumptions, and data sources need to be documented. (Please see detailed comments in the SSC Minutes, Appendix IV to these minutes.)

Report of the Advisory Panel

The AP supports the current scope, alternatives, and analysis contained in the draft SEIS. The range of both the policy and management options are adequate for addressing environmental issues for the planning horizon. Further, the AP recommended the Council:

1. Add additional policy statement language as suggested by the ecosystem committee (and addressed in Donna Parker's testimony).
2. Request an additional comment period prior to the final SEIS in the event that a new alternative is added to the document.
3. Include the recommendations of the SSC in their comments.
4. Include the comments of (NEPA experts) Drs. Atkinson and Cantor.
5. Clarify and contrast the baseline used for the status quo scorecard and the retrospective analysis of cumulative effects of past management.
6. Expand the discussion of the advantages of co-ops in achieving fishery sustainability goals.

DISCUSSION/ACTION

Dave Fluharty moved to adopt the Advisory Panel's recommendations with some editorial changes:

The Council supports the current scope, alternatives, and analysis contained in the draft SEIS. The range of both the policy and management options are adequate for addressing environmental issues for the planning horizon. Further, the Council recommends that NMFS:

1. ***Develop* additional policy statement language as suggested by the ecosystem committee (and addressed in Donna Parker's testimony);**

2. ***Provide an additional comment period prior to the final SEIS in the event that a new alternative is added to the document;***
3. ***Take into account the recommendations of the SSC;***
4. ***Consider the comments of (NEPA experts) Drs. Atkinson and Cantor;***
5. ***Clarify and contrast the baseline used for the status quo scorecard and the retrospective analysis of cumulative effects of past management actions, and***
6. ***Expand the discussion of the advantages of coops in achieving fishery sustainability goals.***

The motion was seconded by Kevin Duffy.

By friendly amendment, the opening paragraph was dropped from the motion and replaced with the statement, “The Council recommends that NMFS . . .”[followed by the 6 points], and the reference to Ms. Parker’s testimony was replaced with a reference to all public comments received on this subject at this meeting.

The motion carried without objection.

Dennis Austin moved that the Council bring to the Secretary’s attention the Council’s role, as identified in the Magnuson-Stevens Act, is to identify a preferred alternative for the Groundfish Programmatic SEIS and forward that recommendation to the Secretary, as is done with other FMP amendments. The motion was seconded and carried with Balsiger abstaining from the vote.

C-6 Community IFQ Purchase

ACTION REQUIRED

Review discussion paper and GOACC proposal and provide direction.

BACKGROUND

In June 2000, the Council reviewed a discussion paper provided by the Gulf Coastal Communities Coalition (Coalition) to allow small, remote Gulf of Alaska communities to hold IPHC Area 2C, 3A, and 3B commercial halibut and Gulf of Alaska sablefish quota shares (QS) to be leased to community members. The Council made limited revisions to the problem statement and proposed options for analysis and approved the discussion paper for release to the public. Subsequently, no comments were received by Council staff. Note that the Council has not yet approved the draft problem statement or the proposed (revised) elements and options for analysis.

In February 2001, the Council requested that staff develop a discussion paper for review at the June meeting, using the original Coalition proposal for guidance. The discussion paper is intended to provide a basis from which to begin structuring a more focused set of options for analysis. Each of the major elements is outlined, with brief comments and/or suggestions where staff thought the options should be clarified or modified to ensure consistency with the current IFQ program and previous Council actions.

The Coalition proposal is based on providing small, rural, fishing-dependent communities in the Gulf of Alaska the opportunity to purchase halibut and sablefish QS, for the purpose of retaining QS in communities for lease to and use by resident commercial fishermen. The goal is to provide for the sustained participation of these communities in the commercial halibut and sablefish fisheries and

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to minimize adverse economic impacts on these communities associated with the current IFQ program.

There is a range of approaches the Council could take in developing this action and tasking the proposal for analysis. This action would allow a defined set of Gulf communities in Areas 2C, 3A, and 3B to purchase commercial halibut and sablefish QS for use by community residents. Having recently approved a set-aside of 1% of the halibut charter QS for essentially the same set of Gulf communities in Area 2C and 3A, there is the possibility of combining the analyses of the two actions into one package. However, although the criteria proposed for community eligibility is similar for the two actions, they do address distinctly different fisheries (charter halibut vs. commercial halibut and sablefish), and the community purchase proposal extends to Area 3B. Because of the differences in both the economic analyses necessary and the policy considerations associated with a set-aside versus a buy-in, the Council may prefer to address the actions in two distinct and separate analyses. Note that the Council has not yet approved alternatives and options for a trailing amendment to implement the community set-aside program.

The discussion paper was mailed to you on May 29 and is scheduled for review at this Council meeting. Attachment 1 to the discussion paper is the revised list of elements and options as restructured by staff. Attachment 2 is a draft list of the proposed eligible communities using the Coalition's preferred eligibility criteria. The Executive Summary from the discussion paper, along with Attachments 1 and 2 are attached to this memo. The original Coalition discussion paper was also provided in the mailing for reference purposes. Upon review, the Council may decide whether to task staff with a formal analysis.

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

DISCUSSION/ACTION

Kevin O’Leary moved to task analysis of the community purchase of halibut and sablefish IFQs, using the elements and options listed in the staff discussion paper (as edited by written comments from Duncan Fields, GOACC dated June 11, 2001), with an initial analysis by December, if possible, and final action in February. The motion was seconded by Robin Samuelsen.

Linda Behnken moved to add the following to the draft problem statement:

The Council seeks to provide for this sustained participation without undermining the goals of the halibut and sablefish IFQ program or precluding entry-level opportunities for fishermen residing in other fishery-dependent communities.

The motion was accepted as friendly by the maker of the motion.

Referring to Mr. Fields’ hand-out, Linda Behnken moved, under “Vessel Size Restrictions,” to add an option of “A Category only.” This was accepted as a friendly amendment for the purpose of analysis.

Linda Behnken moved, with regard to “Sale Criteria,” that the following options be included:

- (1) allowed to sell QS without restriction;**
- (2) allowed to sell QS only after holding it for three years; and**
- (3) allowed to sell QS only to other communities.**

The motion was accepted as a friendly amendment for purposes of analysis.

Kevin Duffy pointed out that under the Code of Conduct area, the analysis needs to address administering and monitoring any program, both at the federal and state levels.

Robin Samuelsen moved, under the Sunset Provisions, to add a suboption for review of the program after 3 years; with a 5-year drop through. The motion was accepted as friendly.

The motion, as amended, carried without objection. Assigning a priority to the analysis was deferred to the Council’s discussion on Staff Tasking.

C-7 Community Development Quotas

ACTION REQUIRED

Receive committee report.

BACKGROUND

The Council formed the CDQ Policy Committee in December 2000 with the following guidance, as stated in the December 2000 newsletter:

The Council will appoint a CDQ Policy Committee to address issues related to Community Development Quota oversight responsibilities of the State and NMFS. The new committee will provide policy recommendations to the Council on changes that may be needed to regulations governing the role of NMFS and the State in program oversight, the CDQ allocation process, and the administration of the CDQ Program.

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The committee also will address the on-going analysis of the State's proposed revisions to the CDQ administrative regulations which would determine whether oversight extends to the financial decisions of businesses owned by the CDQ groups. The committee is expected to report to the Council by June 2001.

The committee met for the first time on April 26 - 27, and identified nine issues and several alternatives and options under each issue, for further discussion at the next meeting. The committee met again on May 24 - 25, and used this list of issues as a framework document by which to make specific recommendations to the Council on the committee's preferred course of action. The list of issues and alternatives that the committee recommends be analyzed is included as an attachment to the final CDQ Policy Committee report, which is provided as Agenda C-7(a). While the framework document lists several potential alternatives for analysis under each issue, the committee report identifies the committee's recommended preference among the alternatives, if general consensus could be reached. Where the committee did not reach consensus, a vote was taken and the majority/minority opinions are noted in the report.

The report encompasses the minutes of the May committee meeting, as well as the final committee recommendations to the Council. The report lists each of the nine issues as identified and addressed by the committee. The committee recommendation is listed first under each issue, and the relevant committee discussion, motion, and final vote follow the recommendation.

The Council is scheduled to receive the committee's report at this meeting. No action is necessary. Upon review, the Council may decide whether to task staff with a formal analysis. Should the Council choose to initiate an analysis of changes to the CDQ program, the document containing the complete list of issues and alternatives recommended by the committee for analysis is provided as Attachment 1 to the committee report. A separate list of fishery management issues, prepared by NMFS and discussed by the committee, is included as Attachment 2 to the report. The committee did not take any action regarding the fishery management alternatives. The minutes from the April committee meeting are also included as Agenda C-7(b) for reference purposes.

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

DISCUSSION/ACTION

Linda Behnken moved to initiate analysis of the proposed changes to the CDQ program presented by the CDQ Policy Committee, plus the additional issues identified by NMFS in their June 1st, 2001 letter, and two additional criteria under Issue 4 of the Committee recommendations: (8) Proximity to the resource; and (9) the result to which the CDP will result in a sustainable economy based upon the fishing industry. The motion was seconded by Kevin O'Leary.

John Bundy moved to include the following issues proposed by the Coastal Villages Region Fund:

- Analyze a suboption to the "Bright New World" proposal of an exemption from oversight for fishing companies, which are owned in part by a CDQ group for investments in the fishing industry.
- For the acceptable level of non-fisheries related investment, analyze the following:
 1. For non-fisheries related economic development projects, the limit would be 20% of pollock royalties or \$1,000,000 per year, whichever is less.
 2. CDQ groups could institute community grant programs at up to \$200,000 per group per year.

The motion was seconded by Bob Penney and failed, 6 to 5, with Austin, Balsiger, Bundy, Fluharty and Penney voting in favor.

Mr. Duffy offered an amendment to the main motion to retain the CDQ Policy Committee for purposes of advising the Council as it proceeds through this analysis. Ms. Behnken accepted this as a friendly amendment.

The main motion carried, 10 to 1, with Mace voting against.

Robin Samuelsen moved to request NMFS to request an emergency rule changing the percentage contribution of arrowtooth flounder CDQ reserve to the CDQ non-specific reserve from 15% to 50% for the year 2001. The motion was seconded by John Bundy. Mr. Samuelsen advised that this is necessary because the pollock TAC went up and that this will allow a reasonable non-specific reserve to allow reasonable CDQ fisheries. This motion would not affect any other fishery. The motion carried, 10 to 1, with Balsiger voting no (emergency rule).

C-8 Gulf of Alaska Groundfish Rationalization

ACTION REQUIRED

Receive committee report.

BACKGROUND

The GOA Rationalization Committee met on May 15-16, 2001 for its third meeting to develop recommendations to rationalize the GOA groundfish fisheries. The committee has developed three problem statements for Council consideration. In April, the Council adopted a problem statement to rationalize the GOA groundfish fisheries (**Item C-8(a)**). At its May meeting, the committee revised its two other problem statements: (1) to eliminate latent licenses; and (2) effects of parallel State water fisheries on rationalizing Federal fisheries.

The minutes of its meeting are attached (**Item C-8(b)**). An analytical strawman was revised for Council review upon recommendation of the committee and is attached to the minutes. In summary, the committee did not achieve a consensus position on how to rationalize the GOA groundfish fisheries; however, it identified the following priorities:

1. Request tables of elements and options for GOA Pacific cod, pollock, rockfish, and flatfish fisheries to prepare an analysis as a first step to eliminate latent licenses.
2. The committee discussed but did not reach consensus on:
 - Tools to allow co-ops to occur:
 - a. gear allocations for each fishery
 - b. PSC and bycatch allocations for each fishery
 - c. sideboards between GOA and BSAI
 - More applicable to the at-sea fleet, rather than catcher vessel issue (but could be if GOA is rationalized)
 - State water fisheries
 - The committee encourages the Council to provide further guidance on future development of the W/C/WY rockfish strawman as an example of a "simple" fishery.

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- Individual vessel level decisions as delineated by NMFS staff in its email (summarized in minutes).

3. State parallel fishery problem statement is overriding but does not need immediate steps to be taken.

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

Report of the Advisory Panel

The AP recommended that the Council remove Southeast Outside groundfish fisheries from the rationalization program, but consider them under sideboard issues.

Additionally, the AP recommended the Council reconvene the GOA rationalization committee to review the proposal entitled "Preliminary Draft: GOA P Cod Rationalization Program" submitted by the AP, as well as the other proposals brought forward by the committee.

DISCUSSION/ACTION

Kevin Duffy moved to adopt the following Draft Vision Statement for GOA Fisheries and request staff to develop a scoping paper on the draft groundfish rationalization proposal for Pacific cod and pollock submitted by industry and the IFQ elements and options for Pacific cod adopted by the Advisory Panel.

DRAFT Vision Statement for Rationalization of GOA Fisheries

Ongoing Council discussions of fishery rationalization are addressing ways to improve fishery management by providing tools to transition from current fishing practices into a more sustainable and efficient future. Various types of systems are being examined. Some are based on quota shares and some would be based on a cooperative (co-op) structure. Other systems may also be feasible and deserving of consideration.

Conservation is the number one priority in sustainable fishery management. Achieving economic efficiency in the harvest of our fishery resources is important, and it may be balanced with the needs to conserve stocks, reduce bycatch, minimize habitat impacts, and achieve fuller utilization of harvested resources.

The economics of fishery dependent communities should also be protected and allowed to grow as new opportunities in fisheries come about. This will require maintaining a diverse fleet and balancing the interests of various segments of the industry. Again, a variety of tools for achieving these objectives are worthy of consideration.

Any strategy for transition to more sustainable and efficient fisheries must contain explicit mechanisms to:

- **Provide measurable reductions in bycatch on a fishery-by-fishery basis;**
- **Provide measurable reductions in habitat impacts, including provisions to allow transitions to lower impact gear types;**
- **Improve safety;**
- **Any rationalization plan needs to include harvesters, processors, and communities and measures to protect their interests;**
- **Maintain owner-operated fleet by Alaskans or increase level of participation in fisheries by active quota shareholders;**
- **Ensure an entry level accessible to residents of coastal communities;**

- Effectively control excessive consolidation and vertical integration;
- Recognize the contributions by skippers and crew, and include mechanisms to promote and maintain a high level of professionalism in the fleet;
- Maintain a diverse, independent fleet and arms-length price negotiations between harvesters and processors;
- Minimize disruption to the processing sector and address overcapitalization, and consider the possibilities of balanced allocations;
- Protect communities' historic reliance on crab and groundfish processing through regionalization requirements for processing or other means;
- Incorporate vessel buyback provisions where needed to address overcapitalization; and
- Provide a funding mechanism to adequately support management and enforcement requirements of these fisheries.

Finally, the success of any rationalization program in achieving these goals must be periodically evaluated with the ability to modify use privileges, reassign shares, or make other adjustments as necessary to achieve these objectives.

The motion was seconded by Linda Behnken. The scoping paper would be prepared in time for the December meeting at the earliest, and February if that is a more realistic time line for tasking. Mr. Duffy stressed that his office will assist in developing the paper. If there are any issues to be clarified, staff may request Council input in October.

Linda Behnken moved to amend to include a discussion of mechanisms for owner-on-board provisions as proposed under crab rationalization and in the Advisory Panel minutes. This was accepted as a friendly amendment.

The motion carried without objection.

Linda Behnken moved to approve the recommendation of the Advisory Panel to drop the Southeast Outside area from any GOA rationalization program, but to include them in any sideboard issues. The motion was seconded by Bob Penney and carried without objection.

C-9 Magnuson-Stevens Act Reauthorization

This was an information-only agenda issue. The Acting Executive Director briefed the Council on the issues discussed at the recent Chairmen's meeting and the recommendations from that meeting. Because of a lack of time, the Council did not discuss this issue in detail or take any action.

D. FISHERY MANAGEMENT PLANS

D-1 Staff Tasking

The Council was provided with an updated summary of current staff tasking, along with potential new projects, re-ordered to reflect Council priorities from the April meeting. The Council also received an updated and revised list of Council Committees for further discussion at this meeting.

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

Committees

The Council reviewed the current committees and membership and made the following revisions:

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BSAI Crab Rationalization Committee: Will meet one more time to review the draft analysis and provide recommendations to the Council.

CDQ Implementation Committee: Terminated. NMFS is encouraged to work with State and CDQ representatives when technical matters arise, and consult with the Council when necessary.

CDQ Policy Committee: Meet at least one more time, more if necessary to address the issues.

Ecosystem Committee: Continue, with possibility of additional members. Call for nominations in newsletter.

Enforcement Committee: Terminated on advice of the Committee Chair, Capt. O'Shea. Committee can be reconstituted and reconvened if the need arises.

Gulf of Alaska Rationalization Committee: Tasked to meet again to review scoping paper when available.

Socioeconomic Committee: On hold until Council comes forward with a specific proposal for them to review; committee will be reconstituted at that time.

IFQ Implementation Committee: Combine with Cost Recovery Committee; Chair will review membership.

MSFCMA Reauthorization Committee: Chair will appoint additional members.

U.S.-Russia International Committee: Chair will add new members.

Committees not mentioned will remain as currently constructed.

Tasking

The Council discussed priorities for actions taken at this meeting as well as previous actions not yet tasked.

With regard to the changes to halibut subsistence regulations approved under agenda item B-5, Robin Samuelsen moved to request that staff bring the analysis back to the Council for final action in December. The motion was seconded by Linda Behnken and carried without objection.

With regard to the CDQ regulatory amendments, Robin Samuelsen moved to request staff to prepare an analysis for initial review in October and final review in December. The motion was seconded by Kevin Duffy. Sue Salvesson pointed out that this is a significant action and initial review in October may be optimistic. She suggested initial review in December with final action in February. This was accepted as a friendly amendment to the motion. Kevin Duffy said he would request analytical help from the State Department of Commerce. The motion carried, 10 to 1, with Mace voting against.

Linda Behnken moved the following: (1) to hold the BSAI cod pot gear split amendment (BSAI Amendment 68) until December, or until other related outstanding issues are resolved; (2) do not assign staff to the shortraker rougheye retention issue until the Council has more guidance from General Counsel; and (3) add a paragraph in the draft Report to Congress on AFA outlining the Pacific cod sideboard issue brought forward by Mr. Pritchett, the concerns expressed, and the inability of the Council to solve it to date. The motion was seconded by Bob Penney and carried without objection.

The Council discussed the ability to contract out various tasks at this time. Staff advised that while the Council does have some AFA funds that are available for contracting, finding contractors with experience in the Alaska groundfish fisheries is a problem right now, with most tied up with SEIS, EFH, and other AFA issues. Considerable Council staff time would be required if a contractor without current knowledge of the fisheries were used.

Linda Behnken moved to send a letter to the Digital Observer Project manager expressing Council interest in the project and further results. The Observer Oversight Committee should be informed of the progress and assist the Council in determining future action. The motion was seconded by David Fluharty and carried without objection.

Linda Behnken moved to send a letter to the Secretary of Commerce informing him of where the Council is in the BSAI crab rationalization process and assure him that it is a high priority issue for the Council. Additionally, advise that it is the Council's sense that this issue needs to remain in the public and open Council process. The letter should also express support for the vessel buyback program as an important component of the crab rationalization process. The motion was seconded by Robin Samuelsen and carried without objection. Copies of the letter should be sent to the governors of the States of Alaska, Washington, and Oregon.

Sue Salveson suggested that perhaps there would be a way to combine three issues for contracting: (1) the Groundfish Forum proposal for recency for Pacific cod catcher processors; (2) the trawl cod LLP recency criteria; and, to some extent (3) address the Pritchett proposal (Pacific cod sideboards). Chris Oliver responded that although they could be dealt with in one package, they are three distinct actions, so essentially it would be an omnibus package.

Linda Behnken moved the following priorities for outside contracting, if possible:

1st: IR/IU; 2nd: Pritchett proposal; 3rd: BSAI Pacific cod trawl LLP recency

The motion was seconded by Dave Fluharty and carried without objection. Ms. Behnken stressed that the IR/IU issue is time sensitive and needs highest priority to have it implemented as soon as possible.

Linda Behnken recommended, and the Council concurred, not to issue a call for IFQ or groundfish amendment proposals this year.

With regard to the IFQ amendment proposals approved for analysis last year, but not yet tasked, Linda Behnken moved the following problem statement:

The halibut/sablefish vessel size classes and block plan were designed to maintain a diverse, owner-operated fleet and provide an entry-level to the IFQ fisheries. Large quota increases, and other factors unique to the 3B/4A areas, suggest that these provisions should be reviewed to determine if changes are needed to ensure program goals are met.

When staff time becomes available, the Council will initiate analysis of alternatives forwarded by IFQ committee and AP relative to this issue.

The motion was seconded by Robin Samuelsen and carried without objection.

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Reports and Agenda Changes

The Council discussed ways of streamlining the standard reports scheduled at the beginning of the meeting. It was suggested that the standard reports from NMFS, ADF&G, and Enforcement be provided in written form at the beginning of the meeting, but the presentations be scheduled toward the end of the meeting. Any issue in the reports that may be relevant to another agenda item and require action would be reported on during staff reports on that agenda issue.

Additionally, the current status of staff tasking will be provided in the Executive Director's report so the Council will have an idea of staff availability for new tasking at the beginning of each meeting.

The Chairman and Executive Director will work with these changes for the October meeting.

October Meeting Agenda

Kevin Duffy notified Council members that at the October Council meeting he would make a motion to rescind the Council's action on the halibut charter IFQ program.

E. ADJOURNMENT

Linda Behnken, Kevin O'Leary, and Vince O'Shea were thanked and acknowledged for their contributions to the Council. There being no further business or comments, the Chairman adjourned the meeting at approximately 4:30 p.m. on Monday, June 11, 2001.

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