

DRAFT AP MINUTES

ADVISORY PANEL MINUTES February 5-8, 2001 Hilton Hotel Anchorage, Alaska

Advisory Panel members in attendance:

Alstrom, Ragnar	Fuglvog, Arne
Benson, Dave	Henderschedt, John
Boisseau, Dave	Jones, Spike
Bruce, John (Chair)	Madsen, Stephanie (Vice Chair)
Burch, Al	Nelson, Hazel
Cross, Craig	Norosz, Kris
Dietrich, Kim	Ridgway, Michelle
Ellis, Ben	Steele, Jeff
Falvey, Dan	Stephan, Jeff
Fields, Duncan	Ward, Robert
Fraser, David	Yeck, Lyle

C-1 Halibut Charter Management

Alternative 1. Status quo.

Alternative 2. Include the halibut charter sector in the existing halibut IFQ program.

Issue 1. Initial QS may be based on:

- Option 1. 14.11% in Area 3A and 13.05% in Area 2C of a combined charter and commercial quota
Equal to 125% of corrected average 1995-99 charterboat harvest
- Option 2. 12.26% in Area 3A and 13.32% in Area 2C of a combined charter and commercial quota
Equal to 100% of corrected average 1998-99 charterboat harvest
- Option 3. 10.44% in Area 2C and 11.29% in Area 3A of combined charter and commercial quota
Equal to 100% of corrected 1995-99 average harvest
- Suboption: 0-50% of an individual's QS initial issuance would be fixed and the remainder would float with abundance.

Issue 2. Initial allocation of QS would be issued to U.S. citizens or to U.S. companies on the following basis:

U.S. ownership based on: a) 51% ownership; b) 75% ownership

- Option 1. Charter vessel owner - person who owns the charterboat and charterboat business

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- Option 2. Bare vessel lessee - person that leases a vessel and controls its use as a charterboat for this fishery. May operate the vessel or may hire a captain/skipper. Lessee determines when the vessel sails and by whom captained

Issue 3. Qualification Criteria

- Option 1. Initial issues who carried clients in 1998 and 1999 and who submitted ADFG logbooks for an active vessel (as received by ADFG by February 12, 2000)
- Option 2. Initial issues who carried clients in 1998 or 1999 and who submitted ADFG logbooks for an active vessel (as received by ADFG by February 12, 2000)
- Option 3. Initial issues who carried clients prior to June 24, 1998 and who submitted at least one ADFG logbook for an active vessel (as received by ADFG by February 12, 2000)
- Option 4. Initial issues who carried clients four out of five years between 1995-1999 as evidenced by IPHC, CFEC, and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 and 1999
- Option 5. Initial issues who carried clients four out of five years between 1995-1999 as evidenced by IPHC, CFEC and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel for either 1998 or 1999
- Option 6. Initial issues who carried clients three out of five years between 1995-1999 as evidenced by IPHC, CFEC, and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 and 1999*
- Option 7. Initial issues who carried clients three out of five years between 1995-1999 as evidenced by IPHC, CFEC, and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 or 1999*
- Suboption: Require that initial issues be currently participating (meeting all legal requirements including filing a logbook) during season prior to final action (currently May- Sept 2000).*

Issue 4. Distribution of QS may be based on:

- Option 1. 70% of 1998 and 1999 logbook average with an additional 10% added for each year of operation 1995-97 (longevity reward). ~~The balance could then be re-issued to the whole group of participants~~
- Option 2. Modified Kodiak proposal: 5-30% for A, 33% for B, 37-62% for C
Part A: each individual gets an equal percentage of the qualified pool as identified by the Council's final action.
Part B: each individual's average 98/99 logbook harvest as percentage of overall harvest is multiplied by 33% of the qualified pool.
Part C: one point for each year of participation during 1995-99.

Suboption: Base distribution for the preferred option on both total catch retained and caught and released

Issue 5. Transferability of QS (permanent) and IFQs (on annual basis [leasing])

- Option 1. Nature of Charter QS/IFQ:
- a) Leasable
 - b) Non-leasable

~~Suboption: Allow grandfather provisions to initial recipients to use hired skippers similar to the halibut sablefish IFQ program~~

Suboption: Define leasing as the use of QS/IFQ on vessels on which the owner of the QS/IFQ has less than 20-75% ownership

- Option 2. Transfer of QS (permanent) and/or IFQs (leasing):
- a) prohibit transfers between charter and commercial sectors
Suboption: no QS transfers between sectors for 2-5 years
 - b) allow transfers between charter and commercial sectors
 - 1. 1-yr one way transfer from commercial to charter
 - 2. 3-yr one way transfer from commercial to charter
 - 3. two-way (between commercial and charter sectors).

Suboptions under Options b (1-3):

- (a) Designate QS pool into two classes for transfer from charter to commercial sector: transferable (25%) and non-transferable (75%) pools on an individual's basis
- ii. Cap the percentage of annual IFQ transfers (de facto leasing) between sectors not to exceed 25% of total IFQs and a range of 0-10% of IFQs per year from charter to commercial.
- iii. on percentage of annual QS transfers between sectors not to exceed 25% of total QS and a range of between 0-10% of QS per year from charter to commercial.
- iv. A range of 0-10% leasing of Charter IFQ to charter from charter for the first 3 years

- Option 3. Block restrictions
- a) any initially issued (i.e., unblocked) charter QS once transferred to commercial sector shall be:
 - 1. blocked
 - 2. blocked up to the limits of the commercial sweep-up and block limits
 - 3. *unblocked*
 - b) allow splitting of commercial blocks to transfer a smaller piece to the charter sector
 - c) allow splitting of commercial blocks once transferred to the charter sector

- Option 4. Vessel class restrictions
- a) from A, B, C, and/or D commercial vessel category sizes to charter sector
 - 1. Leasable
 - 2. Non-leasable

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- b) from charter to commercial:
 - 1. D category only
 - 2. C and D category only
 - 3. B, C, and D category
- c) initial transfer from undesignated charter to a particular commercial vessel category locks in at that commercial category

~~Option 5. One transfer of QS/IFQ each year between sectors for each QS holder~~

Option 56. Minimum size of transfer is range of 20-72 fish

Option 6. *Geographic restrictions*

- a) *no geographic restrictions*
- b) *based on ADF&G statistical areas*
- c) *within proposed LAMP areas*

Issue 6. To receive halibut QS and IFQ by transfer:

Option 1. For the charter sector, must be either

- a) a initial charter issue or
- b) qualified as defined by State of Alaska requirements for registered guides or businesses*

~~Suboption: and hold a USCG license.~~

*this would require a change in the commercial regulations to allow transfer of commercial QS/IFQ to charter operator

- c) *fulfill all legal obligations of the charter sector*

Option 2. For the commercial sector, must have a commercial transfer eligibility certificate.

Suboption: all commercial rules apply to any provision that may permit the use of commercial QS/IFQ for commercial purposes by any entity in the Charter IFQ sector.

Issue 7. Caps

Option 1. No caps - free transferability

Option 2. ~~Ownership cap of 1/4, 1/2, and 1% of combined QS units in Area 2C and 1/4, 1/2, and 1% of combined QS units in Area 3A~~ Use cap for charter QS owners only of 1/4, 1/2, and 1% of combined QS units in Area 2C and 1/4, 1/2, and 1% of combined QS units in Area 3A (for all entities, individually and collectively) and grandfather initial issues at their initial allocation

Issue 8. Miscellaneous provisions

Option 1. Maximum line limit of 12 in Area 3A (remains at 6 lines for Area 2C), grandfather initial issues

Option 2. 10% ~~rollover~~ underage provision of total IFQs

Option 3. 10% overage provision of total IFQs to be deducted from next year's IFQs

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Issue 9. IFQs associated with the charter quota shares may be issued in:

- Option 1. Pounds
- Option 2. Numbers of fish (based on average weight determined by ADFG)

Issue 10. Reporting:

- Option 1. Require operator to report landings at conclusion of trip
- Option 2. ADFG logbook
- Option 3. Require a reporting station in every city and charter boat location to accurately weigh every halibut caught.
- Option 4. Charter IFQ fish tags*

Issue 11. Community set-aside

- Option 1. No community set-aside.
- Option 2. Set-aside $\frac{1}{2}$ -2 $\frac{1}{2}$ percent of combined commercial charter TAC for Gulf coastal communities

Suboption 1. Source of the set-aside

- a) equal pounds from the commercial and charter sectors.
- b) proportional amount based on the split between the commercial and charter sectors.
- c) 100 percent of the pounds taken out of the charter sector.

Suboption 2. Sunset provision

- a) no sunset
- b) sunset in 5 years
- c) sunset in 10 years
- d) *persons currently participating in the set-aside program at the time of sunset would be allowed to operate within the guidelines of the program.*

Alternative 3. Moratorium

Issue

- a) operator*
- b) vessel*

Qualification Criteria

- Option 1. Initial issues who carried clients in 1998 and 1999 and who submitted ADFG logbooks for an active vessel (as received by ADFG by February 12, 2000)

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- Option 2. Initial issues who carried clients in 1998 or 1999 and who submitted ADFG logbooks for an active vessel (as received by ADFG by February 12, 2000)
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- Option 6. Initial issues who carried clients three out of five years between 1995-1999 as evidenced by IPHC, CFEC , and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 and 1999*
- Option 7. Initial issues who carried clients three out of five years between 1995-1999 as evidenced by IPHC, CFEC , and ADFG business and guide documentation for 1995-99 and submitted logbooks for an active vessel in 1998 or 1999*
- Suboption: Require that initial issues be currently participating (meeting all legal requirements including filing a logbook) during season prior to final action (currently May- Sept 2000).*

Carry forward remaining elements and options from the 1997 and 2000 charter analyses (transferability, etc.)

Motion passed 18-1

3. The AP requests the Council modify the problem statement to include analysis of impacts on recreational anglers and social and economic goals for the guided sport fishery.

Motion passed 20-0

4. The AP further recommends that the halibut charter IFQ analysis be revised to include the following discussions:
- a1. A comparison of the halibut use data developed from current charter operators in the identified communities, beginning on page 229, with comparable halibut use data from all charter operators in areas 2C and 3A.
 - a2. A sensitivity analysis indicating the amount of charter operators that could be developed with a range of halibut allocations including 3,000, 6,000, 10,000, and 15,000 lbs.
 - b. Expanded review of how charter operators surveyed by ISER and Lee, as referenced on pages 139 and following, may differ from operators that would develop halibut charter business in remote, rural communities.
 - c. Create a section that pulls together angler impacts.

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- d. Expand the discussion of the ownership issue as presented on page 172.
- e. Further expand the potential impact on associated stocks (ie Salmon) as mentioned as a possibility in paragraph A3 on page 168.
- f. Expand the background section to include the original charter management plan problem statement and include a description of how this action in conjunction with past actions address these issues.

Motion passed 20-0

3. The AP strongly supports an active LAMP process that may address issues of geographic boundaries, local moratoriums and near shore depletion and encourages the development of LAMPS as soon as possible

Motion passed 20-0

C-3 Steller Sea Lion

The AP requests the Council recommend to the Secretary of Commerce, pursuant to P. L.106-554 provision (c)6**, that the Secretary immediately exercise its discretion in enforcing regulations for the 2001 fishery by:

Opening Critical Habitat

1. in the GOA to allow fishing except for 10 nm closures around those haulouts and rookeries listed in the current emergency rule.
2. in the BS to allow fishing as per the RFRPAs in place in 2000.

Adjusting Seasonal Catch Levels

1. allow 100% of P. Cod TAC beginning Jan 1, 2001 as was conducted in 2000.
2. allow 2001 removals in the BS SCA using the identical % as 2000 instead of a fixed MT cap.

Other Measures

1. any other measures the Council may identify.

*** (c)6 In enforcing regulations for the 2001 fisheries, the Secretary, upon recommendation of the North Pacific Council, may open critical habitat where needed, adjust seasonal catch levels, and take other measures as needed to ensure that harvest levels are sufficient to provide income from these fisheries for small boats and Alaskan on-shore processors that is no less than in 1999*

Motion passed 17-2

C-3(f) Vessel Monitoring System

The AP recommends the Council release for public review the EA/RIR/IRFA Requiring vessels that conduct directed fishing operations for pollock, Atka mackerel, or Pacific cod in the BSAI and GOA to install and use a vessel monitoring system with the following modifications:

1. add option not requiring vessels to stop fishing in the event of a system failure.

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2. provide data regarding failure rate of VMS units and VMS data transfer system and potential costs to vessels resulting from breakdowns if required to stop fishing. Additionally, add an attachment from Argos documenting performance attributes of existing technology and proposed upgrades to VMS.
3. remove floating, inshore processors from data in Tables.
4. add option not prohibiting vessels without VMS to stop fishing in quota management area when CH closed to directed fishing.
5. add option requiring VMS only when fishing for cod, pollock or Atka mackerel.
6. add option dropping Motherships if vessels delivering to MS has VMS.
7. add clarification of protocols for use of VMS to evaluate fish harvests inside/outside CH and separately protocols for using VMS for enforcement purposes.
8. a discussion comparing costs for VMS systems relative to current enforcement costs as well as a discussion of lost opportunity costs due to current catch accounting.
9. discussion on potential use of state or federal funds (ie: savings from enforcement costs) to provide assistance to fisherman for VMS equipment, installation and operating costs.
10. add discussion of the % of each management area's quota taken by each vessel category, and the % of effort spent inside and outside of CH.

Motion passed 19-0

C-4 American Fisheries Act

C-4 (b) AP recommends the Council move forward with an analysis of alternatives for modifications of IR/IU for yellowfin sole and rocksole as an alternative to AFA processor sideboards for both AFA and non-AFA vessels. This analysis should examine alternative of:

- a) no retention
- b) full retention
- c) 50% retention of rocksole and 85% retention of yellowfin sole

and the effect of these ranges on other species.

The AP further requests that the analysis be brought back to the Council for initial and final review on a schedule allowing for secretarial review and implementation by January 2003, the effective date for IR/IU of flatfish.

Motion passed 17-0

C-4 (c) Biological Opinion #3 (the BiOp) recognizes that rationalizing fisheries through the formation of harvesting cooperatives can be an effective tool in connection with efforts to halt the race for fish and redistribute fishing effort in ways that minimize potential adverse impacts of certain fisheries on Steller sea lions and their critical habitat. Indeed, continuation of harvesting cooperatives in the pollock fishery is identified in the BiOp as an indispensable element in the RPA necessary to avoid jeopardy. The BSAI cod trawl fishery is quite similar to the pollock fishery and the ability to form harvesting cooperatives in the cod trawl fisheries may afford many of the same benefits insofar as protection to sea lions is concerned.

The AP requests the Council establish a BSAI Trawl P. cod Rationalization Committee and a BSAI pot P. cod Rationalization Committee. The goal of these committees is to develop for the Council a framework for the rationalization of the BSAI cod fisheries.

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The AP requests the Council include for the trawl committee membership on this committee members from the following sectors: AFA Catcher/Processor, AFA Catcher Vessel, Non-AFA C/P, Non-AFA CV, BSAI Onshore Processing, and a conservation representative.

The AP recommends that BSAI Trawl P. cod committee focus on providing the Council at its June 2001 meeting recommendations and options on the following issues:

1. Elimination of latent BSAI trawl-endorsed LLP permits by establishment of a recency requirement for Non-AFA vessels (see June 2000 AP recommendations for GOA & BSAI P. cod rationalization qualification years); Add to the June 2000 AP recommendation - For non-AFA trawl catcher processors, a recency requirement for all groundfish fisheries in the BSAI and GOA of one landing in 1999 and 2000.
2. Develop options for allocation determinations;
3. Consideration of potential impacts of such measures on non-cod and non-pollock open access groundfish fisheries in the BSAI and the GOA;
4. Consideration of issues associated with rationalization of GOA and BSAI groundfish fisheries;
5. Inclusion of BSAI P. cod rationalization as one of the measures to be considered in connection with the development of new Steller Sea Lion RPAs for the 2002 fisheries; and
6. A set of guidelines for development of a rationalization plan which addresses community impacts and conservation goals such as those presented in the NRC's report to congress on IFQ programs.

Motion passed 17-1

A motion to establish a BSAI rationalization committee that would address all BSAI fisheries failed 5 to 12.

The AP recommends the Council initiate action for the following inshore co-op flexibility. If an inshore AFA co-op CV owner notifies its co-op that the member's CV will be unavailable to harvest pollock during all or any portion of a pollock season, the co-op, with its processors's approval, may contract with other AFA eligible inshore CV's, that are members of another inshore co-op, to harvest pollock to which the co-op is entitled. Pollock delivered by a CV pursuant to this provision shall not affect the co-op eligibility of the CV.

Motion passed 17-0

D-1 Groundfish Management

D-1 (a) BSAI P. Cod Split

The AP recommends the Council release Amendment 68 for public review with the following revisions:

- 1) revise Table 4.12 to reflect the average catch per vessel with and without the split.
- 2) Provide for rollover provisions
 - a. unused quota distributed as done with other splits
 - b. unused quota from the CV pot quota would rollover to CV longline before moving to CP pot.
- 3) Add the % reduction of vessel number in each sector as a result of Amendment 67.

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4) Include average investment by sector.

Motion passed 15-3

A motion to table this action until the Secretary of Commerce takes action on Amendment 67 failed 7-10.

Additionally, the AP requests the Council urge NMFS to move post haste with Amendment 67.

Motion passed 18-0

D-2 (b) TAC setting process

The AP recommends the Council release the EA/RIR/IRFA for Amending the Process by which Annual Harvest specifications are established for Alaska Groundfish fisheries for public review.

The AP would like to highlight for the Council its concerns that although final action will be scheduled in April it may not be appropriate.

Motion passed

D-3 Staff Tasking

The AP recommends the Council consider using the CDQ Implementation committee membership as the membership of the CDQ Policy committee, with the addition of a representative from any CDQ group not represented on the Implementation committee.

Motion passed 16-0