Draft for Secretarial Review

ENVIRONMENTAL ASSESSMENT/REGULATORY IMPACT REVIEW

For Proposed Amendments 62/62

To Update Catcher Vessel Operational Area Language, Update Inshore/Offshore Language in the BSAI and GOA FMPs, and Remove the December 31, 2004, Sunset Date for GOA Inshore/Offshore

And for a Proposed Rule to Redefine Single Geographic Location

Implemented Under the Authority of the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area and of the Fishery Management Plan for Groundfish of the Gulf of Alaska

March 25, 2009

Lead Agency: North Pacific Fishery Management Council
605 West Fourth Avenue, Suite 306
Anchorage, Alaska 99501

Responsible Official: Robert D. Mecum
Acting Administrator, Alaska Region

Abstract: This document provides analysis and discussion on two separate action items. The first is a proposal to redefine single geographic location allowing AFA stationary floating processors the flexibility to relocate between reporting weeks, rather than between fishing years, for the purpose of processing targeted Bering Sea pollock. The second action item addresses obsolete and inconsistent inshore/offshore language in the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area and of the Fishery Management Plan for Groundfish of the Gulf of Alaska and would remove the Gulf of Alaska inshore/offshore allocation sunset date. The EA/RIR provides an analysis of the expected impacts of proposed regulations on the physical, economic, and socioeconomic environments.

Table of Contents

List of Tables

List of Figures

EXECUTIVE SUMMARY

On October 7, 2002, the Council took final action on the single geographic location (SGL) portion of Amendments 62/62, and subsequently reaffirmed its action on April 7, 2008. The Council selected Alternative 3 as the preferred alternative. The alternative would redefine the SGL for American Fisheries Act (AFA) stationary floating processors. These AFA stationary floating processors would be allowed to relocate to an alternative location in the Bering Sea (BS), within State waters, from reporting week to reporting week, for up to a maximum of four changes per calendar year. In addition, AFA stationary floating processors would be required to process any Gulf of Alaska (GOA) pollock and GOA Pacific cod delivered to them in the same location at which they processed these species in 2002. The document also includes options for revising obsolete inshore/offshore language in the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area (BSAI FMP) and of the Fishery Management Plan for Groundfish of the Gulf of Alaska (GOA FMP), in order to be consistent with AFA and existing regulations, and removing the sunset date for GOA inshore/offshore allocation to be consistent with the removal of the sunset date for the AFA program in the Bering Sea and Aleutian Islands Management Area (BSAI). The Council, in June 2002, took final action on the proposed inshore/offshore language revisions portion only, selecting Alternatives 2 through 5, as its preferred action. Since that action, two of the recommended revisions have been made to the FMP as part of comprehensive housekeeping amendments. The FMP revisions included in Alternatives 2 and 4 were made as part of Amendments 83/75, which revised the FMPs by updating harvest, ecosystem, and socioeconomic information; consolidating text; and organizing the information to improve the readability of the documents. Amendments 83/75 were approved by NMFS on June 14, 2005. With Alternatives 2 and 4 implemented, only Alternatives 3 and 5 still need to be implemented. On April 7, 2008, the Council reaffirmed its June 2002 decision for Alternatives 3 and 5.

Problem Statement

The problem statement developed and formally adopted by the Council, in April 2002, to address the proposed changes to the SGL is presented below:

> *Existing regulations require AFA inshore floating processors to operate in a single geographic location when processing BSAI targeted pollock. The result is a lack of flexibility and inefficient use of these facilities. The problem for the Council is to develop an FMP amendment to remove this restriction in the BSAI while providing continued protection for GOA groundfish processors. The Amendment should increase flexibility for these facilities to provide opportunities for reduced delivery costs and enhanced product quality while avoiding negative environmental impacts.*

A problem statement for revising inshore/offshore language in the BSAI and GOA FMPs is presented below:

> *The American Fisheries Act (AFA) was passed by Congress in the fall of 1998. Because of the implementation of the AFA, much of the inshore/offshore language in the BSAI and GOA Groundfish FMPs is obsolete or inconsistent with current fishery management*

regulations. In addition, since Congress recently (sic) eliminated the AFA sunset date, the GOA inshore/offshore allocation sunset date of December 31, 2004, is no longer necessary. The problem before the Council is to revise outdated and inconsistent inshore/offshore language in the BSAI and GOA FMPs and remove the sunset date for GOA inshore/offshore allocation to achieve intended consistency between the BSAI and GOA regulations.

Consolidated Appropriations Act of 2004

Before Amendments 62/62 were submitted to the Secretary of Commerce for review in accordance with Section 304 of the Magnuson-Stevens Fishery Conservation and Management Act, the U.S. Congress, in Section 803 of the Consolidated Appropriations Act of 2004 (HR 2673), now Public Law 108-199, required that future directed fishing allowances of pollock in the Aleutian Islands be allocated to the Aleut Corporation. The action states that only fishing vessels approved by the Aleut Corporation, or its agents, would be allowed to harvest this allowance. In February 2004, the Council passed a motion requesting an analysis of options that might be incorporated into an FMP amendment to create a structure within which such an allocation could be made. On June 11, 2004, the Council took final action on Amendment 82, which allocated pollock total allowable catch (TAC) to the Aleut Corporation for a directed pollock fishery in the Aleutian Islands (AI). The action limited access to the pollock fishery to only vessels less than 60 feet in length, or AFA vessels with Aleut Corporation approval. The action also specified that AI pollock may only be delivered to a shoreside processor or a stationary processor which has an approved Catch Monitoring Control Plan, or to one or more AFA vessels, as permitted by legislation. The final rule to implement Amendment 82 to the BSAI FMP was published on March 1, 2005 (70 FR 9856), with an effective date of February 24, 2005.

It is NMFS's interpretation that Section 803 of the Consolidated Appropriations Act of 2004 (Public Law 108-199) supersedes AFA provisions, including SGL requirements in the AI, by allocating the entire AI directed pollock fishery initial total allowable catch (ITAC) to the Aleut Corporation. As a result, the alternatives and analysis in the proposed action were changed from that in the public draft analysis to reflect the Council's final action and Congressional action.

Alternatives Under Consideration

There are two actions in this amendment. The first action addresses changes in the SGL restriction for AFA stationary floating processors. The second action addresses the revision of inshore/offshore language in the BSAI and GOA FMPs and elimination of the sunset date for GOA inshore/offshore allocations.

<u>Single Geographic Location</u>

The first alternative under this action item is to leave intact the language that restricts AFA stationary floating processors to a single geographic location, during a single fishing year, while processing targeted BS pollock.

The second alternative would require AFA stationary floating processors to remain at a single geographic location, within waters under the jurisdiction of the State of Alaska, for the duration of a reporting week, while processing targeted BS pollock. Between reporting weeks, stationary floaters would be able to change locations within the BS while processing BS pollock. In addition, stationary floaters would be restricted to their 2002 pollock processing location, when they process GOA pollock and GOA Pacific cod. Stationary floaters would continue to be able to change to any location to process other groundfish.

The third alternative is the same as Alternative 2, but limits the AFA stationary floating processors to relocating, within State of Alaska waters, in the BS (i.e., precludes relocation to AI or GOA) while processing BS pollock to a maximum of four changes per calendar year. It would, further, allow a maximum of four location changes per calendar year. This alternative was selected by the Council as the preferred alternative, in October 2002.

Alternative 1: (Status Quo) AFA stationary floating processors would be restricted to a single geographic location, during a fishing year, while processing BS directed pollock.

Alternative 2: In the BS directed pollock fishery, AFA stationary floating processors would be required to operate in a single geographic location within State waters for the duration of each reporting week, but would be allowed to change locations from week to week. In addition, AFA stationary floating processors would be required to process all GOA pollock or GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

Alternative 3: **(Preferred Alternative)** In the BS directed pollock fishery, AFA stationary floating processors would be required to operate within a single geographic location in State waters for the duration of each reporting week, but would be allowed to change locations from week to week, to a maximum of four changes per calendar year. In addition, AFA stationary floating processors would be required to process all GOA pollock and GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

BSAI and GOA FMPs Proposed Inshore/Offshore Language

The first alternative is no action. The second alternative is to remove obsolete inshore/offshore language from the BSAI FMP. The third alternative would update the Catcher Vessel Operational Area (CVOA) to accommodate AFA-related changes. The fourth alternative would, if adopted, remove references to BSAI inshore/offshore from the GOA FMP. The final alternative would remove the December 31, 2004, sunset date for GOA inshore/offshore allocations from the GOA FMP.

The following alternatives are not mutually exclusive, so any combination of alternatives may be selected, including no action.

Alternative1 (Status Quo): Retain original inshore/offshore language in the BSAI and GOA FMPs.

Alternative 2 **(Preferred Alternative) ALREADY IMPLEMENTED VIA AMENDMENT 83**: Remove obsolete inshore/offshore language from the BSAI FMP.

Alternative 3 **(Preferred Alternative)**: Update the CVOA to accommodate AFA-related changes.

Alternative 4 **(Preferred Alternative) ALREADY IMPLEMENTED VIA AMENDMENTS 83 AND 75**: Remove references to BSAI inshore/offshore from the GOA FMP.

Alternative 5 **(Preferred Alternative)**: Remove the December 31, 2004, sunset date for GOA inshore/offshore allocations from the GOA FMP.

Environmental Impacts:

None of the alternatives under consideration would affect the prosecution of the BSAI or GOA pollock or Pacific cod fisheries, significantly. The proposed alternatives, in comparison to the status quo, are designed to allow AFA stationary floating processors to process targeted BS pollock in more than one location, during a fishing year. The proposed action would also eliminate obsolete inshore/offshore language in the BSAI and GOA FMPs, and eliminate the sunset date for the GOA inshore/offshore allocation from the GOA FMP. Since the proposed inshore/offshore language revisions are simply updating the BSAI and GOA FMPs to reflect current regulations, there is no impact to the environment from these alternatives. The SGL alternatives are not expected to affect takes of species listed under the Endangered Species Act. In addition, none of the alternatives are expected to substantially alter the regional catch of BS or GOA pollock, Pacific cod, or bycatch rates of other fish and crab. A summary of environmental impacts from the SGL alternatives are included in Table E1.

Economic Impacts:

Single Geographic Location Alternatives

Alternative 1 is the status quo/no action alternative. This alternative, if adopted, would retain the current SGL language in the BSAI FMP and in the regulations. Currently, AFA stationary floating processors are able to change locations only between fishing years, with regard to processing BS targeted pollock. They are able to move to different locations during the same fishing year to process other targeted groundfish. In selecting this alternative, the stationary floating processors would likely remain in their current locations. There would be no change in the competitive situation in the AFA stationary floating processor sector and no change in the efficiency in operations for the two stationary floating processors.

Alternative 2 would limit AFA stationary floating processors to a single geographic location, in State waters, in the BS, for the duration of each reporting week. Stationary floaters would be able to move to a different location between reporting weeks. The benefits of choosing this alternative would be possibly increasing efficiency of the stationary floating processor sector, by reducing delivery costs for their associated catcher vessels, and possibly improving pollock product quality. The floaters would be able to locate closer to some of the pollock grounds (e.g., during

the B season), which would reduce delivery times and costs for catcher vessels. Other possible impacts may include increased tax revenue from fishery resource landing tax and increased commerce, including purchases of retail goods and services, for certain coastal communities. However, any increase in commerce or tax revenue in one community would largely be offset by a reciprocal decline in tax revenue and commerce in another community. It may also be possible that the added flexibility to relocate these processing operations will permit avoidance of some, or all, of the local (e.g., city, borough) landings taxes. Reportedly, this has been a consideration, although not a final determining factor, in the current location decisions of these operations.

Under Alternative 2, AFA floaters could potentially leverage their inherent mobility advantage and expand their processing activity of other groundfish, such as Pacific cod. There is a potential for some level of preemption of shoreside deliveries to fixed onshore facilities of other groundfish, although this potential is highly speculative in nature. It is not clear if this preemption would actually take place, since current regulations already allow the two stationary floating processors to move from their pollock processing locations and process other groundfish, yet they have declined to do so. In addition, non-AFA processors are able to operate in the areas where the stationary floating processors could relocate. By positioning itself closer to the pollock fishing grounds, thereby reducing delivery costs, there is potential economic incentive for catcher vessels, which are not members of a given floater's cooperative, to deliver a portion of their 10 percent non-specified cooperative allocation to the stationary floating processors.

In discussions with representatives of AFA stationary floating processors, and other potentially interested parties, there has been little or no opposition to this amendment. However, several representatives from AFA onshore processors qualified their approval of the amendment, stating a preference for a maximum of one or two moves per year, rather than the ability to move weekly as provided under Alternative 2. Most representatives believe the AFA cooperative agreements have, by and large, addressed the concern over preemption, by assigning permanent allocations to each sector and participating cooperative. Originally, the SGL restriction was placed in the inshore/offshore regulations to prevent floating processors (which have some limited mobility), which operate in the inshore processing sector, from having an unfair economic advantage over operators of onshore processing plants. It was also intended to prevent offshore catcher/processors and motherships that have greater mobility, from entering the inshore sector. With the passage of the AFA, and the associated cooperative agreements, these concerns diminished in the BS pollock target fisheries.

Alternative 3, selected as the Council's preferred alternative, in October 2002, would also limit AFA stationary floating processors to a single geographic location, within State waters, in the Bering Sea, for the duration of each reporting week. Like Alternative 2, stationary floaters would be able to move to a different location between reporting weeks. Unlike Alternative 2, the preferred alternative would limit the number of location changes to a maximum of four, per calendar year, while processing BS pollock. The most obvious potential benefit of choosing either Alternative 2 or Alternative 3 would be the possibly increased efficiency accruing to the stationary floating processor sector. These efficiency gains could be realized by both the floating processing plant and those catcher vessels (including non-cooperative catcher vessels) delivering to it, by reducing delivery costs and possibly improving pollock product quality. As under Alternative 2, other possible distributional effects may include increased tax revenue from fishery

resource landing tax accruing to some communities that currently do not receive such payments, and increased commerce, including purchases of retail goods and services, for certain coastal communities. In addition, concerns expressed by onshore AFA processors, about the ability of these two floating operations to make frequent in-season location changes, are reduced under Alternative 3, as compared to Alternative 2.

BSAI and GOA FMPs Proposed Inshore/Offshore Language

Under all of the alternatives considered, there are no economic impacts from updating and/or eliminating obsolete inshore/offshore language in the BSAI and GOA FMPs. These changes, technical or editorial in nature, are intended to remove inconsistencies in the FMPs with the AFA and current regulations. This, in turn, will help reduce potential confusion on the part of industry participants, other interested parties, and the public at large. Removing the December 31, 2004, sunset date from the GOA inshore/offshore allocation regime would continue the current inshore/offshore allocation into the foreseeable future, consistent with current regulations. Economic benefits of removing the sunset date for the allocation were explored in the EA/RIR/IRFA for Amendments 51/51, which contained specific options in the analysis for the GOA allocations to "rollover," without a sunset date. The analysis emphasized that, while the Council is proceeding toward a fully rationalized program, a stable environment in the fisheries is critical to success of a rationalization regime. Maintaining the existing allocation provides a reasonable assurance to each industry sector involved, regarding the future institutional structure of the fishery. The analysis also recognized the acceptance (i.e., lack of controversy) within the Council, fishing industry, environmental community, and general public of the appropriateness of these allocations in the GOA. While voluminous public testimony was received on the BSAI allocations, relatively little was received in opposition to the GOA allocations.

Table E1. Summary of Environmental Impacts

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 per Calendar Year (Preferred Alternative)
Impacts on Pollock and Pacific Cod Stocks	Baseline	Alternative 2 is expected to result in no change to the pollock or Pacific cod stocks.	Same as Alternative 2.
Direct Impacts of Trawl Gear on Habitat	Baseline	Alternative 2 is expected to result in the same level of trawling. However, there is some potential for shifting of effort from the area along the 50 fathom line just north of Unimak Island, to a more dispersed area south of the Pribilof Islands area, most likely during the BS pollock B season.	Same as Alternative 2, but impacts from spatial shifting could be smaller, due to the limit on relocating and the limitation on the operating area.
Impacts on Essential Fish Habitat	Baseline	Alternative 2 could potentially redirect 12.64 percent of the BS B season trawling to other areas like the Pribilof Islands. However, as this fishery is a pelagic fishery, any impacts to essential fish habitat are unlikely to be substantial.	Same as Alternative 2, but impacts from spatial shifting could be smaller, due to the limit on relocating and the limitation on the operating area.
Effluent Discharge Impacts	Baseline	Alternative 2 could potentially redirect effluent discharge to other areas of State waters adjacent to the BS. The effects on these other areas from effluent discharge is largely unknown, but may be affected by the sensitivity of living marine resources to potential disturbance, pollution, or other discharge events.	Same as Alternative 2, but impacts from spatial shifting could be less widely dispersed, although more locally intensified, due to the limit on relocation and the limitation on the operating area.

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 per Calendar Year (Preferred Alternative)
Bycatch Impacts	Baseline	Alternative 2 is not expected to adversely impact the bycatch rate. The action does not alter the amount of Pacific cod or pollock harvested. With the potential for shifting of effort to the Pribilof Islands, most likely during the BS pollock B season, the bycatch rates for this area are similar to or lower than those near Unimak Island.	Same as Alternative 2, but impacts from spatial shifting could be smaller, due to the limit on relocation and the limitation on the operating area.
Endangered or Threatened Species	Baseline	Alternative 2 is not expected to adversely impact endangered or threatened species. There is some potential for reduction in competitive prey conflicts, caused by relocation of harvesting from fishing grounds along the 50 fathom line north of Unimak Island during the pollock B season to a more dispersed area south of the Pribilof Islands.	Same as Alternative 2, but impacts from spatial shifting could be smaller, due to the limit on relocation and the limitation on the operating area.
Marine Mammal Protection Act	Baseline	Same as Endangered or Threatened Species	Same as Endangered or Threatened Species

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 per Calendar Year (Preferred Alternative)
Cumulative Effects	Baseline	Alternative 2 is anticipated to have minor incremental cumulative impacts, but is similar enough to (and within the scope of) the cumulative impacts presented in Alternative 3 of the AFA EIS and Alternative 1 of the Groundfish Programmatic SEIS that the conclusions would not differ in any significant way from the referenced studies.	Same as Alternative 2.
Significance of Fishery Management Actions	Baseline	Alternative 2 is not expected to result in adverse impacts to the environment that would result in a significance determination.	Same as Alternative 2.

Table E2 Qualitative Summary of Benefits/Costs and Distributional Impacts

Benefit/Cost or Impact Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Catcher vessel operating costs	As the status quo, Alternative 1 would result in no change in catcher vessel operating costs.	There is potential for reduced operating costs for the cooperative fleets delivering to the two stationary floating processors, should those processors operate in areas closer to concentrations of pollock, than their current locations in Beaver Inlet and Akutan, respectively. This situation, should it occur, would most likely be for the BS pollock B season and involve operations in St. Paul in the Pribilof Islands. The magnitude of these potentially reduced catcher vessel operating costs cannot be estimated, *a priori*, but the differences in actual running times between these harbors are shown in Table 4.3. There may also be cost savings attributable to this alternative accruing to CVs that are not members of these two co-ops, should they decide to deliver some or all of their 10% uncommitted allocation to one of these relocated floater.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year, so the potential cost savings accruing to catcher vessels would be theoretically smaller, all else being equal. However, given the logistical complexity and cost of moving either of these two processing platform, it seems unlikely that more than four moves during the calendar year to process pollock, is unlikely.

Benefit/Cost or Impact Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Stationary floating processing ship operations	As the status quo, Alternative 1 would result in no change in operations for the two stationary floating processing ships.	There is potential for increased product value, increased product quality, or both if future operations of one or the other of the stationary floating processing ships were to operate nearer to concentrations of pollock during part of the year. The magnitude and probability of realizing potential gain from efficiency or product value is unknown at this point. Allowing the F/V ARCTIC ENTERPRISE and the F/V NORTHERN VICTOR to relocate during the fishing season may add greater economic and operational flexibility for their respective companies to deal with regulation changes from measures to protect Steller sea lion, or other time/area closures that may occur in future. Relocating would incur a financial cost, but any decision to relocate would presumably only be made, if expected benefits exceeded expected costs. Available data do not permit estimation of either.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year.
Regional economic impacts	Alternative 1 would result in no change in regional economic effects.	Akutan may loss of tax revenue generated from the local 1% raw fish tax on landings processed by the floater if the floating processor relocated to another location outside the community. In addition, Aleutians east Borough may lose a portion of the fish tax revenues they currently receive, if the floaters relocate to another location outside the Borough.	This alternative is similar to Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year, while processing Bering Sea pollock.

Benefit/Cost or Impact Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Competitive situation among the AFA inshore sector	Alternative 1 would result in no change in the competitive situation within the group of eight AFA inshore processing plants.	There could be a shift in competitive advantage to benefit the owners of the F/V ARCTIC ENTERPRISE and the F/V NORTHERN VICTOR and their respective cooperative fleets. The AFA onshore processing plant operators have, despite numerous opportunities, expressed no opposition to this change, except regarding the number of relocations permitted.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year. The AFA onshore processing plant operators have, despite numerous opportunities, expressed no opposition to this change, except regarding the number of relocations permitted.

1.0 PURPOSE AND NEED FOR ACTION

This EA/RIR analyzes alternatives for redefining the "Single Geographic Location" (SGL) restriction for American Fisheries Act (AFA) designated stationary floating processors, by allowing them to relocate to a different location, within State of Alaska waters, adjacent to the Bering Sea (BS), and in some instances, within State of Alaska waters, adjacent to the Aleutian Islands (AI), between reporting weeks, rather than between fishing years. The analysis also includes alternatives for revising obsolete "Inshore/Offshore" language in the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area and of the Fishery Management Plan for Groundfish of the Gulf of Alaska (FMPs), in order to be consistent with AFA and existing management regulations. Finally, it proposes to remove the "sunset" provision for the Gulf of Alaska (GOA) inshore/offshore allocation set forth in the GOA FMP, to be consistent with the removal of the equivalent provision for the AFA program in the Bering Sea and Aleutian Islands Management Area (BSAI) and existing regulations.

On October 7, 2002, the North Pacific Fishery Management Council (Council) took final action on the single geographic location (SGL) portion of Amendments 62/62 and it reaffirmed this decision on April 7, 2008. The Council selected Alternative 3 as the preferred alternative. The Council's preferred alternative would redefine the SGL for AFA stationary floating processors. These AFA stationary floating processors would be allowed to relocate to an alternative location, within State waters, in the Bering Sea (BS) from reporting week to reporting week, for up to a maximum of four changes per calendar year, while processing pollock. In addition, AFA stationary floating processors would be required to process any Gulf of Alaska (GOA) pollock and GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

As to the second action, the Council, in June 2002, took final action on the proposed inshore/offshore language revisions portion only, selecting Alternatives 2 through 5, as the preferred action. Since that action, two of the recommended revisions have been made to the FMPs as part of comprehensive housekeeping amendments. The FMP revisions included in Alternatives 2 and 4 were made as part of Amendments 83/75, which revised the respective FMPs by updating harvest, ecosystem, and socioeconomic information; consolidating text; and organizing the information to improve the readability of the documents. Amendments 83/75 were approved by NMFS on June 14, 2005. With Alternatives 2 and 4 implemented, only Alternatives 3 and 5 still need to be implemented. On April 7, 2008, the Council reaffirmed its June 2002 decision for Alternatives 3 and 5.

1.1 Management Authority for Regulating Fishery

The groundfish fisheries in the exclusive economic zone (EEZ) off Alaska are managed by the National Marine Fisheries Service (NMFS), under the authority of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act). The mission of NMFS is the stewardship of living marine resources for the benefit of the Nation, through science-based conservation and management, and promotion of a healthy marine environment. The goals for accomplishing this mission are maintaining sustainable fisheries, recovering protected species,

and protecting the living marine habitat. Guidance for achieving these goals is taken from relevant Federal legislation.

The groundfish fisheries of the BSAI and the GOA are managed under the BSAI and GOA FMPs, developed by the North Pacific Fishery Management Council (Council), under the Magnuson-Stevens Act. The BSAI FMP was approved by the Secretary of Commerce and became effective in 1981, while the GOA FMP became effective in 1978.

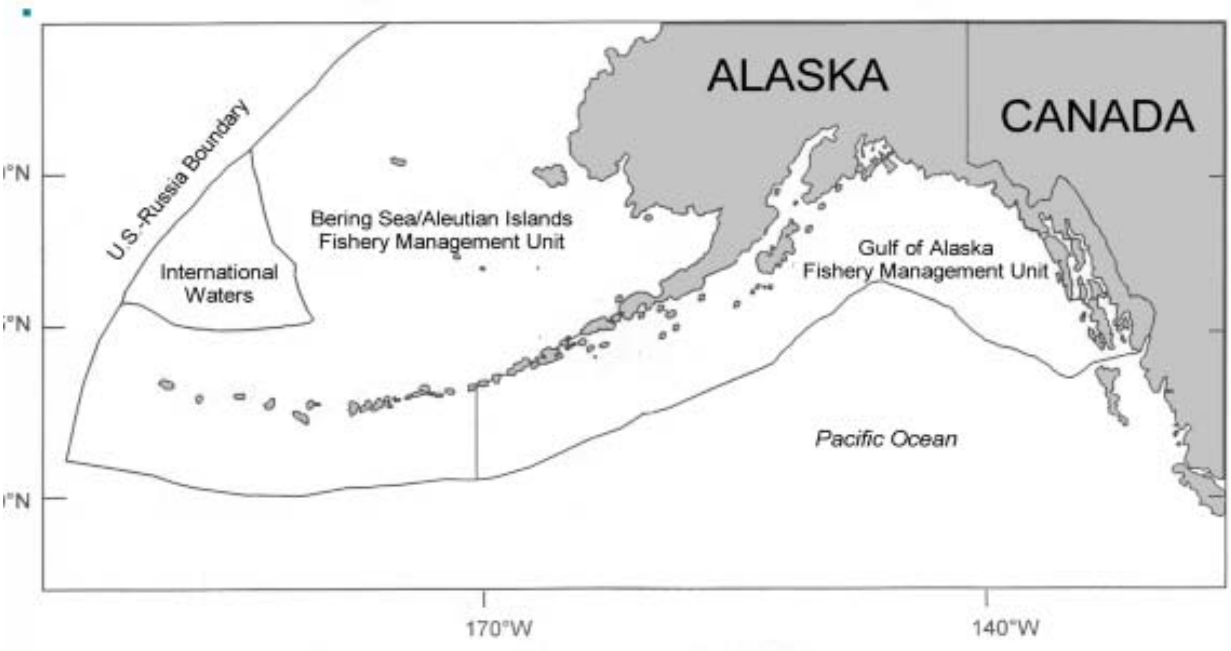
Actions taken to amend fishery management plans, or implement other regulations governing the groundfish fisheries, must meet the requirements of Federal laws and regulations. In addition to the Magnuson-Stevens Act, the most important of these are the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), the Marine Mammal Protection Act (MMPA), Executive Order (E.O.) 12886, and the Regulatory Flexibility Act (RFA).

The National Environmental Policy Act of 1969 (NEPA), Executive Order 12866 (E.O. 12866), and the Regulatory Flexibility Act (RFA), in particular require a description of the purpose and need for the proposed action, and a description of alternative actions that may address the problem. This section describes the purpose and need for action. Section 2 describes the alternatives. Section 3 contains information on the affected environment and the expected effects of the alternatives on the environment, including potential impacts on fish habitat, marine mammals, and endangered species, as required by NEPA. Section 4 is the Regulatory Impact Review (RIR), which addresses the requirements of E.O. 12866 that economic impacts of the alternatives be considered. The remaining sections include the summary and conclusion, a bibliography, and a list of authors and individuals consulted for this document.

1.2 Location of Groundfish Fisheries

The BSAI groundfish fisheries occur in the entire U.S. EEZ of the Bering Sea, including Bristol Bay and Norton Sound, and that portion of the EEZ of the North Pacific Ocean which is adjacent to the Aleutian Islands west of 170°W (Figure 1). The GOA groundfish fisheries occur in the U.S. EEZ of the North Pacific Ocean, exclusive of the Bering Sea, between the eastern Aleutian Islands at 170°W longitude and Dixon Entrance at 132° 40'W longitude, and includes the following regulatory areas: Western, Central and Eastern (Figure 1). A parallel groundfish fishery occurs where the State allows the federal species TAC to be harvested in State waters. Parallel fisheries occur for pollock, Pacific cod, and Atka mackerel species, for some or all gear types. Detailed descriptions of all aspects of the groundfish fisheries are given in the Programmatic SEIS for the Alaska Groundfish Fisheries (NMFS 2004).

Figure 1. Fishery management units in the Bering Sea and Aleutian Islands region and Gulf of Alaska



1.3 Purpose of and Need for the Action

This document provides analysis and discussion of two separate action items. The first is a proposal to redefine the regulatory term "Single Geographic Location," allowing AFA stationary floating processors the flexibility to relocate, between reporting weeks, rather than, as currently required, only between fishing years for the purpose of processing BS pollock target catch.

The second issue addresses some obsolete and inconsistent inshore/offshore language in both the BSAI and GOA FMPs, and recommends removing the GOA inshore/offshore allocation sunset date from the GOA FMP. Each of these is independent of the others (i.e., not mutually exclusive), so any combination of alternatives may be selected under this second action item.

Council Action on Single Geographic Location

A proposal to allow AFA stationary floating processors to relocate, within a single fishing year, while processing target pollock in the BS, was submitted to the Council in April 2001. In October 2001, the Council requested that staff provide an analysis describing the potential impacts of this proposal. In April 2002, the Council staff presented Amendments 62/62 for initial review. During the April meeting, the Council released the document for public review and formally adopted a problem statement. The problem statement is presented below:

> *Existing regulations require AFA inshore floating processors to operate in a single geographic location, when processing BSAI targeted pollock. The result is a lack of*

flexibility and inefficient use of these facilities. The problem for the Council is to develop an FMP amendment to remove this restriction in the BSAI while providing continued protection for GOA groundfish processors. The Amendment should increase flexibility for these facilities to provide opportunities for reduced delivery costs and enhanced product quality while avoiding negative environmental impacts.

In addition, the Council chose to change the definition of single geographic location, rather than eliminate the restriction, to stay consistent with the AFA. The proposed alternative reduces the limitation on the relocation waiting period, from one year, to one week. The proposed action would provide greater flexibility for AFA stationary floating pollock processors, during a fishing year, by allowing them to process BS target pollock catch in more than one geographic location, as provided for under the status quo. For example, they could move from their current location, say, after the pollock A season, to the Pribilof Islands area, during the pollock B season, to process targeted BS pollock. However, they would be restricted to the location they processed pollock in 2002, should they process GOA pollock and GOA Pacific cod.

On May 13, 2002, Amendments 62/62 were sent out for public review. In June 2002, the Council deferred final action on the SGL portion of this amendment, until October 2002. Although the Council did not formally state why they deferred final action, there was some indication, by a few industry participants, that relaxing the SGL restriction could potentially create advantages for the stationary floaters and potentially create instability in the BSAI pollock fishery, if a pollock fishery in the AI EEZ, or for that matter, State of Alaska waters, were to open in the future.

On October 7, 2002, the Council took final action on the SGL portion of Amendments 62/62. The Council selected an amended Alternative 2, hereafter called Alternative 3, as the preferred alternative. The alternative is similar to Alternative 2, but would restrict AFA stationary floating processors to only four location changes during a calendar year, and limit those changes to within State waters in only the BS, for the purpose of participating in a directed pollock fishery.

Additionally, before Amendments 62/62 were submitted to the Secretary of Commerce for review in accordance with Section 304 of the Magnuson-Stevens Act, the U.S. Congress, in Section 803 of the Consolidated Appropriations Act of 2004 ((HR 2673), now Public Law 108-199), required that future directed fishing allowances of pollock in the AI be allocated to the Aleut Corporation. The action states that only fishing vessels approved by the Aleut Corporation or its agents would be allowed to harvest this allowance. In February 2004, the Council passed a motion requesting an analysis of options that might be incorporated into an FMP amendment to create a structure within which such an allocation could be made. On June 11, 2004, the Council took final action on Amendment 82, which allocates pollock TAC to the Aleut Corporation for a directed pollock fishery in the AI. The action limits access to the pollock fishery to only vessels less than 60 feet in length or AFA vessels, but only with Aleut Corporation approval. The action also specifies that AI pollock may be delivered to only a shoreside processor or stationary processor that has an approved Catch Monitoring Control Plan, or to one or more AFA vessels, as permitted by legislation.

It is NMFS's interpretation that Section 803 of the Consolidated Appropriations Act of 2004 (Public Law 108-199) supersedes AFA provisions, including SGL requirements, in the AI by allocating the entire AI directed pollock fishery ITAC to the Aleut Corporation. As a result, the alternatives and analysis in the proposed action were changed from that in the public draft analysis to reflect the Council's final action and Congressional action.

Inshore/Offshore Language Proposals

In March 2002, NMFS requested that the Council expand the "Single Geographic Location" Amendment, to include four inshore/offshore language revisions for the BSAI and GOA FMPs. Initial review of these alternatives occurred in April 2002. The analysis was released for public review on May 13, 2002. In June 2002, the Council selected Alternatives 2 through 5 as preferred.

With the passage of the AFA in 1998, some references to inshore/offshore in the BSAI and GOA FMPs were made obsolete or inconsistent. The problem statement addressing this issue is presented below:

> *The American Fisheries Act (AFA) was passed by Congress in the fall of 1998. Because of the implementation of the AFA, much of the inshore/offshore language in the BSAI and GOA FMPs is obsolete or inconsistent with current fishery management regulations. In addition, since Congress recently eliminated the AFA sunset date, the GOA inshore/offshore allocation sunset date of December 31, 2004, is no longer necessary. The problem before the Council is to revise outdated and inconsistent inshore/offshore language in the BSAI and GOA FMPs and remove the sunset date for GOA inshore/offshore allocation to achieve intended consistency between the BSAI and GOA regulations.*

With the passage of the AFA, inshore/offshore language in the BSAI FMP was superseded. As a result, inshore/offshore language currently contained in the BSAI FMP is obsolete, or is no longer consistent with the AFA. The GOA inshore/offshore language in the GOA FMP was also impacted by the passage of the AFA. There are multiple references to BSAI inshore/offshore categories and operating restrictions that are no longer relevant under the AFA. The GOA FMP has a sunset provision that is not consistent with the AFA or with the current regulations for the GOA.

2.0 DESCRIPTION OF ALTERNATIVES

2.1 Single Geographic Location (Action One)

Alternative 1: (Status Quo) AFA stationary floating processors would be restricted to a single geographic location during a fishing year while processing BS directed pollock.

This alternative would retain the current SGL language, which limits AFA stationary floating processors to operating in the same location, throughout the fishing year, while processing BS pollock. These floaters are permitted to relocate to another location only between fishing years, for the purpose of processing pollock.

These floaters are permitted to move to different locations, within a single fishing year, when processing catch from other BS groundfish target fisheries, but they must return to their original location to process directed pollock catch.

Alternative 2: In the BS directed pollock fishery, AFA stationary floating processors would be required to operate in a single geographic location in State waters for the duration of each reporting week, but would be allowed to change locations from week to week. In addition, AFA stationary floating processors would be required to process all GOA pollock or GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

There are two AFA stationary floating processors operating in the BS. One is currently operating in Beaver Inlet, while the other is located in Akutan. Under this alternative, these AFA stationary floating processors would be allowed to move to different locations, within State waters, between reporting weeks, while processing catch from the BS pollock directed fishery. However, these AFA stationary floaters would be required to return to the location where they processed pollock in 2002, to process pollock and/or Pacific cod from GOA fisheries.

These two operations have historically processed primarily BSAI pollock. In reducing the SGL restriction from relocation once per year, to once per reporting week, these floaters would be allowed to potentially better use their processing facilities. In discussions with industry representatives, one scenario appears feasible. Either floater could, during the pollock B season, relocate to the Pribilof Islands. During the pollock A season, both floaters would likely continue to operate at their current locations (i.e., Beaver Inlet and Akutan).

Alternative 3: (Preferred Alternative) In the BS directed pollock fishery, AFA stationary floating processors would be required to operate in a single geographic location in State waters for the duration of each reporting week, but would be allowed to change locations from week to week, to a maximum of four changes per calendar year. In addition, AFA stationary floating processors would be required to process all GOA pollock and GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

Like Alternative 2, stationary floaters would be permitted to move to a different location between reporting weeks. Unlike Alternative 2, however, the preferred alternative would limit the number of location changes to a maximum of four per calendar year, while processing BS targeted pollock. Similar to Alternative 2, the benefits of choosing this alternative would be potential increases in efficiency. The alternative also has the same locational constraint associated with processing of GOA pollock and/or GOA Pacific cod. Specifically, Alternative 2 requires the floater to "...return to the location where they processed pollock, in 2002." Alternative 3 requires the same.

The alternatives under consideration for this action item are consistent with the problem statement. Under the current regulation, AFA stationary floating processors are restricted to one location, during a single fishing year, while processing BSAI pollock target catch. By amending the BSAI FMP, these stationary floaters could exercise their inherent mobility to process BS target pollock in more than one location during a single fishing year.

2.2 BSAI and GOA FMPs Proposed Inshore/Offshore Language (Action Two)

Alternative 1 (Status Quo): Retain original inshore/offshore language in the BSAI and GOA FMPs.

Under this alternative, the original language in the BSAI FMP, the GOA FMP, or both would be retained.

Alternative 2 (Preferred Alternative): Remove obsolete inshore/offshore language from the BSAI FMP. [ALREADY IMPLEMENTED VIA AMENDMENT 83]

In 1998, the AFA was passed by Congress and signed into law by President Clinton, rendering inshore/offshore language in the BSAI FMP obsolete or inconsistent with the Act. Currently, much of the underlying amendment language remains in place and continues to be inconsistent with the AFA or existing regulations. The only inshore/offshore provision that was not superseded by the AFA is the Catcher Vessel Operational Area (CVOA). The final rule to implement AFA Amendments 61/61/13/8 removed all obsolete inshore/offshore language from Federal regulations, but an FMP amendment is required to modify the FMP, in the same manner. This alternative was implemented via Amendment 83 on June 13, 2005.

Alternative 3 (Preferred Alternative): Update the CVOA to accommodate AFA-related changes.

Currently, there is language in the BSAI FMP that is not consistent with BSAI pollock fishery management and law. First, the B season no longer begins on September 1. Second, NMFS no longer closes the "inshore component" to directed fishing for pollock, because each individual inshore cooperative is operating under its own pollock allocation. Finally, the term "offshore component" was superseded by the new AFA category of "AFA catcher/processor." The new language, suggested by NMFS, would revise the FMP text to make the CVOA consistent with the intent of Amendment 51, which provided that pollock catcher/processors be excluded from fishing for pollock in the CVOA during the B season. As part of the July 17, 2001, Steller sea

lion emergency regulations, NMFS has revised the CVOA regulations to be consistent with the AFA and with Steller sea lion protection measures.

Alternative 4 (Preferred Alternative): Remove references to BSAI inshore/offshore from the GOA FMP. [ALREADY IMPLEMENTED VIA AMENDMENTS 83 AND 75]

The GOA inshore/offshore allocations for pollock and Pacific cod were not affected by the passage of the AFA. However, the GOA inshore/offshore program contains multiple references to "BSAI inshore/offshore" categories and operating restrictions that no longer are relevant under the AFA. In order to make the FMP language consistent with the AFA, the GOA FMP inshore/offshore language should be revised to remove references to inshore/offshore provisions in the BSAI. This alternative was implemented via Amendments 83 and 75 on June 13, 2005.

Alternative 5 (Preferred Alternative): Remove the December 31, 2004, sunset date for GOA inshore/offshore allocations from the GOA FMP.

Amendments 61/61/13/8 incorporated the AFA into the groundfish, crab, and scallop FMPs, and also extended GOA inshore/offshore allocations through 2004. The Council chose this sunset date so that both BSAI and GOA allocation issues could be addressed concurrently, when the AFA pollock allocations were scheduled to expire, on December 31, 2004. However, Congress subsequently passed legislation that removed the December 31, 2004, sunset provision from the AFA pollock allocations. Thus, the final rule to implement Amendments 61/61/13/8 contained no sunset date. Because Congress extended the AFA allocations indefinitely, the primary reason that had been articulated for reviewing GOA inshore/offshore allocations in 2004, is no longer valid.

3.0 NEPA REQUIREMENTS: ENVIRONMENTAL IMPACTS OF THE ALTERNATIVE

The purpose of this environmental assessment (EA) is to analyze the environmental impacts of the proposed Federal action to redefine single geographic location (SGL) for American Fisheries Act (AFA) stationary floating processors. An EA is intended to provide sufficient evidence of whether or not the environmental impacts of the action are significant (40 CFR 1508.9).

All of the alternatives under consideration for the remainder of this action, addressing obsolete and inconsistent inshore/offshore language, are technical or editorial in nature. The actions are intended to remove inconsistencies between the terms contained in the AFA and current regulations, and those contained in the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management area (BSAI FMP) and of the Fishery Management Plan for Groundfish of the Gulf of Alaska (GOA FMP). The amendments to the FMPs do not require regulatory changes. The necessary changes to regulations that would have implemented these FMP amendments were approved under Amendments 83/75 published in the Federal Register on June 20, 2005 (70 FR 35395). These changes may be of some benefit, by reducing the risk of confusion or misinterpretation of regulatory intent in relation to the FMPs, among industry participants and other interested parties. There are no adverse environmental impacts attributable to updating and/or eliminating inconsistent or inaccurate language in the FMPs. Therefore, this review does not include further discussion of the changes to the FMPs.

The purpose and need statement for this analysis and a description of the alternatives and options are included Chapters 1 and 2. This chapter analyzes the alternatives for their effects on the biological, physical, and human environment. Economic impacts of the alternatives are discussed in Section 4 (RIR).
The criteria listed in the table below are used to evaluate the significance of impacts. If significant impacts are likely to occur, preparation of an Environmental Impact Statement (EIS) is required. Although economic and socio-economic impacts must be evaluated, such impacts by themselves are not sufficient to require the preparation of an EIS (see 40 CFR 1508.14).

Component	Criteria
Fish species	An effect is considered to be significant if it can be reasonably expected to jeopardize the sustainability of the species or species group.
Habitat	An effect is considered to be significant if it exceeds a threshold of minimal or temporary disturbance to habitat.
Seabirds and marine mammals	An effect is considered to be significant if it can be reasonably expected to alter the population trend outside the range of natural fluctuation.
Ecosystem	An effect is considered to be significant if it produces population-level impacts for marine species, or changes community- or ecosystem-level attributes beyond the range of natural variability for the ecosystem.

3.1 Status of BSAI and GOA Pollock and Pacific Cod

Biological impacts of the proposed alternatives depend, to some extent, on the current and future abundance of pollock and Pacific cod stocks that are processed by the AFA stationary floating processors and the inshore/offshore components in the GOA. A status report on BSAI and GOA

pollock and Pacific cod stocks, targeted by the AFA and GOA inshore and at-sea sectors, and their respective bycatch and prohibited species catch (PSC), is provided below. Information on the biological status of the targeted species and bycatch is summarized from the Stock Assessment and Fishery Evaluation Reports (NPFMC, 2007). Where applicable, species specific management measures (such as gear allocation) are highlighted. With the exception of target species biology, habitat use, and population parameters, all other affected environment issues are described in detail in Volume I, Chapter 3 of the Groundfish Programmatic SEIS (NMFS, 2004).

BS Pollock

Walleye pollock (*Theragra chalcogramma*) are broadly distributed throughout the North Pacific with the largest concentrations found in the Eastern Bering Sea. Also marketed under the name Alaska pollock, this species continues to represent over 40% of the global whitefish production with the market disposition split fairly evenly between fillets, whole (head and gutted), and surimi. An important component of the commercial production is the sale of roe from pre-spawning pollock. Pollock are considered a relatively fast growing and short-lived species and currently represents a major biological component of the Bering Sea ecosystem.

In the U.S. portion of the Bering Sea three stocks of pollock are identified for management purposes. These are: Eastern Bering Sea which consists of pollock occurring on the Eastern Bering Sea shelf from Unimak Pass to the U.S.-Russia Convention line; the Aleutian Islands Region encompassing the Aleutian Islands shelf region from 170°W to the U.S. -Russia Convention line; and the Central Bering Sea-Bogoslof Island pollock.

Table 3.1 ABC, TAC, and catch levels for EBS pollock, 1995-2007 in metric tons

Year	ABC	TAC	Catch
1995	1,250,000	1,250,000	1,264,245
1996	1,190,000	1,190,000	1,192,778
1997	1,130,000	1,130,000	1,124,430
1998	1,110,000	1,110,000	1,101,165
1999	992,000	992,000	989,816
2000	1,139,000	1,139,000	1,132,707
2001	1,842,000	1,400,000	1,387,194
2002	2,100,000	1,485,000	1,480,195
2003	2,330,000	1,491,760	1,490,070
2004	2,560,000	1,492,000	1,480,678
2005	1,960,000	1,478,500	1,483,271
2006	1,930,000	1,485,000	1,486,284
2007	1,394,000	1,394,000	1,340,000

The BS pollock TAC is allocated among fishing sectors. The first inshore/offshore allocation of pollock TAC was 35% inshore and 65% offshore, with an inshore catcher vessel operational area established for the pollock 'B' season (Amendment 18). Additionally, 7.5% of the pollock TAC was allocated to the Western Alaska Community Development Quota (CDQ) Program. These inshore/offshore allocations were extended under Amendment 38. The CDQ allotment was increased to 10% of the pollock TAC, beginning in 1999, under the AFA. The AFA also changed the remaining pollock allocation to 50% for catcher vessels delivering inshore, 40% for catcher/processors offshore, and 10% for catcher vessels delivering to motherships.

The pollock fishery has also been affected by management measures designed to protect Steller sea lions. In 1990, roe-stripping of pollock was prohibited, and the BS pollock fishery was divided into roe and non-roe fishing seasons. Beginning in 1998, 100% retention was required for pollock. In December 1998, NMFS issued a biological opinion (BiOp) that the pollock

fishery jeopardized the recovery of Steller sea lions. In response, the Council took emergency action to prohibit pollock fishing within 10 nautical miles of numerous rookeries and haulouts, reduce the catch of pollock within critical habitat areas, and prohibit pollock fishing in the AI area.

The BS/AI pollock fishery was also subject to changes in total catch and catch distribution. Disentangling the specific changes in the temporal and spatial dispersion of the EBS pollock fishery resulting from the sea lion management measures from those resulting from implementation of AFA is difficult. The AFA reduced the capacity of the catcher/processor fleet and permitted the formation of cooperatives in each industry sector by the year 2000. Both of these changes would be expected to reduce the rate at which the catcher/processor sector (allocated 36% of the EBS pollock TAC) caught pollock beginning in 1999, and the fleet as a whole in 2000 when a large component of the onshore fleet also joined cooperatives. Because of some of its provisions, the AFA gave the industry the ability to respond efficiently to changes mandated for sea lion conservation that otherwise could have been more disruptive to the industry.

The fishery in recent years has undertaken measures to reduce bycatch of salmon. Recent bycatch levels for Chinook and chum salmon have been very high due in part to large runs of salmon and in part to restrictions on areas where pollock fishing may occur. Bycatch levels for chum salmon in 2005 were the highest on record but declined substantially in 2006 and remain low in 2007 to date. Bycatch for Chinook salmon, however, remains at high levels with bycatch in 2007 the highest on record. Given information indicating that large scale regulatory closures were potentially exacerbating the bycatch of these species, the Council acted and developed an extensive analysis leading to Amendment 84 of the FMP to a regulatory exemption for vessels participating in a voluntary rolling hot spot closure system. This system is thought to be more responsive and dynamic to changing conditions in the fishery compared to static area closures. Additional salmon bycatch management measures including new regulatory closures and caps on the pollock fishery are currently under consideration by the Council.

BSAI Pacific Cod

Pacific cod (*Gadus macrocephalus*), also known as grey cod, are moderately fast growing and short-lived

Table 3.2 History of Pacific cod ABC, TAC, and total BSAI catch from 1995-2007

Year	ABC	TAC	Catch
1995	328,000	250,000	245,029
1996	305,000	270,000	240,673
1997	306,000	270,000	257,762
1998	210,000	210,000	193,253
1999	177,000	177,000	173,995
2000	193,000	193,000	191,056
2001	188,000	188,000	176,659
2002	223,000	200,000	197,352
2003	223,000	207,500	209,114
2004	223,000	215,500	213,810
2005	206,000	206,000	164,404
2006	194,000	194,000	191,906
2007	176,000	170,720	170,154

fish. Cod are demersal and concentrate on the shelf edge and upper slope (100-250 m) in the winter, and move to shallower waters (generally <100 m) in the summer. Cod begin to recruit to trawl fisheries at age 3, but are not fully recruited to all gear types until about age 7. Maximum age has been estimated at 18 years, based on otolith samples.

The BSAI Pacific cod TAC is allocated among ten sectors. The CDQ Program is allocated 10.7 percent of the BSAI Pacific cod TAC. The remainder of the BSAI Pacific cod TAC is allocated under regulations adopted under Amendment 85 among nine non-CDQ sectors as follows: 1.4 percent to jig gear, 2.0 percent to fixed gear catcher vessels less than 60' length overall, 0.2 percent to hook-and-line catcher vessels greater than or equal to 60' length overall, 48.7 percent to hook-and-line catcher/processors, 8.4 percent to pot catcher vessels greater than or equal to 60' length overall, 1.5 percent to pot catcher/processors, 2.3 percent to AFA trawl catcher/processors, 13.4 percent to the Amendment 80 sector (which consists of most of the non-AFA trawl catcher/processors), and 22.1 percent to trawl catcher vessels.

Pacific cod allocations among the jig, fixed gear, and trawl sectors and the seasonal apportionment of the Pacific cod TAC were begun under Amendment 24. The sector allocations were revised by changing the amounts allocated to each sector under Amendments 46 and 85, and some sectors were further subdivided under Amendments 46, 64, 77, and 85. Currently, regulations specify seasonal apportionment of the Pacific cod TAC to vessels using trawl, hook-and-line, or jig gear. Projected unused allocation from a non-CDQ harvest sector is reallocated to other sectors based on a reallocation hierarchy specified in the regulations. Amendment 67 established Pacific cod endorsements for BSAI licenses held by fixed gear vessels.

GOA Pollock

Pollock in the Gulf of Alaska (GOA) are managed as a single stock that is separate from the BSAI stock. The separation of pollock in Alaskan waters into eastern GOA pollock are of medium relative abundance and are harvested at 100% of ABC.

Table 3.3 History of pollock TAC, and total GOA catch from 1995-2007 in metric tons

Year	TAC	Catch
1995	65,360	72,618
1996	54,810	51,263
1997	79,980	90,130
1998	124,730	125,098
1999	94,580	95,590
2000	94,960	73,080
2001	90,690	72,076
2002	53,490	51,937
2003	49,590	50,666
2004	65,660	63,913
2005	86,100	80,876
2006	81,300	71,998
2007	63,800	

A number of management changes, over the last decade, have impacted the fishery. In 1990, roe-stripping of pollock was prohibited. In 1993, the Council apportioned 100 percent of GOA pollock to the inshore sector. Beginning in 1998, 100 percent retention was required for pollock. In December 1998, NMFS issued a BiOp that the pollock fishery jeopardized the recovery of Steller sea lions. In response, the Council took emergency action to prohibit pollock fishing within 10 nautical miles of numerous rookeries and haulouts, reduce the catch of pollock within critical habitat areas, and spread out effort over time. In 1999, four seasonal apportionments were adopted: 30 percent of the TAC in the Western/Central area was apportioned to the A season (January 20 - March 1); 15 percent to the B season (March 15 - May 31); 30 percent to the C season (August 20 - September 15); and 25 percent to the D season (October 1 - November 1). A court ordered injunction on groundfish trawling within Steller sea lion critical habitat west of 144° W. longitude (in effect August 8 - November 30, 2000) severely limited the pollock fishery in 2000.

GOA Pacific Cod

Pacific cod (Gadus macrocephalus) is widely distributed in the GOA and occurs at depths from shoreline to 500 mt (Thompson et al. 2006. Pacific cod are moderately fast growing, and females reach 50% maturity at approximately 5.8 years old. Spawning occurs during January through April in the Gulf of Alaska. Cod are demersal and concentrate on the shelf edge and upper slope at depths of 100-250 meters in the winter, and move to shallower waters (<100 meters) in the summer.

Table 3.4 History of ABC, TAC, and total catch (Federal waters) for Pacific cod in the GOA, 1995-2006 in metric tons.

Year	ABC	TAC	Catch
1995	69,200	69,200	68,985
1996	65,000	65,000	68,384
1997	81,500	69,115	68,492
1998	77,900	66,060	62,101
1999	84,400	67,835	68,607
2000	76,400	58,715	54,492
2001	67,800	52,110	41,614
2002	57,600	44,230	42,345
2003	52,800	40,540	41,270
2004	62,810	48,033	43,183
2005	58,100	44,433	35,031
2006	68,859	52,264	37,787

The Pacific cod resource is managed under three discrete TACs in the Gulf of Alaska: Western Gulf TAC, the Central Gulf TAC, and the Eastern Gulf TAC. In addition, the GOA Pacific cod TACs are divided between the A season (60%) and B season (40%), and apportioned to the inshore processing component (90%) and offshore component (10%). Beginning in 1998, the IR/IU program was implemented, requiring full retention of all Pacific cod caught.

The Pacific cod stock is exploited by a multiple-gear fishery, principally by trawls and smaller amounts by longlines, jigs, and pots. A State water fishery for pot and jig gear began in 1997, with a guideline harvest level set at 15% of the Federal quota in the Western and Central areas, and 25% in the Eastern area. The State fishery ramped up to 20% in the Western Area, and Kodiak and Chignik subareas of the Central area for 1999. The State GHLs are allowed to ramp up to 25% of the Federal quota, when area guideline harvest levels are achieved. For GOA trawl fisheries in the EEZ, cod harvests have been constrained by halibut bycatch limits.

3.2 Impacts on the BSAI and GOA Pollock and Pacific Cod

No changes to the total TAC of BSAI pollock or Pacific cod are proposed by this amendment. Because the TAC will not be changed, and all bycatch should be counted against the TAC, no biological impacts on BSAI pollock and Pacific cod stocks are projected to result from implementing this amendment. There is the potential for up to 12.64 percent of the BS 'B' season pollock to shift away from the 50 fathom line just north of Unimak Island, to fishing grounds near the Pribilof Islands, but it is quite speculative. The relocating of a large processing vessel that is designed to be securely moored in a protected location, and the associated planning, mobilization, and permitting required to relocate, is typically not a trivial economic action.

3.3 Direct Impacts of Trawl Gear on Habitat

The types of impacts to the Bering Sea habitat from trawling are described in detail in the Programmatic SEIS (NMFS, 2004). Below is a summary of these impacts extracted from the Programmatic SEIS.

1. Sedentary megafauna (e.g., anemones, soft corals, sponges, whelk eggs, ascidians), neptunid whelks, and empty shells were more abundant in the untrawled area;

2. Mixed responses were observed in motile groups (e.g., crab, sea stars, whelks); and

3. Overall diversity and niche breadth of sedentary organisms (e.g., sponges, anemones, soft corals, stalked tunicates) indicates that long-term exposure to bottom trawling, at least in the experimental area [of the study], reduces diversity and increases patchiness of this epibenthic community.

Since the proposed action does not change the TAC or allocation of the fishery, the level of trawling is likely to remain approximately the same under each of the alternatives, including status quo. There is the potential for up to 12.64 percent of the 'B' season trawling to shift away

from the 50 fathom line north of Unimak Island to the Pribilof Islands under Alternatives 2 and 3. The exact effect of a shift in trawling effort from Unimak Island fishing grounds to Pribilof Islands fishing grounds is unknown, but as this fishery is a pelagic fishery, any impacts to habitat are unlikely to be substantial.

3.4 Assessment of Impacts on Essential Fish Habitat

Section 303(a)(7) of the Magnuson-Stevens Act requires all FMPs to describe and identify essential fish habitat (EFH), which it defines as "those waters and substrate necessary to fish for spawning, breeding, feeding or growth to maturity." In addition, FMPs must minimize effects on EFH caused by fishing and identify other actions to conserve and enhance EFH.

On January 20, 1999, the Council's five FMPs (BSAI groundfish, GOA groundfish, salmon, crab, and scallops) were amended to incorporate EFH provisions. These provisions include identification and description of EFH including habitat areas of particular concern, identification of research and information needs, and identification of potential adverse effects on EFH due to fishing and non-fishing activities. Additional information on EFH can be found in the EA for Amendments 55/55/8/5/5 (NPFMC 1999 - copies of this document can be obtained from the Council office upon request).

The impacts of the alternatives could potentially redirect up to 12.64 percent of the 'B' season trawling effort away from the 50 fathom line just north of Unimak Island to other viable alternatives in the BS. One such potential location is the Pribilof Islands. This location overlaps with the EFH for many groundfish and crab species. However, as this fishery is a pelagic fishery, any impacts to EFH are unlikely to be substantial. For further details on the full impacts of bottom and pelagic trawling gear on the AI, refer to the Programmatic SEIS (NMFS, 2004).

3.5 Effluent Discharge Impacts

Regulatory authority regarding discharges of effluent or hazardous substances from stationary floating processors

The Clean Water Act, 33 U.S.C § 1251 et seq., charges the Environmental Protection Agency (EPA) with monitoring, providing permits for, or regulating various types of discharges into the waters of the U.S. from industrial, agricultural, and other human activity. Under this authority, the EPA is responsible for maintaining general National Pollutant Discharge Elimination System (NPDES) permits for seafood processors in Alaska, pursuant to the provisions of the Clean Water Act. The general NPDES permit authorizes discharges from offshore, nearshore, and shore-based vessels, and onshore facilities engaged in the processing of fresh, frozen, canned, smoked, salted, and pickled seafoods. The general permit may also authorize discharges from offshore vessels operating more than one nautical mile from shore at mean lower low water (MLLW) that are engaged in the processing of seafood paste, mince, or meal.

Section 311 of the Clean Water Act also addresses pollution from oil and hazardous substance releases, providing EPA and the U.S. Coast Guard with the authority to establish a program for preventing, preparing for, and responding to oil spills that occur in navigable waters of the

United States. The Oil Pollution Act of 1990, 33 U.S.C. §§ 2702 to 2761, provides EPA additional authority to prevent and respond to catastrophic oil spills. Two activities regulated under the Clean Water Act and Oil Pollution Act, relevant to Amendments 62/62, are (1) the issuance of effluent discharge permits, required for stationary floating processors, and (2) the monitoring of potential oil or fuel discharges from these operations.

Factors affecting current locations of AFA stationary floating processors

Two AFA stationary floating processors could potentially be impacted by this amendment. During the directed pollock season, historically, these two floating processing platforms locate in protected anchorages near shore, respectively, in Akutan Bay and Beaver Inlet of Unalaska Island. While the BSAI is a management area with a vast coastline, there are very few locations capable of efficiently harboring a large AFA stationary floating processor during the extended period of the year it receives and processes fish. A location with relatively close proximity to fuel supplies and other support services is desirable for efficient long term processing operations.

While other potential anchorages may exist, industry sources suggest that Akutan, Beaver Inlet, Adak, Sand Point, Dutch Harbor, and, of particular concern here, St. Paul harbor, in the Pribilof Islands, are among the most likely processing locations for these vessels. Neither of the two AFA stationary floating processors is believed to have ever processed pollock (or any other groundfish) in the Pribilof Islands.

It has been reported that, while one of these two platforms is relatively more "sea worthy" than the other, neither is presently configured to be highly mobile. Both do, however, undergo annual shipyard maintenance in Seattle, Washington, although this is typically the only major voyaging undertaken by these floating plants.

Under the no action alternative, these two large vessels may occupy only a single geographic location during a fishing year. This important operational and business decision, as to the choice of a "semi-permanent" mooring location, may be influenced by several factors, including (but not limited to):

- Proximity to expected concentrations of roe-bearing pollock, during the A season, so as to optimize (subject to regulatory constraints) catcher vessel trawling and delivery time.
- Proximity to expected fishable concentrations of pollock during the B season.
- Physical and operational capabilities of the fleet of catcher vessels that "co-op" to deliver to the plant (e.g., can they safely, efficiently, and consistently fish, under the conditions that prevail on the grounds adjacent to the alternative sites?).
- Access to fuel supplies and other support services in the area.
- Operational and logistical costs, including physical and economic risk, of relocating facilities (e.g., locating and acquiring crew with the necessary skills (and credentials) to make-ready, "sail," and make-secure the vessel in its alternative location).
- Acquisition and training of a new processing labor force at (or, transportation to and housing of existing processing crew at) alternative site.
- Running time (cost differential) for trampers transporting product to markets (e.g., Asia).

- Acquisition costs and lead time for obtaining new discharge, coastal zone, and hazardous waste permits for a new nearshore operating location.
- Taxing authority; property, utilities, raw fish and landings tax rates, and other use fees in alternative anchorages.

No Action Alternative: potential effects of discharges of effluent and hazardous waste on the environment for existing AFA floater locations

At the present time (i.e., the status quo alternative), marine transportation and shipping, seafood processing, and commercial groundfish, herring, salmon, halibut, and shellfish fishing all occur in and around the waters of each of the potential anchorages that are presently used, or that might practicably be used, by either of the two AFA floating processing platforms. Fishing vessels from the halibut, crab, herring, and Pacific cod fisheries deliver landings to all of the alternative anchorages mentioned above, including the Port of St. Paul, in the Pribilof Islands, Adak, Sand Point, Dutch Harbor, Akutan, and Beaver Inlet. The impacts of the existing vessel activity in this region are addressed in aggregate in the Programmatic SEIS, and in the incidental take permits issued for fisheries and processing activities for the BSAI management area, associated with some marine mammals. A summary of the effects of the annual groundfish harvesting and processing on the biological environment and associated impacts on marine mammals, seabirds, and other threatened or endangered species is also presented in the final EA for the annual groundfish harvest specifications.

Two primary categories of discharges of concern, with respect to vessel operations, are (1) potential hazardous waste discharges through oil and fuel spills, and (2) the discharge of processing effluent. Both of the AFA floaters hold site specific permits for discharge of processing effluent in the Unalaska Island area, and in Akutan, as well as Coastal Zone Management (CZM) permits. Officials from the State of Alaska CZM could not determine if a CZM permit was needed prior to an application being submitted. If one or both floaters did relocate to the Pribilof Islands, officials stated that Army Corps of Engineering permits would likely be needed, which when combined with the NPDES permit, would likely meet the required two federal permits needed to trigger a CZM Coordinated Public Review. The Coordinated Public Review period requires about a 50-day period of time, and is initiated by filling out a Coastal Project Questionnaire. The floaters do not presently have NPDES permits for any other areas of the State, such as the Pribilof Islands. Acquisition of an NPDES permit can be, in some circumstances, a fairly involved and time-consuming process, depending particularly on the sensitivity of environmental resources present in the vicinity of the proposed effluent outfall. Application for an NPDES permit would likely trigger a consultation under section 7 of the Endangered Species Act for Steller sea lions.

The very same protective properties that make Beaver Inlet and Akutan Bay desirable anchorages for the AFA floaters also limit, to a large degree, the natural flushing of the water column and bottom sediments, physical processes that are important in removing fish processing byproducts. Thus, the accumulation, over time, of solids and other effluent components may lead to diminished water quality in these two currently used locations. Some locations, such as Akutan Bay, that currently provide sites for existing seafood processing operations, have limited physical capacity to adequately flush seafood processing wastes, and thus operators are required

to transport seafood wastes to offshore dumping locations, using barges or other suitable transport vessels. Such existing conditions may limit, to some degree, the suitability for seafood processing activities, and if seafood processing activities were reduced in such locations (i.e., the floating processor were to move to another location), this might be considered a positive environmental action.

Hazardous waste discharges have been recorded in the waters of the Bering Sea and some areas around Unalaska. For example, in 1997, the M/V Kuroshima discharged oil into Summer Bay, in Unalaska. In another incident on December 8, 2004, the 738-foot freighter, Seledang Ayu, went grounded and broke apart on the west coast of Unalaska Island, near Skan Bay. It is estimated that 350,000 gallons of bunker oil and diesel spilled. The carcasses of over 1600 birds and 6 sea otters were recovered from beaches along the western shore of Unalaska Island after the spill.

There have been several reported hazardous waste discharges in areas around the Pribilof Islands. In 1996, during the winter crab fishery, there was an oil spill (bunker C) from the freighter Citrus. The oil never reached the beach, but did hit a float of seabirds offshore, killing 10,000 seabirds. In 1997, the crab catcher vessel *All-American* hit the rocks on St. George. An estimated 8,000-16,000 gallons of diesel were spilled. This occurred in an area of sea otter abundance, but no sea otter deaths were recorded. Several seabirds were killed.

Data do not exist with which to conclusively evaluate the "relative" ecological baseline condition and potential environmental sensitivity among the several identified anchorages potentially available to AFA floaters. There are, nonetheless, anecdotal reports that may shed some light on this subject. For example, the Pribilof Islands area has, in particular, been identified as "an area of extreme sensitivity for oil spills" (Gundlach, E.R., Kendziorek, M. and others, 1999). Among the reasons cited for this heightened sensitivity are the general abundance of sea birds and marine mammals, but also the concentrations of specific species that are depleted or threatened (e.g., the predominant population of Northern fur seals, listed as depleted under the Marine Mammal Protection Act, is located on the Pribilof Islands). Another potentially confounding issue at St. Paul is the existing seafood processing facility that presumably already discharges some seafood processing waste in the area. As noted earlier, the floaters do not have NPDES permits for the Pribilof Islands. Acquisition of an NPDES permit could be a costly and time-consuming endeavor given the environmental sensitivity of the Islands and the surrounding area.

<u>Single Geographic Location Alternatives 2 and 3: factors impacting decisions of a stationary floating processor to relocate to the Pribilof Islands</u>

In comparison to the no action alternative, relaxing the geographic location restriction from the current one location per year, to up to five locations (Alternative 2), may increase the possibility that one or both of the two AFA floaters would relocate from their present processing locations at Beaver Inlet or Akutan. There is, at present, no indication that either operator plans to relocate its AFA floater to a new location(s), in reaction to adoption of the proposed Amendments 62/62. That said, the action proposed would "authorize" new operational flexibility that was not previously available to AFA floaters under the no action alternative. For processing firms to voluntarily incur the substantial additional costs associated with mobilization

and demobilization, there would need to be the expectation of offsetting revenues, or some other form of cost reducing incentives.

As the Pribilof Islands are a geographic location that includes environmentally sensitive areas, and have been identified as one possible location to which an AFA floater may choose to relocate under Alternatives 2 or 3, there are some factors that could impact this decision. It should be noted that NMFS does not possess quantitative economic information or detailed operational data that would assist in developing definitive predications of the transportation and relocation behavior of AFA floaters.

Seasonal factors impacting locational tradeoffs under Alternative 2 and Alternative 3

A decision to relocate either of these operations, within a given fishing year, is influenced by certain seasonal fishing and processing opportunities. Based upon industry discussions, during the pollock A season, both AFA floaters would almost certainly continue to operate at their current locations (i.e., Beaver Inlet and Akutan). During the pollock A season, spawning aggregations in the Bering Sea are often densely concentrated in a nearshore band (typically outside of 3 nm) from north of Unalaska, to west of King Salmon. Given the value of pollock roe during the A season, and the comparative advantages of processor proximity to these aggregations (thus reducing travel costs and lost fishing time for catcher vessels delivering to inshore AFA floaters), it is highly unlikely that AFA floaters would move from their present operating locations to areas to the west of Unalaska, or to the Pribilof Islands, during this period.

During the B season, there may be increased opportunities for relocation of AFA floaters, if seasonal pollock abundance is higher in locations that are further offshore from the current locations of these operations, such as in the waters to the south and north of the Pribilof Islands. During the B season, it is possible that one or the other of these operations may consider moving to an alternative location, outside of Akutan and Beaver Inlet. However, neither vessel is currently configured for high seas operations, and transiting the Bering Sea is never a low-risk activity. As previously discussed, the logistical and operational costs of converting the vessel from a moored processing platform to a seaworthy ship (prepared to get underway and sail in open seas) may be high. Furthermore, it will be necessary to incur these same costs (and perhaps greater physical risks) at the close of the B season, in order to return to the operation's original (Akutan or Beaver Inlet) location, in preparation for the early-January opening of the A season.

Other Variables Contributing to Potential Selection of New Processing Locations for AFA Floaters

It is believed that the only port in the Pribilof Islands with the potential to provide a practical anchorage for these operations would be St. Paul harbor. However, the port has limited dock space. One large stationary floating processor (and its entourage of catcher vessels) may fully occupy most of the available dockside moorage and marina space, precluding other economic uses of the port facilities. The additional traffic and activity would undoubtedly increase noise, water, and air pollution relative to the status quo. Also, there may be limited ability of local waters to flush seafood processing wastes from an additional processor (stationary floating processor), and NPDES permitting requirements may also be problematic.

Potential effects of relaxing SGL (Alternative 2 &3) on sensitive environmental resources

The effect on the environment of moving one large processing vessel and its associated fleet of catcher vessels to an alternative processing location is largely unknown, but may be affected by the sensitivity of living marine resources to potential disturbance, pollution, or other discharge events. There is little information regarding how these locations vary in sensitivity to potential pollution and/or waste discharges from AFA floaters or catcher vessels that might operate in any of the alternate locations identified.

NPDES discharge permits consider the sensitivity of receiving waters, and the status of organisms using the receiving waters. In the Pribilof Islands, the existence of marine mammal and bird species that are in various depleted or threatened states, might impact the issuance of an NPDES permit for operation by an AFA floater in this port. Since issuance of the permit by the EPA is a Federal action, it would likely trigger a consultation under Section 7 of the ESA for Steller sea lions. Permit restrictions could result in operational constraints and costs that would make the relocation uneconomical.

In a discussion with a representative from EPA, adoption of Alternative 2 or Alternative 3 would likely result in a slight 'net' gain in water quality, if either of the stationary floating processors were to relocate from Beaver Inlet or Akutan, to the Pribilof Islands or Adak Island, for part of the year. This may be so because, as previously noted, Beaver Inlet and Akutan tend to restrict natural flushing of the water column and bottom sediments. This allows for buildup of processing waste on the ocean floor, which leads to diminished water quality. In contrast, waters surrounding the Pribilof Islands and Adak Island are less protected from wind and currents, so there may be a higher degree of circulation of the water column and bottom sediment. There are no studies on specific water circulation patterns and flushing rates for the harbor in either St. Paul or Adak, relative to those characteristics in Beaver Inlet and Akutan.

The incremental effect of one large processing plant to the probability of a hazardous discharge event is non-zero. It does represent one more source of risk, among a variety of marine transportation, fishing, and processing activities that currently take place in these same regions of the BSAI. It is not possible, with the data and information available to the agency, to state definitively whether or not an AFA floater will relocate to one of the alternative sites identified above. All that can be said with confidence is that adoption of either Alternative 2 or Alternative 3 would create the regulatory "opportunity" for such a move. Countering the likelihood of exercising this "opportunity" is the largely circumstantial economic and anecdotal evidence that suggests that the financial and operational risks of such a move may be very great. Therefore, one may be inclined to assume that the "probability" of such a move is likely rather low. It must be acknowledged, however, that only the operators of these two processing platforms know with certainty whether the "opportunity" will be exercised.

There is the additional potential for disturbance of fur seals at their rookeries from July through November. If adverse weather requires the stationary floating processor to move around the islands to remain in the lee of bad weather (and this will be true if the processor cannot get into the harbor), the potential for proximity to rookeries located in various bays around the islands increases. Likewise, the potential for fur seal disturbance from vessel activities increases.

Critical times where this could have adverse effects on the animals in the rookeries include July, when mother and pup vocal bonding occurs. An increase in disturbance from vessel noises may interfere with this vocal bonding process, resulting in pups and mothers not being able to locate one another. This has potential negative implications for pup survival. Further, from August through November, pups are down by the water's edge, and may easily be disturbed by vessel activities and noise. This type of disturbance also may increase the potential for negative impacts on pup survival.

3.6 Bycatch and Discard Impacts

The primary bycatch species for the trawl pollock fishery are salmon and herring, while the primary bycatch species for the trawl Pacific cod fishery are salmon, halibut, and king and Tanner crab. With the potential for some redirection of effort from fishing grounds north of Unimak Island during the pollock B season to grounds near the Pribilof Islands, bycatch rates are likely to remain constant or diminish slightly. Bycatch rates of salmon, halibut, and crab in the Pribilof Islands fisheries for pollock and Pacific cod are similar to or lower than those in the area of Unimak Pass, so it is possible that bycatch would be reduced if the floaters move to the Pribilof Islands (NMFS, 2004). There also could be lower spatial or temporal concentrations of bycatch.

3.7 Endangered or Threatened Species

The Endangered Species Act of 1973, as amended (16 U.S.C. § 1531 *et seq*; ESA), provides for the conservation of endangered and threatened species of fish, wildlife, and plants. The Act is administered jointly by NMFS for most marine mammal species, marine and anadromous fish species, and marine plant species, and by the U.S. Fish & Wildlife Service (USFWS) for bird species, and terrestrial and freshwater wildlife and plant species. The USFWS also has ESA authority over walrus, polar bear, and sea otter populations.

The designation of an ESA listed species is based on the biological health of that species. The status determination is either threatened or endangered. Threatened species are those likely to become endangered in the foreseeable future [16 U.S.C. § 1532(20)]. Endangered species are those in danger of becoming extinct throughout all or a significant portion of their range [16 U.S.C. § 1532(20)]. Species can be listed as endangered without first being listed as threatened. The Secretary of Commerce, acting through NMFS, is authorized to list marine fish, plants, and mammals (except for walrus, polar bear, and sea otter) and anadromous fish species. The Secretary of the Interior, acting through the USFWS, is authorized to list walrus, polar bear, and sea otter, seabirds, terrestrial plants and wildlife, and freshwater fish and plant species.

In addition to listing species under the ESA, the critical habitat of a newly listed species must be designated concurrent with its listing to the "maximum extent prudent and determinable" (16 U.S.C. § 1533(b)(1)(A)). The ESA defines critical habitat as those specific areas that are essential to the conservation of a listed species and that may be in need of special consideration. Federal agencies are prohibited from undertaking actions that destroy or adversely modify designated critical habitat. Some species, primarily the cetaceans, which were listed in 1969

under the Endangered Species Conservation Act and carried forward as endangered under the ESA, have not received critical habitat designations.

Currently, 21 species occurring in the action area are currently listed as endangered, threatened, or candidate species under the ESA (Table 3-9). The group includes seven species of great whales, one pinniped, two Pacific salmon stocks, three seabirds, one albatross, four sea turtles, polar bear, and sea otters. These listed or candidate species may be affected by the proposed action. Of the species listed under the ESA and present in the action area, some may be adversely affected by commercial groundfish fishing. Section 7 consultations with respect to the actions of the Federal groundfish fisheries have been done for all the ESA-listed species, either individually or in groups. An FMP-level BiOp was prepared pursuant to Section 7 of the ESA on all ESA-listed species under NMFS authority present in the fishery management areas for the entire groundfish fisheries. The opinion was issued November 30, 2000 (NMFS 2000). Based on a biological assessment of all ESA-listed species under NMFS authority (NMFS 2006), the eastern and western distinct population segments of Steller sea lions and their designated critical habitat, humpback whales, and sperm whales are the only ESA-listed species and critical habitat identified as likely to be adversely affected by the Alaska groundfish fisheries (Brix, June 2006). A complete discussion of the Section 7 consultations to date on the species of relevance can be found in Section 2.9 of the Programmatic SEIS (NMFS, 2004).

Table 3.9 Endangered and threatened species under the ESA that may be present in the GOA and BSAI.

Common Name	Scientific Name	ESA Status
Northern Right Whale[3]	*Balaena glacialis*	Endangered
Bowhead Whale [1]	*Balaena mysticetus*	Endangered
Sei Whale	*Balaenoptera borealis*	Endangered
Blue Whale	*Balaenoptera musculus*	Endangered
Fin Whale	*Balaenoptera physalus*	Endangered
Humpback Whale	*Megaptera novaeangliae*	Endangered
Sperm Whale	*Physeter macrocephalus*	Endangered
Short-tailed Albatross[4]	*Phoebaotria albatrus*	Endangered
Steller Sea Lion	*Eumetopias jubatus*	Endangered [2]
Spectacled Eider[4]	*Somateria fishcheri*	Threatened
Steller's Eider[4]	*Polysticta stelleri*	Threatened
Kittlitz's Murrelet[4]	*Brachyramphus brevirostris*	Candidate
Northern Sea Otter[4]	*Enhydra lutris*	Threatened
Polar Bear[5]	*Ursus maritimus*	Proposed threatened
Chinook Salmon (Lower Columbia R.)	*Oncorhynchus tshawytscha*	Threatened
Chinook Salmon (Upper Willamette)	*Oncorhynchus tshawytscha*	Threatened
Olive Ridley turtle	*Lepidochelys olivacea*	Threatened/Endangered
Loggerhead turtle	*Caretta caretta*	Threatened
Green turtle	*Chelonia mydas*	Threatened/Endangered
Leatherback sea turtle	*Dermochelys coriacea*	Endangered

[1] The bowhead whale is present in the Bering Sea area only.
[2] Steller sea lion are listed as endangered west of Cape Suckling.
[3]NMFS designated critical habitat for the northern right whale on July 6, 2006 (71 FR 38277).

[4] The Steller's eider, short-tailed albatross, spectacled eider, Kittlitz's murrelet, polar bear, and Northern sea otter are species under the jurisdiction of the USFWS. For the bird species, critical habitat has been established for the Steller's eider (66 FR 8850, February 2, 2001) and for the spectacled eider (66 FR 9146, February 6, 2001). The Kittlitz's murrelet has been proposed as a candidate species by the USFWS (69 FR 24875, May 4, 2004).
[5]Proposed to be listed as threatened, January 9, 2007 by USFWS, (72 FR 1064)

Steller Sea Lion

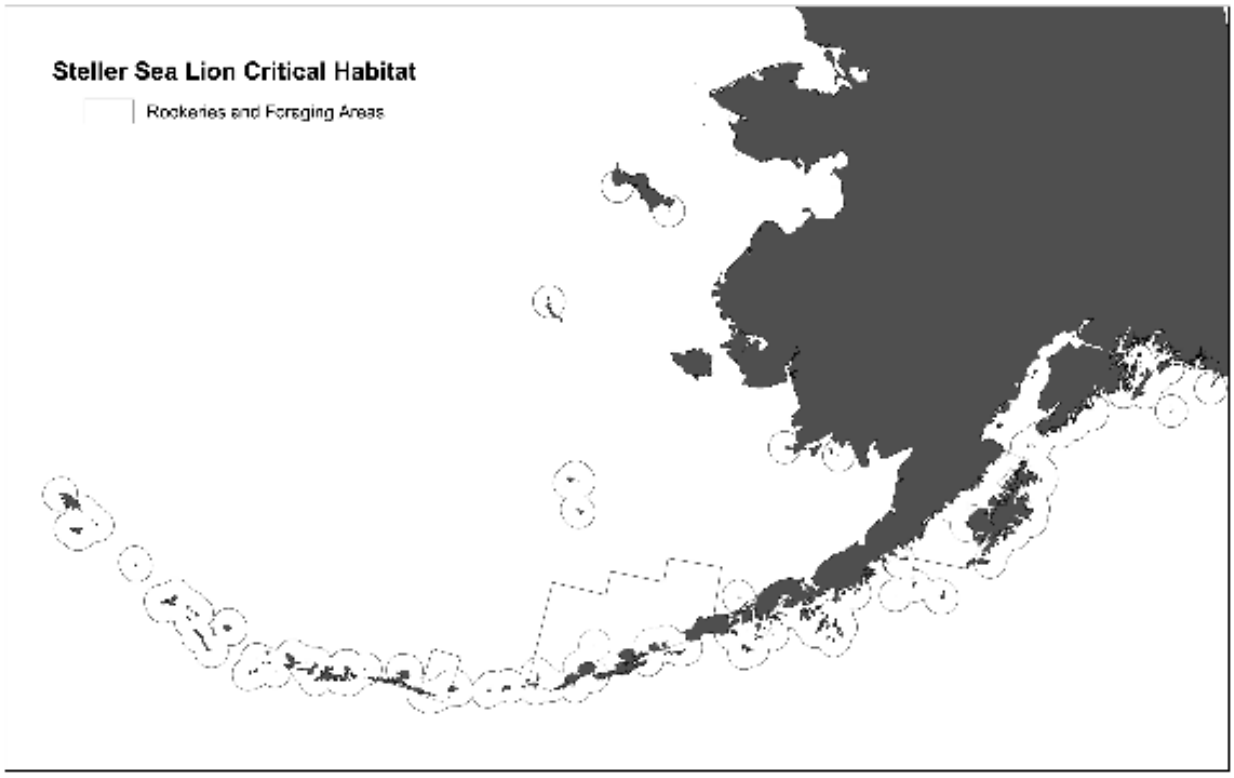
The Steller sea lion range extends from California and associated waters, to Alaska, including the Gulf of Alaska and Aleutian Islands, into the Bering Sea and North Pacific, and into Russian waters and territory. Evidence of a major decline in Steller sea lion abundance throughout most of their range prompted several environmental organizations to petition NMFS to list all populations of Steller sea lion in Alaska as endangered. On April 5, 1990, NMFS issued an emergency rule (55 FR 12645) to list the Steller sea lion as a threatened species under the ESA and established emergency interim measures to begin the population recovery process. The stock is split into two distinct population segments (DPSs) east and west of Cape Suckling (144°W Longitude). The eastern DPS is listed as threatened and the western DPS is listed as endangered.

NMFS and the Council developed Steller sea lion protection measures for the groundfish fisheries to minimize the effects of the fisheries on the western DPS of Steller sea lions and their critical habitat. A subsequent BiOp on the Steller sea lion protection measures was issued in 2001 (NMFS 2001, appendix A, supplement 2003). The 2001 BiOp found that the groundfish fisheries conducted in accordance with the Steller sea lion protection measures were unlikely to cause jeopardy of extinction or adverse modification or destruction of critical habitat for Steller sea lions.

In October 2005, the Council requested that NMFS reinitiate consultation on the November 2000 BiOp and evaluate all new information that has developed since the previous consultations. New information would be useful as the Council considers potential changes to the Steller sea lion protection measures implemented in the fisheries. The only species that were determined to be likely to be adversely affected by the groundfish fisheries were Steller sea lion, humpback whales, and sperm whales (Brix, June 2006). The draft BiOp on the status quo groundfish fishery is expected to be available in mid-2008 .

None of the alternatives under consideration, herein, would impact Steller sea lions or the prosecution of the BSAI or GOA pollock or Pacific cod in a way not previously considered under the 2001 BiOp. The alternatives under consideration would not change the TACs or allocation for any fishery, the timing of fisheries, or the manner in which the fisheries are prosecuted. Alternatives 2 and 3 could potentially redirect a portion of the pollock catch, during the B season, away from Unimak Island and to the Pribilof Islands area, depending on the alternative. The pollock fishery participants in this area would be restricted from fishing in Steller sea lion critical habitat and in the Pribilof Island Habitat conservation Area, so there would be no impact to the Steller sea lions. Since the proposed action will not change TAC, sector allocations, timing of the fishery, or the fishing behavior, none of the alternatives are expected to have a significant impact on the Steller sea lions.

Pacific Salmon



West coast salmon species currently listed under the ESA originate in freshwater habitat in Washington, Oregon, Idaho, and California. No stocks of Pacific salmon originating from freshwater habitat in Alaska are listed under the ESA. Some of the listed salmon species may migrate, during their life cycle, into marine waters off Alaska where the potential exists for them to be caught as bycatch in the BSAI and GOA groundfish fisheries. The effects of the BSAI groundfish fisheries on listed salmon have been considered through a series of informal ESA Section 7 consultations with NMFS, Northwest Region, from 1992 - 1999 (NMFS, November, 2001). The conclusion for those listed salmon species is that interactions between these species and the BSAI groundfish fisheries do not appear to be significant (NMFS, November, 2001). The alternative to the status quo would potentially modify the location of fishing effort in the pollock fishery only slightly, (<5%), and thus, the change in salmon bycatch amounts would be minimal. Thus, none of the alternatives in this analysis are expected to have a significant impact on endangered Pacific salmon species. The life history and stock status of these species are described in section 3.7.3 of the Programmatic SEIS (NMFS, 2004).

Seabirds

Three species of seabirds that range into the BSAI and/or GOA are listed under the ESA: the endangered short-tailed albatross (*Phoebastria albatrus*), the threatened spectacled eider

(*Somateria fischeri*) and the threatened Steller's eider (*Polysticta stelleri*). The direct effect on some seabird species may include incidental take (in fishing gear and vessel strikes) and is more fully described in the Programmatic SEIS (NMFS, 2004). Trawls primarily catch seabirds that dive for prey. The principle bird species reported in trawl hauls were alcids, northern fulmars, and gulls. NMFS's analysis of 1993-1999 observer data indicates that trawl gear accounted for 11.5 percent of the total average annual seabird incidental catch in the BSAI and GOA groundfish fisheries combined (NMFS, 2001). Indirect effects on some species may include: prey (forage fish) abundance and availability, benthic habitat, processing waste and offal, contamination by oil spills, nest predators on islands, and plastic ingestion. These indirect effects are more fully described in the Programmatic SEIS (NMFS, 2004). Since the proposed action does not change the TAC or allocation of the fishery, the level of trawling is likely to remain approximately the same under each of the alternatives, including status quo. Based on this limited impact to trawling effort and the limited impact trawling has on incidental taking of seabirds, none of the alternatives proposed would be expected to have a significant impact on endangered seabirds.

The life history, population biology, foraging ecology, and current population status of these species are described in the Programmatic SEIS (NMFS, 2004).

3.8 Marine Mammal Protection Act

Marine mammals that occur in the BSAI are ESA-listed Steller sea lions, ESA-listed great whales, other cetaceans, northern fur seals, harbor seals, other pinnipeds, and sea otters. Direct and indirect interactions between marine mammals and other groundfish fisheries occur due to the overlap in the size and species of groundfish that are at once important marine mammal prey and fishery resources.

For species listed under the Endangered Species Act and present in the BSAI and GOA management area, Section 7 consultations have been undertaken with respect to the impact of the Federal groundfish fisheries. In some instances, such as with the western stock of Steller sea lion, the consultation has resulted in reasonable and prudent alternative recommendations that have been put in place in the groundfish fisheries to mitigate any potential impact of the fisheries on the species. In all cases, the consultations have concluded that the action of fisheries is unlikely to result in jeopardy or adverse modification of critical habitat for the species.

The primary target species fisheries in the BSAI and GOA have a very minor direct take of marine mammals, which is likely to have a very minor contribution to total mortality, and is interpreted to be safe in the Stock Assessment and Fishery Evaluation report (Wildebuer and Nichol 2004, Wildebeur and Walters 2004, Lowe et al 2004).

Further information on marine mammals may be found in the Groundfish PSEIS (NMFS, 2004b).

3.9 Coastal Zone Management Act

Implementation of each of the alternatives would be conducted in a manner consistent, to the maximum extent practicable, with the Alaska Coastal Management Program within the meaning of Section 30(c)(1) of the Coastal Zone Management Act of 1972 and its implementing regulations [16 U.S.C. § 1451, *et. seq.*].

3.10 Socioeconomic Impacts

Single Geographic Location Alternatives

Alternative 1 is the status quo/no action alternative. If adopted, this alternative would retain the current SGL limitation on stationary floating processors operating in State waters, adjacent to the BSAI management areas of the EEZ. Currently, stationary floating processors are able to change locations only between fishing years, with regard to participation in targeted BS pollock fisheries. They are permitted to move to different locations, during the same fishing year, to processes other targeted BSAI groundfish. Retention of the Status Quo Alternative would likely result in the floaters remaining in their current locations. In selecting this alternative, there would be no change in the competitive situation in the AFA onshore processing sector, and no change in efficiency for the two stationary floating operations.

Alternative 2, if adopted, would limit AFA stationary floating processors to a single geographic location, within State waters in the BS, for the duration of each reporting week. Stationary floaters would be able to move to a different location, also limited to within State waters, between reporting weeks. The benefits of adopting this alternative would be potential increases in operational efficiency for this segment of the industry. By locating in closer proximity to the fishing grounds, raw fish delivered for processing should be of a higher quality, yielding higher recovery rate, improved product quality, and higher value. There also would be a spill-over effect for the catcher vessels delivering to these floating processors in the form of shorter running times to and from fishing grounds and processing plants, reduced delivery costs, and less foregone fishing time. However, it should also be noted that there are significant costs associated with relocation of these large floating processing platforms, including moorage, mobilization of the vessel, and labor, as well as applying for new permits under coastal zone management regulations.

Other potential distributional effects may include changes in local or regional municipal revenues from fishery resource landings taxes, and changes in purchasing patterns of retail goods and services, within certain coastal communities. However, any increase/decrease in commercial activity or tax revenue in one community would likely be offset by a reciprocal decline/increase in tax revenue and commerce in one or more other communities.

Under Alternative 2, AFA floaters could potentially leverage their mobility advantage and expand processing shares of other target groundfish, such as Pacific cod. There is a potential for some level of preemption of onshore deliveries of other groundfish, although this potential is highly speculative. It is not clear if this preemption would actually take place. Regulations already allow the two stationary floating processors to move from their pollock processing

location, to process other groundfish, but this practice has not been observed. In addition, non-AFA processors are able to operate in the areas where the stationary floating processors could relocate to process groundfish other than pollock.

Under this alternative, there is also the possibility that the AFA stationary floating processors could relocate to another area in the BS. One likely scenario is the Pribilof Islands. By positioning their operations nearer to these pollock fishing grounds, thereby reducing delivery costs, there is a potential economic incentive for catcher vessels not affiliated with the floater's cooperative, to deliver to the floating processor a portion of their 10 percent non-specified cooperative allocation.

In discussions with representatives of AFA onshore processors, and other potentially interested parties, there has been little or no opposition to this proposed amendment. However, several representatives from AFA onshore processors qualified their approval of the amendment, stating a preference for a maximum of one or two moves per year, rather than the ability to move weekly, as provided under Alternative 2. Most representatives believe the AFA cooperative agreements have addressed the potential for preemption, by assigning permanent allocations to each sector and participating cooperatives. Originally, the SGL restriction was placed in the inshore/offshore regulations to prevent floating processors, which operated in the inshore sector, from exploiting their inherent operational advantage over fixed-location onshore processors, and to prevent offshore catcher/processors and motherships that have even greater mobility than the inshore floaters, from entering the inshore sector. With the passage of the AFA and cooperative agreements, these concerns are less of an issue in the BS pollock target fishery.

Alternative 3, selected as the preferred alternative in October 2002, and reaffirmed on April 7, 2008, also would limit AFA stationary floating processors to a single geographic location, within State waters, in the BS, for the duration of each reporting week. Like Alternative 2, stationary floaters would be able to move to different locations between reporting weeks but, unlike Alternative 2, they would be limited in the number of location changes to a maximum of four per calendar year, while processing targeted BS pollock. Similar to Alternative 2, the benefits of adopting this alternative could be potential increases in efficiency for the floating processor, as a result of access to fresher raw product, yielding improved product quality and higher value. Other possible benefits include reduced delivery costs, less foregone fishing time, and greater operating efficiencies for catcher vessels delivering to the floaters. There may also be the opportunity for increased municipal revenues (e.g., from local fishery landings taxes), and increased local commercial activity within certain coastal communities, although these "gains" likely would mirror equivalent "losses" accruing in other Alaska coastal communities. That is, they would be, in effect, offsetting, yielding no "net" benefit in these respects, but rather reflecting a redistribution of tax revenues and commercial economic activity, at most.

With respect to the observation concerning tax revenues, it must be noted that the operators of these floaters may select alternative locations so as to avoid, or at least minimize, raw fish or landings tax burdens. In this case, the hypothesized "increase in municipal revenues" would not be realized. It is reported that the selection of Beaver Inlet as the current operational site for one of these floaters was made, in part, because it is not within the boundaries of a local taxing district. Boroughs and cities may each impose taxes. At any given location, a processor might

be subject to some combination of city, borough, and Alaska State fish landings taxes, sometimes all three. (Per. comm., Mike Cushing, ADCED, March 2003). It appears very unlikely therefore, that either floater would "abandon" a no-tax or low-tax location, in favor of a high-tax location, unless expected increases in net revenues were more than offsetting.

BSAI and GOA FMPs Proposed Inshore/Offshore Language Changes

All of the alternatives under consideration in this "action item" are technical or editorial in nature, and are intended to remove inconsistencies with the terms of AFA and current regulations, contained in these two FMPs. There are no adverse economic impacts attributable to updating and/or eliminating inconsistent or inaccurate language in the BSAI and GOA FMPs. These changes may be of some benefit, by reducing the risk of confusion or misinterpretation of regulatory intent, among industry participants and other interested parties.

3.11 Cumulative Effects

Cumulative effects are included in the analysis to capture the total impact of many actions, taken over time, that could be missed by evaluating each action individually. To avoid the piecemeal assessment of environmental impacts, cumulative effects were included in the 1978 Council on Environmental Quality (CEQ) regulations, which led to the development of the CEQs cumulative effects handbook (CEQ 1997) and Federal agency guidelines, based on that handbook (e.g., EPA 1999). Although predictions of direct effects of individual proposed actions tend to be more certain, cumulative effects may have more important consequences over the long term. The possibility of these "hidden" consequences presents a risk to decision makers, because the ultimate ramifications of any individual decision might not be obvious. The goal of identifying potential cumulative effects is to provide for informed decision making that considers the total effect (direct, indirect, and cumulative) of alternative management actions.

To aid in determining the cumulative impacts for the proposed SGL alternatives, this analysis relies on the cumulative impacts assessment presented in the Final EIS for the American Fisheries Act, Amendments 61/61/13/8 (NMFS, 2002) and the Programmatic SEIS (NMFS, 2004). There are three alternatives under consideration, with respect to the SGL provisions of AFA. Alternative 1, status quo, retains the existing AFA regulations for qualified stationary floating processors. Selecting Alternative 1 would result in no changes to the regulations, thus there would be no changes to the cumulative impacts noted in Alternative 3 of the AFA EIS and Alternative 1 in the Programmatic SEIS. In summary, the cumulative effects analysis of the pollock and Pacific cod fisheries identified no impacts for spatial and temporal concentration and no significant impacts for fishing mortality, habitat suitability, and prey availability. For cumulative effects on Steller sea lions, findings of no significance were noted for incidental take and disturbance, while effects on prey and spatial and temporal concentration were found to have some potential significance. Finally, the cumulative impacts analysis of essential fish habitat identifies trawling as having some potential significance on destruction of habitat areas of particular concern and benthic biodiversity, while modification of non-living substances was found to be not significant.

Alternatives 2 and 3 allow AFA stationary floating processors greater operational and economic flexibility to relocate to more than one location, while processing targeted BS pollock during a single fishing year. The impacts from these alternatives could potentially redirect effort away from fishing grounds north of Unimak Island, during the pollock B season, to other areas of the BS. This redirection of effort could potentially have some impacts on living substrates, caused by bottom trawling in the Pacific cod fishery. However, since Alternatives 2 and 3 have only limited potential for adverse impacts on living substrates and do not affect the TAC, allocation, or fishing practices of the BS groundfish fishery, impacts to the pollock and Pacific cod fisheries, Steller sea lions, and essential fish habitat are anticipated to be minor and incremental. In addition, any incremental impacts are similar enough to, and within the scope of, the cumulative impacts presented in Alternative 3 of the AFA EIS and Alternative 1 in the Programmatic SEIS, that the conclusion would not differ in any significant way from the referenced studies. See above paragraph for details on cumulative impacts to the pollock and Pacific cod fisheries, Steller sea lions, and essential fish habitat.

3.12 Conclusions

To determine the significance of impacts of the SGL alternatives, NEPA and 40 CFR 1508.27 require consideration of both the *context* and the *intensity* of the action.

Context: The setting of the action is the commercial inshore pollock fishery and the catcher vessel trawl Pacific cod fishery in the BSAI. Any effects of the proposed action are limited to these areas. The effect on society, within this setting, is primarily isolated to the direct participants in the commercial inshore pollock fishery and the trawl catcher vessel Pacific cod fishery, in the BSAI. The intent of the proposed action is to allow AFA stationary floating processors to process pollock in more than one location in the BS, during a single fishing year. The principle consequence of the proposed alternative changes to the SGL requirement, is to allow AFA stationary floating processors more flexibility in processing BS pollock. One likely scenario may include moving the stationary floaters to the Pribilof Islands, during the pollock B season, depending upon the alternative selected.

Intensity: A listing of considerations to determine the intensity of the impacts are in 40 CFR 1508.27(b) and NOAA Administrative Order 216-6 § 6.01. Each consideration is addressed below in the order in which it appears in the regulations.

1. **Beneficial and adverse impacts** are required to be considered in this action. The principle benefit of this action item is to allow these stationary floaters more flexibility in their processing operations. One potential scenario is the relocation to the Pribilof Islands during the pollock B season. The stationary floating processors would, in all likelihood, remain at their current locations during the pollock A season. In allowing AFA stationary floating processors the additional flexibility to relocate to different locations during a single fishing year for the purpose of processing BS target pollock, there is a potential for these floating processors to realize operational advantages over the AFA onshore plants. However, given that AFA cooperatives have a set pollock allocation, there is expected to be little attributable impact, one way or another, to authorizing stationary floating processors to process BS pollock in more than one location, during the same fishing year.

2. **Public health and safety impacts** were not identified in association with any of the proposed alternatives.
3. **The geographic area** within which these actions take place is the Bering Sea. No effects on the unique characteristics of this area are anticipated to occur with any alternatives considered.

4. **Controversy** is not associated with the effect of these actions on the human environment. The actions are not likely to be socially or economically controversial to the current and future participants in the fishery.[1]

5. **The human environment** is not placed at risk from redefining the SGL restriction for AFA stationary floating processors operating in the BS.

6. **Future actions,** with significant impacts or representing a decision in principle about a future consideration, for which the proposed actions in this amendment would establish a precedent, are not anticipated.

7. **Cumulatively significant impacts**, associated with the proposed action, are not anticipated. The actions under consideration redefine a restriction for AFA stationary floating processors operating in the BS, to permit greater operational flexibility and efficiency. The proposed action and its cumulative effects do not adjust or change the TAC or allocation of the fishery, the amount of pollock or Pacific cod available for the fishery, the timing or general location of the fishery, or current fishing practices.

8. **National Register of Historic Places**, including districts, sites, highways, structures, or objects listed or eligible for listing are not known to be affected by the proposed action, nor would the action cause loss or destruction of any significant scientific, cultural, or historical resources.

9. **Threatened or endangered species,** designated under the ESA, result in NEPA requiring NMFS to determine the degree to which an action may have known interactions between implementation of the alternatives under consideration and any ESA-listed species. This consideration is detailed in Section 3.7, wherein, no known interactions are identified.

10. **Protection of the environment,** as mandated under any Federal, State, or local law or requirement, is not known to be at risk of violation, by any provision of the proposed action.

[1] One potential area of controversy may have been associated with the perceived mobility advantages that AFA stationary floating processors may enjoy over the AFA onshore processors. However, in discussions with the onshore industry representatives, there was very little concern expressed with allowing the stationary floaters somewhat more mobility. One reason for the lack of controversy is likely that the pollock allocations to AFA cooperatives prevent most preemption problems, associated with a race for fish. In addition, no regulations currently prevent floaters from moving to different locations during a single fishing year in order to process other groundfish, yet this pattern has not been observed.

In the box below are further guidelines which expand the guidance used for determining the significance of a fishery management actions from NOAA 216-6 § 6.02. This list does not replace the guidance recommended for NOAA actions. If none of the situations are reasonably expected to occur, then an Environmental Assessment or Categorical Exclusion should be prepared.

There are likely no adverse impacts from the proposed action that would result in a significance determination. The proposed action redefines the constraints on AFA stationary floating processors, permitting relocation between reporting weeks, rather than between fishing years, for the purpose of processing BS target pollock. The action does not change TACs, nor affect sustainability of fish populations (i.e., spawning), and would not adversely impact the ocean, coastal habitats, or essential fish habitat (guidelines 1, 2, 3). Section 3.4 describes the impacts of the alternatives to the essential fish habitat (guidelines 3 and 7). Section 3.10 addresses guidelines 4 and 8. Sections 3.7 and 3.8 describe the impacts to endangered or threatened species, marine mammals, or critical habitat of these species (guideline 5). Finally, Table 3.10 provides a summary outlining the impacts to the environment from the SGL alternatives.

NOAA Guidance for Determining Significance

1. The proposed action may be reasonably expected to jeopardize the sustainability of any target species that may be affected by the action.

2. The proposed action may be reasonably expected to jeopardize the sustainability of any non-target species.

3. The proposed action may be reasonably expected to cause substantial damage to the ocean and coastal habitats and/or essential fish habitat as defined under the Magnuson-Stevens Act and identified in FMPs.

4. The proposed action may be reasonably expected to have a substantial adverse impact on public health or safety.

5. The proposed action may be reasonably expected to adversely affect endangered or threatened species, marine mammals, or critical habitat of these species.

6. The proposed action may be reasonably expected to result in cumulative adverse effects that could have a substantial effect on the target species or non-target species.

7. The proposed action may be reasonably expected to have a substantial impact on biodiversity and ecosystem function within the affected area (e.g., benthic productivity, predator-prey relationships, etc.).

8. The degree to which the effects on the quality of the human environment are likely to be highly controversial.

Table 3.10 Summary of Environmental Impacts

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocation to 4 per Calendar Year (Preferred Alternative)
Impacts on Pollock and Pacific Cod Stocks	Baseline	Alternative 2 is expected to result in no change to the pollock or Pacific cod stocks	Same as Alternative 2.
Direct Impacts of Trawl Gear on Habitat	Baseline	Alternative 2 is expected to result in the same level of trawling. However, there is some potential for shifting of trawling from the area along the 50 fathom line just north of Unimak Island to a more dispersed area south of the Pribilof Islands area most likely during the BS pollock B season.	Same as Alternative 2, but impacts from spatial shifting could be smaller due to the limit on relocating and the limitation on the operating area.
Impacts on Essential Fish Habitat	Baseline	Alternative 2 could potentially redirect 12.64 percent of the BS B season trawling to other areas, like the Pribilof Islands. However, as this fishery is a pelagic fishery, any impacts to essential fish habitat are unlikely to be substantial.	Same as Alternative 2, but impacts from spatial shifting could be smaller due to the limit on relocating and the limitation on the operating area.
Effluent Discharge Impacts	Baseline	Alternative 2 could potentially redirect effluent discharge to other areas of the BS. The effects on these other areas from effluent discharge is largely unknown, but may be affected by the sensitivity of living marine resources to potential disturbance, pollution, or other discharge events.	Same as Alternative 2, but impacts from spatial shifting could be less widely dispersed, due to the limit on relocation and the limitation on the operating area.

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocation to 4 per Calendar Year (Preferred Alternative)
Bycatch Impacts	Baseline	Alternative 2 is not expected to adversely impact the bycatch rate. The action does not alter the amount of Pacific cod or pollock harvested. With the potential for shifting of effort to the Pribilof Islands, most likely during the pollock B season, the bycatch rates for these areas are similar to or lower than those near Unimak Island.	Same as Alternative 2, but impacts from spatial shifting could be smaller due to the limit on relocation and the limitation on the operating area.
Endangered or Threatened Species	Baseline	Alternative 2 is not expected to adversely impact endangered or threatened species. There is some potential for reduction in competitive prey conflicts caused by relocation of harvesting from fishing grounds along the 50 fathom line north of Unimak Island during the pollock B season to a more dispersed area south of the Pribilof Islands.	Same as Alternative 2, but impacts from spatial shifting could be smaller due to the limit on relocation and the limitation on the operating area.
Marine Mammal Protection Act	Baseline	Same as Endangered or Threatened Species	Same as Endangered or Threatened Species

Area of Consideration	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocation to 4 per Calendar Year (Preferred Alternative)
Cumulative Effects	Baseline	Alternative 2 is anticipated to have minor incremental cumulative impacts, but is similar enough to (and within the scope of) the cumulative impacts presented in Alternative 3 of the AFA EIS and Alternative 1 of the Programmatic SEIS that the conclusions would not differ in any significant way from the referenced studies.	Same as Alternative 2.
Significance of Fishery Management Actions	Baseline	Alternative 2 is not expected to result in adverse impacts to the environment that would result in a significance determination.	Same as Alternative 2.

4.0 REGULATORY IMPACT REVIEW: ECONOMIC AND SOCIO-ECONOMIC IMPACTS OF THE ALTERNATIVES

This section provides information on the economic and socioeconomic impacts of the SGL alternatives, including identification of the individuals or groups that may be affected by the action. The nature of these impacts is evaluated, quantifying the economic impacts where possible, in a discussion of the tradeoffs between benefits and costs of the proposed alternatives. This section also provides information on the economic and socioeconomic impacts of the alternatives to reflect current regulations and management practices by revising inshore/offshore language in the BSAI and GOA FMPs and by eliminating the sunset date for GOA inshore/offshore allocations.

4.1 Regulatory Impact Review

A Regulatory Impact Review (RIR) is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735; October 4, 1993). The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following statement from the order:

> In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but nevertheless essential to consider. Further, in choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.

E.O. 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be "significant". A "significant regulatory action" is one that is likely to:

- Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

- Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

- Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

4.2 Statutory Authority

The National Marine Fisheries Service (NMFS) manages the U.S. groundfish fisheries of the BSAI, and the GOA, in the EEZ, under the Fishery Management Plan (FMP) for each area. The FMPs were prepared by the North Pacific Fishery Management Council under the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), 16 U.S.C. 1801 et seq., and are implemented by regulations at 50 CFR part 679. General regulations governing U.S. fisheries also appear at subpart H of 50 CFR part 600.

4.3 Purpose and Need for Action

This RIR provides analysis and discussion of two separate action items. The first is a proposal to redefine "Single Geographic Location" (SGL), allowing AFA stationary floating processors the flexibility to relocate periodically during the fishing year (e.g., between reporting weeks), rather than between fishing years, for the purpose of processing BS target pollock.

The second issue addresses some obsolete and inconsistent inshore/offshore language in both the BSAI and GOA FMPs, including recommending removal of the GOA inshore/offshore allocation sunset provision. Under the second issue, each of the alternatives is independent of the others (i.e., they are not mutually exclusive), so any combination of alternatives may be selected.

Council Action on Single Geographic Location

A proposal to allow AFA stationary floating processors to relocate, within a single fishing year, while processing catch from BSAI target pollock was submitted to the Council in April 2001. In October 2001, the Council requested staff provide an analysis of this proposal. In April 2002, the Council formally adopted a problem statement and approved the document for public review. The problem statement is presented below:

> *Existing regulations require AFA inshore floating processors to operate in a single geographic location, when processing BSAI targeted pollock. The result is a lack of flexibility and inefficient use of these facilities. The problem for the Council is to develop an FMP amendment to remove this restriction in the BSAI while providing continued protection for GOA groundfish processors. The Amendment should increase flexibility for these facilities to provide opportunities for reduced delivery costs and enhanced product quality while avoiding negative environmental impacts.*

In addition, the Council chose to change the definition of single geographic location, rather than eliminate the restriction, to remain consistent with the AFA. The proposed alternatives to the status quo reduce the relocation waiting period, from one year, to one week. The proposed action would provide greater flexibility for AFA stationary floating pollock processors, during a

fishing year, by allowing them to process BSAI[1] target pollock in more than one geographic location. For example, they could move from their current location, after the pollock A season, to the Pribilof Islands during the pollock B season, to process BS target pollock. However, they would be restricted to the location at which they processed pollock in 2002, when processing GOA pollock and/or Pacific cod.

On May 13, 2002, Amendments 62/62 were released for public comment. In June 2002, the Council deferred final action on the SGL portion of this amendment until October 2002. Although the Council did not formally state why they deferred final action, there was some indication, by a few industry participants, that relaxing the SGL restriction could potentially create advantages for the stationary floaters and create instability in the BSAI pollock fishery, if there were a pollock target fishery in the AI management area in the future. The Council has since approved language to modify the AI pollock fishery by allocating all AI pollock to the Aleut Corporation. See details on this action below.

On October 7, 2002, the Council took final action on the SGL portion of Amendments 62/62. The Council selected an amended Alternative 2, here after called Alternative 3, as the preferred alternative. The alternative is similar to Alternative 2, but would restrict AFA stationary floating processors to only four location changes during a calendar year, for the purpose of processing catch from a directed pollock fishery, and limit those changes to the BS. On April 7, 2008, the Council reaffirmed its October 7, 2002 decision on SGL.

Before Amendments 62/62 were submitted to the Secretary of Commerce for review in accordance with Section 304 of the Magnuson-Stevens Act, the U.S. Congress, in Section 803 of the Consolidated Appropriations Act of 2004 (HR 2673), now Public Law 108-199, required that future directed fishing allowances of pollock in the AI be allocated to the Aleut Corporation. The action states that only fishing vessels approved by the Aleut Corporation or its agents would be allowed to harvest this allowance. In February 2004, the Council passed a motion requesting an analysis of options that might be incorporated into an FMP amendment to create a structure within which such an allocation could be made. On June 11, 2004, the Council took final action on Amendment 82, which allocates pollock ITAC to the Aleut Corporation for a directed pollock fishery in the AI. The action limits access to the pollock fishery to only vessels less than 60 feet in length or AFA vessels with Aleut Corporation approval. The action also specifies that AI pollock may be delivered to only a shoreside processor or stationary processor that has an approved Catch Monitoring Control Plan or to one or more AFA vessels, as permitted by legislation.

It is NMFS's interpretation that Section 803 of the Consolidated Appropriations Act of 2004 (Public Law 108-199) supersedes AFA provisions, including SGL requirements, in the AI by allocating the entire AI directed pollock fishery to the Aleut Corporation. As a result, the alternatives and analysis in the proposed action were changed from that in the public draft analysis to reflect the Council's final action and Congressional action.

[1] Between initial proposal and final action, the AI pollock target fishery was "closed", and then subsequently re-opened, with exclusive access awarded to the Aleut Corporation. Therefore, AFA stationary floating processors may currently not relocate so as to participate in the AI target pollock fishery, as originally suggested in this action.

Inshore/Offshore Language Proposals

In March 2002, NMFS requested that the Council expand the "Single Geographic Location" Amendment, to include four inshore/offshore language revisions for the BSAI and GOA FMPs. Initial review of these alternatives occurred in April 2002. The analysis was released for public review on May 13, 2002. In June 2002, the Council selected Alternatives 2 through 5 as preferred. Since that time, two of the recommended revisions have been made to the FMP, as part of comprehensive housekeeping amendments. The FMP revisions included in Alternatives 2 and 4 were made as part of Amendments 83/75, which revised the FMPs by updating harvest, ecosystem, and socioeconomic information; consolidating text; and organizing the information to improve the readability of the documents. Amendments 83/75 were approved by NMFS on June 14, 2005. With Alternatives 2 and 4 implemented, only Alternatives 3 and 5 still remain to be implemented. On April 7, 2008, the Council reaffirmed its June 2002 decision for Alternatives 3 and 5.

With the passage of the AFA in 1998, some references to inshore/offshore in the BSAI and GOA FMPs were made obsolete or inconsistent. The problem statement addressing this issue is presented below:

> *The American Fisheries Act (AFA) was passed by Congress in the fall of 1998. Because of the implementation of the AFA, much of the inshore/offshore language in the BSAI and GOA FMPs is obsolete or inconsistent with current fishery management regulations. In addition, since Congress recently eliminated the AFA sunset date, the GOA inshore/offshore allocation sunset date of December 31, 2004, is no longer necessary. The problem before the Council is to revise outdated and inconsistent inshore/offshore language in the BSAI and GOA FMPs and remove the sunset date for GOA inshore/offshore allocation to achieve intended consistency between the BSAI and GOA regulations.*

With the passage of the AFA, inshore/offshore language in the BSAI FMP was superseded. As a result, inshore/offshore language currently contained in the BSAI FMP is obsolete. The GOA inshore/offshore language in the GOA FMP was also impacted by the passage of the AFA. There are multiple references to BSAI inshore/offshore categories and operating restrictions that are no longer relevant under the AFA. The GOA FMP has a sunset provision that is not consistent with the AFA or with the current regulations for the GOA. To extend the GOA inshore/offshore allocation indefinitely and to eliminate obsolete language, and rectify inconsistent language between the AFA and GOA inshore/offshore regime, a number of options are included in this amendment package.

In addition, the Council approved an extension of the GOA inshore/offshore allocation to sunset on December 31, 2004. The rationale for that sunset date was to be consistent with the AFA, by allowing simultaneous review of the AFA and GOA inshore/offshore allocation. However, Congress recently eliminated the December 31, 2004, sunset for AFA, thus extending the Act indefinitely. With the extension of AFA, the rationale for a 2004 sunset in the GOA no longer appears valid.

4.4 Description of Alternatives

4.4.1 Single Geographic Location

Alternative 1: (Status Quo) AFA stationary floating processors would be restricted to a single geographic location during a fishing year while processing BS directed pollock.

This alternative would retain the current SGL language, which limits AFA stationary floating processors to operating in the same location, throughout the fishing year, while processing BS pollock. These floaters are permitted to move to different locations, within a single fishing year, when processing catch from other BS groundfish target fisheries, but they must return to their original location to process directed pollock catch.

Alternative 2: In the BS directed pollock fishery, AFA stationary floating processors would be required to operate in a single geographic location, within State waters, for the duration of each reporting week, but would be allowed to change locations from week to week. In addition, AFA stationary floating processors would be required to process all GOA pollock or GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

There are two AFA stationary floating processors operating in the BS. One is currently operating in Beaver Inlet, while the other is located in Akutan. Under this alternative, these AFA stationary floating processors would be allowed to move to different locations, within State waters adjacent to the BS EEZ, between reporting weeks, while processing catch from the BS pollock directed fishery. However, these AFA stationary floaters would be required to return to the location where they processed pollock in 2002, to process pollock and/or Pacific cod from GOA fisheries.

These two operations have historically processed primarily BSAI pollock. In reducing the SGL restriction from relocation once per year, to once per reporting week while processing targeted BS pollock, these floaters would be allowed to potentially better use their processing facilities. In discussions with industry representatives, one scenario appears feasible. Either floater could, during the pollock B season, relocate to the Pribilof Islands. During the pollock A season, both floaters would likely continue to operate at their current locations (i.e., Beaver Inlet and Akutan, respectively).

Alternative 3: (Preferred Alternative) In the BS directed pollock fishery, AFA stationary floating processors would be required to operate in a single geographic location, within State waters adjacent to the BS EEZ, for the duration of each reporting week, but would be allowed to change locations from week to week, to a maximum of four changes per calendar year. In addition, AFA stationary floating processors would be required to process any GOA pollock and GOA Pacific cod delivered to them, in the same location at which they processed these species in 2002.

Like Alternative 2, stationary floaters would be permitted to move to a different location between reporting weeks. Unlike Alternative 2, however, the preferred alternative would limit the number of location changes to a maximum of four per calendar year for the purpose of processing BS target pollock catch. Similar to Alternative 2, the benefits of choosing this alternative would be potential increases in efficiency. The alternative also has the same locational constraint associated with processing of GOA pollock and/or GOA Pacific cod. Specifically, Alternative 2 requires the floater to "...return to the location where they processed pollock and/or cod, in 2002." Alternative 3 requires the same.

The alternatives under consideration for this action item are consistent with the problem statement. Under the current regulation, AFA stationary floating processors are restricted to one location, during a single fishing year, while processing BS pollock target catch. By amending the BSAI FMP, these stationary floaters could exercise their inherent mobility to process BS target pollock in more than one location during a single fishing year.

4.4.2 BSAI and GOA FMPs Proposed Inshore/Offshore Language (Action Two)

Alternative 1 (No Action): Retain original inshore/offshore language in the BSAI and GOA FMPs.

Under this alternative, the original language in the BSAI FMP, the GOA FMP, or both would be retained. The No Action alternative could be adopted, and thus the original FMP language retained, in combination with any one, two, or three of the "preferred alternatives" listed below (e.g., the Council could recommend adoption of Alternatives 2 and 3 but retain the "status quo" with respect to Alternative 4, etc.).

Alternative 2 (Preferred Alternative): Remove obsolete inshore/offshore language from the BSAI FMP. [ALREADY IMPLEMENTED VIA AMENDMENT 83.]

In 1998, the AFA was passed by Congress and signed into law by President Clinton, rendering inshore/offshore language in the BSAI FMP obsolete or inconsistent with the Act. Currently, much of the underlying amendment language remains in place and continues to be inconsistent with the AFA or existing regulations. The only inshore/offshore provision that was not superseded by the AFA is the Catcher Vessel Operational Area (CVOA). The final rule to implement AFA Amendments 61/61/13/8 removed all obsolete inshore/offshore language from Federal regulations, but an FMP amendment is required to modify the FMP, in the same manner. This alternative was implemented via Amendment 83 on June 13, 2005.

Alternative 3 (Preferred Alternative): Update the CVOA to accommodate AFA-related changes.

Currently, there is language in the BSAI FMP that is not consistent with BSAI pollock fishery management and law. First, the B season no longer begins on September 1. Second, NMFS no longer closes the "inshore component" to directed fishing for pollock, because each individual inshore cooperative is operating under its own pollock allocation. Finally, the term "offshore component" was superseded by the new AFA categories of "AFA catcher/processor" and "AFA

mothership." The new language, suggested by NMFS, would revise the FMP text to make the CVOA consistent with the intent of Amendment 51, which provided that pollock catcher/processors be excluded from fishing for pollock in the CVOA during the B season. As part of the July 17, 2001, Steller sea lion emergency regulations, NMFS has revised the CVOA regulations to be consistent with the AFA and with Steller sea lion protection measures.

Alternative 4 (Preferred Alternative): Remove references to BSAI inshore/offshore from the GOA FMP. [ALREADY IMPLEMENTED VIA AMENDMENTS 83 AND 75.]

The GOA inshore/offshore allocations for pollock and Pacific cod were not affected by the passage of the AFA. However, the GOA inshore/offshore program contains multiple references to "BSAI inshore/offshore" categories and operating restrictions that no longer are relevant under the AFA. In order to make the FMP language consistent with the AFA, the GOA FMP inshore/offshore language should be revised to remove references to inshore/offshore provisions in the BSAI. This alternative was implemented via Amendments 83 and 75 on June 13, 2005.

Alternative 5 (Preferred Alternative): Remove the December 31, 2004, sunset date for GOA inshore/offshore allocations from the GOA FMP.

Amendments 61/61/13/8 incorporated the AFA into the groundfish, crab, and scallop FMPs, and also extended GOA inshore/offshore allocations through 2004. The Council chose this sunset date so that both BSAI and GOA allocation issues could be addressed concurrently, when the AFA pollock allocations were scheduled to expire, on December 31, 2004. However, Congress subsequently passed legislation that removed the December 31, 2004, sunset provision from the AFA pollock allocations. Thus, the final rule to implement Amendments 61/61/13/8 contained no sunset date. Because Congress extended the AFA allocations indefinitely, the primary reason that had been articulated for reviewing GOA inshore/offshore allocations in 2004 is no longer valid.

4.5 History of Single Geographic Location

Drawing from previous analyses and regulations published in the Federal Register on inshore/offshore and the AFA, a brief history of SGL for stationary floating processors is summarized below.

During the 1989 GOA pollock fishery, catcher/processors contributed to an early closure of the fishery, when they moved into the Gulf and stripped pollock roe. Although the GOA pollock fishery was managed as an "open access fishery", which did not preclude participation by these CP vessels, the premature closure in the Gulf had a negative economic impact on GOA shore-based plants and the communities that depend on deliveries of pollock. After the closure, the catcher/processor fleet moved on to the BSAI pollock fishery. In response to the preemption by the catcher/processor fleet of the GOA shore-based processors, and the (primarily) locally based catcher vessels that deliver to them, the Council initiated a plan amendment. The amendment included several changes to the fishery: 1) 100% allocation of pollock, and 90% - 10% split of GOA Pacific cod to inshore and offshore components, respectively, 2) a ban on roe-stripping of

pollock, and 3) establishment of a moratorium on entry into the GOA pollock and GOA Pacific cod fishery.

In the initial inshore/offshore analysis for Amendments 18/23, there was a small discussion of the purpose of limiting motherships and floating processing vessels, while processing pollock or Pacific cod, to a single geographic location. It was pointed out that by limiting the inshore floating processors to only one location, any advantage from mobility and having immediate access to fish would be lost, thus discouraging offshore processors from entering the inshore sector. The analysis also raised some questions concerning the competitive advantage floating processors would have over shore-based processors. The potential for interception of catcher vessels, predatory pricing, or other similar behavior, could, it was asserted, result in preemption problems. However, by restricting inshore floating processors to only one location during the fishing year while processing pollock and GOA Pacific cod, any advantage these participants gained over shore-based processing plants would be negated.

The SGL restriction applied on a fishing-year basis and only to processing catch from target pollock and GOA Pacific cod fisheries. A processing vessel could leave the specified inshore location to process other species of groundfish. If, later, they decided to again process catch from target pollock or GOA Pacific cod, the processing vessel would first have to return to its original location. The processing vessel was not required to return to the original location to process pollock or GOA Pacific cod taken as incidental catch, nor to participate in any other fishery.

In the subsequent inshore/offshore extensions (Amendments 38/40 and Amendments 51/51) there were no substantive changes made to the SGL definition. However, before the final regulations for Amendments 51/51 were published, Congress passed the AFA (in October 1998). As a result, part of BSAI Amendment 51 was superseded by the AFA. There were some language differences between the AFA and GOA Amendment 51 regarding SGL, but the AFA retained the SGL restriction on processing targeted BSAI pollock.

The Council, in June 1999, passed a motion to restrict AFA inshore floating processors to the single geographic location where they operated in 1996 and 1997. This was a shift from previous historical language that allowed inshore floating processors to move to a different location between fishing years. The Council later adopted an emergency rule that allowed inshore floating processors to move one time, between fishing years, in reference to the targeted pollock fishery. The emergency rule was implemented on January 5, 2000.

4.6 Background Information on AFA Inshore Processors and their Cooperatives

There are eight AFA inshore processors operating in the Bering Sea. Six of the processors are onshore plants at Unalaska/Dutch Harbor and Akutan, and two are floating pollock processing ships or barges anchored near shore (stationary floating processors). The processing companies, their respective cooperatives, and the plant locations are shown in Table 4.1. Since the AFA was enacted, the F/V NORTHERN VICTOR has been located in Beaver Inlet, south of Unalaska. The F/V ARCTIC ENTERPRISE moved one time (in 2000) from Beaver Inlet to Akutan Bay.

These AFA onshore and stationary floating plants are the primary buyers for groundfish catcher vessels operating in the BSAI, particularly those harvesting pollock. The plants operate year-round and, taken collectively, process almost all species harvested in the Bering Sea, AI, and Western GOA management areas. Pollock is the predominant species processed at these plants, in both volume and value. Pacific cod is the next most important groundfish species, with flatfish and sablefish providing much smaller portions of volume and value. These plants also process large amounts of crab from the BSAI, substantial amounts of halibut, and small amounts of salmon.

Table 4.1 AFA Inshore Processors

Inshore Processor	Inshore Cooperative	Location
Alyeska Seafoods	Unalaska Cooperatives	Dutch Harbor
Arctic Enterprise	Arctic Enterprise Association	floating
Northern Victor	Northern Victor Fleet Cooperative	floating
Peter Pan Seafoods	Peter Pan Fleet Cooperative	King Cove
Trident Seafoods Corporation	Akutan Catcher Vessel Association	Akutan
Trident Seafoods Corporation	Akutan Catcher Vessel Association	Sand Point
Unisea, Inc.	UniSea Fleet Cooperative	Dutch Harbor
Westward Seafoods	Westward Fleet Cooperative	Dutch Harbor

Because this amendment bears upon only two floating processors, specific information on their production and product value cannot be publicly released, due to confidentiality restrictions. However, it is possible to obtain a partial perspective of the respective production of these two inshore processors by reviewing the 2007 Groundfish Harvest Specifications (Federal Register, 2007). The Arctic Enterprise Association's share of the inshore pollock allocation for 2007, was 25,670 metric tons, or 4.210%. The Northern Victor Fleet Cooperative's share of the inshore pollock allocation was 51,370 metric tons, or 8.425%. The combined total allocation (as distinct from delivered catch) for the two stationary floating processors was, therefore, 12.64% of the inshore pollock allocation in 2007. Table 4.2 shows the calculations for the respective shares of the inshore allocation for the period from 2005 through 2007.

Table 4.2 Stationary floating processors Pollock Allocation for the Bering Sea

Year	BS TAC (mt)	AFA Inshore Allocation (50% of TAC after CDQ and ICA deduction) (mt)	Arctic Enterprise Association Allocation (4.210%) (mt)	Northern Victor Fleet Cooperative Allocation (8.425%) (mt)
2007	1,394,000	609,736	25,670	51,370
2006	1,485,000	645,864	27,191	54,414
2005	1,478,500	643,037	27,072	54,176

4.7 Analysis of the Alternatives for Single Geographic Location (Action One)

4.7.1 Economic Issues of Competition and Efficiency

The analyses of the alternatives being proposed are made, primarily, on the basis of qualitative information. It would not be possible to provide detailed cost of production data for the two affected stationary floating processing ships, due to both Federal and State of Alaska confidentiality constraints, even if such data were available (and they are not). The manner in which companies owning the two inshore floating processing ships, affected by SGL Alternatives 2 or 3, may choose to change their operation, should one of these alternatives be approved, is not known. A representative of one of these companies indicated that his firm had no current plans to move their processor. A representative from the other company indicated they may consider moving the processor, after the pollock A season, but specific plans have not yet been determined. Thus, any future impacts, which may be attributable to adoption of an alternative to the status quo amendment, are highly speculative, at present. Recognizing that these two "vessels" are normally operated as essentially fixed, inshore processing platforms, it seems likely that any number of factors, which cannot currently be foreseen, will determine whether (and when) a relocation is undertaken. Some of these may include: (1) prevailing supply and demand conditions in the pollock and, more generalized, "whitefish" markets, both domestically and internationally; (2) relative availability of, and access to, pollock, in proximity to competing operating sites; (3) the costs of "making ready to get underway" [e.g., securing needed crew to sail the vessel, assuring "seaworthiness", etc.]; (4) resolving logistical considerations, both for the floating processor and the fleet of catcher vessels delivering to it, associated with operating in an alternative, perhaps more remote, location along the coastline of the Bering Sea; (5) costs imposed to secure necessary "permits-to-operate" [e.g., waste discharge permits], at alternative locations within State waters; (6) the expected effect on the cooperatives' operating margins and its relative willingness to incur economic "risk"; and (7) the prevailing "relative" tax structure [e.g., local landings or raw fish tax rates] associated with various alternative locations. This is clearly not an exhaustive list, but it may suggest the range of complexity, and therefore uncertainty, that necessarily surrounds any effort to quantitatively predict the response of either of these two operations to a less restrictive relocation policy.

In their April 27, 2001, letter to the Council, Icicle Seafoods included the following statements on possible future operations. "*Icicle may consider pollock operations at another site in the BSAI, although any decision is in the future. Regulations for the protection of Stellar sea lions have resulted in significant changes in pollock harvesting operations and require that we consider other options for location of our pollock processor, the NORTHERN VICTOR*."

This analysis has addressed the lack of specificity in future operating locations by including a range of potential actions that may be taken by the owners of the two inshore processing ships to which this amendment may apply. Consensus seems to be that, within the region and, as required, within State waters, there are relatively few areas suitable to operate a floating processing ship. Because only two potential operating sites were actually mentioned by representatives of the floating processing ships in connection with Alternative 2 or Alternative 3, these are the only locations specifically addressed in the following evaluation.

Impacts on Competition among Inshore Sector Members

Although the AFA largely eliminated competition for access to the pollock resource, among the AFA sectors, the individual processing companies within each sector are still "for-profit"

competitive business entities. Allowing two of the eight inshore processors to gain even a limited competitive advantage over the others, has the potential to adversely affect these other companies. In the course of preparing the analysis, the researchers contacted representatives from each of the six shoreside companies, to see if they had objections to the changes represented by Alternative 2 or Alternative 3. In all cases, no company representatives voiced objections to the changes proposed in either alternative. In follow-up interviews, several representatives subsequently qualified their approval of Alternative 2, stating a preference for a maximum of one or two moves per year. The researchers also contacted representatives of the Pacific Seafood Processors' Association, and the Groundfish Forum, to gain a wider perspective on any issues of concern for their respective memberships. Again, neither of these groups expressed opposition to the action proposed in Alternative 2 or Alternative 3. However, they too expressed a preference for a maximum of one or two moves per year, in follow-up interviews.

One of the primary issues in the Council actions on inshore/offshore regulations, as well as in the AFA, was "preemption" (albeit, of desired "future expansion" of onshore processing). Without regulatory action, it was anticipated that offshore operations would continue to expand their harvest share of the fixed BSAI pollock quota. Even the mobility of floating processing ships was seen to create an inherent advantage over other inshore processors, during the relatively short pollock season in the BSAI. Passage of the AFA essentially ended the inshore/offshore conflict, and largely resolved the inshore sector's internal concerns about floater mobility advantages.

Alternative 2 or Alternative 3 would allow two of the eight AFA inshore processors to potentially gain from their inherent advantage of mobility. Some of the potential effects of this potential competitive advantage are discussed below. Clearly, there are significant offsetting disadvantages, as well, to processing onboard a floating platform (e.g., severe limits on production and storage space) that onshore plants do not confront. These are, however, present with or without the proposed changes being contemplated under this action.

Impacts on Efficiency within the AFA Inshore Sector

If Alternative 2 or Alternative 3 is approved, allowing the F/V ARCTIC ENTERPRISE, and the F/V NORTHERN VICTOR, to operate in multiple locations during the pollock processing year, it is reasonable to assume that, if one observes either or both vessels exploiting this opportunity, some net economic advantages must be expected from those relocations, otherwise the operators would not voluntarily incur the added economic and operational expense. It is not likely that either company would choose to operate away from the major concentrations of pollock, near Unimak Pass, during the pollock A season. Therefore, the most likely scenario would seem to be relocation to another site, to process during the pollock B season.

If this movement occurred, the types of likely advantages for the two stationary floating processing ships, and catcher vessels making deliveries to them, may include such considerations as the following:

- By moving closer to seasonal concentrations of fish, there would be a decrease in delivery times for catcher vessels. This could result in fresher, higher quality product,

than if the delivery times/distances were relatively longer, as presumably they would be if the processor did not relocate.

- The potential for reduced travel times for vessels delivering to these processors would directly reduce catcher vessel operating cost, to the collective benefits of their fleet cooperative members. Shorter periods transiting from grounds to processor and back, means more time fishing, less time running. Productivity increases, by staying on the fish, should yield benefits to both the catcher vessel and the processor. Reduced operating expenses, and higher quality fish, translate to higher revenues for the cooperative. Furthermore, the reduced costs could become a factor in encouraging non-member boats to deliver a portion of their 10 percent non-specified cooperative allocation to the floater, thus creating a modest competitive advantage.

- The two stationary floating processors may, to the extent permitted by regulation, leverage their AFA and mobility advantage and increase processing of other groundfish, like Pacific cod. As a result, there is the potential for some preemption of shoreside deliveries of other groundfish. It is not clear if this would actually take place, since currently no regulations prevent inshore floaters from moving to different locations to processes other groundfish, yet this practice is not observed. In addition, both owners of the inshore floaters also own non-AFA groundfish plants in the AI and Pribilof Islands, so presumably would seek to "optimize" the joint production capabilities of their combined operation.

Distributional Impacts

The distribution of potential revenues and economic rents between the companies owning the two inshore processing ships, and their cooperative member catcher vessels delivering to these ships, is unknown. It is likely that reductions in vessel operating costs would accrue as a benefit to catcher vessels. It is also likely that any benefits from increased revenues, due to higher quality product or processing efficiencies (such as increased recovery rates from fresher fish), would accrue to the owners of the inshore processing ships. How each of these may be internally distributed among co-op members cannot be predicted, *a priori*.

In addition, there may be regional impacts associated with new economic activity in remote locations, such as, for example, the Pribilof Islands, if one or both of the inshore processing ships chose to operate in a new location for a portion of the year. Under such a hypothetical situation, there would likely be few direct on-shore jobs, within these remote communities, associated with seasonal relocations, but the community, itself, may still benefit from direct expenditures (e.g., food, fuel, transportation), as well as indirect employment gains, supported by this increased level of local economic activity. However, any localized increases in economic activity would not represent an overall net benefit to the Nation, because they would largely reflect a transfer of economic activity from the areas in which processing by these floaters has traditionally occurred. That is, gains to the community to which the floater relocates would be offset by an equivalent reduction in economic activity in the community in which the floater previously based its operation, *ceteris paribus*.

4.7.2 Alternative 1 - No Action

Alternative 1 would result in no change from the current restrictions on relocation, for the two AFA stationary floating processors. Under current regulation, these inshore processing ships would be able to process pollock in their existing locations (Beaver Inlet and Akutan), and move their processing ships to another location during the year to process fish other than pollock. For example, it would be possible to operate in either Beaver Inlet or Akutan during the pollock A season, and then relocate to the Pribilof Islands to process, say, Pacific cod. However, they would be required to return to their original location if they wished to participate in the pollock B season. It is also the case that the existing regulations permit these operators to change pollock processing location from year to year, if they so desire.

Under Alternative 1, the two floating processing ships would not be able to process pollock, or a combination of pollock and other species, in more than one location during a calendar year. The two companies owning the F/V ARCTIC ENTERPRISE, the F/V NORTHERN VICTOR, and the catcher vessels within the two inshore cooperatives delivering to these processing ships, would not, therefore, have the opportunity to benefit from their intrinsic mobility advantage, as compared to fixed onshore plants, to achieve economic efficiencies and product quality improvements.

In summary, Alternative 1 would result in no change to the competitive situation in the AFA inshore processing sector, and no changes in efficiency for the two inshore processing ships.

4.7.3 Alternative 2 - Redefine Single Geographic Location

Alternative 2 may result in a change to the competitive situation of the eight AFA inshore processors. However, given that none of the current participants of the group have expressed opposition to allowing some limited movement by the AFA stationary floating processors, it is reasonable to assume that any gain in competitive advantage for the two stationary floating processing ships is likely to be relatively modest (i.e., not create substantial hardship for the remaining AFA onshore plants and affiliated cooperatives). With the amount of pollock allocated to the respective cooperative groups essentially fixed by AFA, the principal economic gains, which potentially may accrue to these two floating processors and their affiliated catcher vessel cooperative members, would be in operational efficiencies and/or increased product quality and higher recovery rates. There is, in theory, also the possibility that proximity to the fishing grounds may induce catcher vessels, which are not members of the two, respective, floaters' cooperatives, to deliver a portion of their 10 percent non-specified cooperative allocation to one or the other of the two processing ships, thus enjoying the benefits of reduced running time to and from the grounds, and the associated increase in fishing time.

The combined processing share of the two AFA stationary processing ships accounts for 12.6 percent of the total inshore pollock TAC. In 2006, this percent accounted for 81,379 metric tons. The first wholesale value of the total inshore processors' BS pollock harvest was $586.6 million (Terry Hiatt, NMFS, personal communication, 2007).

If, under Alternative 2, a floating processor were to exploit the relocation opportunity it provides (see Table 4.3 for distances and trip times for catcher vessels from their current locations to the Pribilof Islands), it would likely result in, at most, a small percentage reduction in operating costs for the floater, perhaps greater cost savings for its catcher vessel fleet, improvements in product quality, recovery rates, and associated value and, perhaps less likely, a small increase in its total share of the inshore sector's TAC allowance (i.e., some portion of the 10% non-specified cooperative allocation).

Table 4.3 Distance/Travel Chart for Catcher Vessels at Processor Locations

Travel between:	Distance in nautical miles:	Round trip travel time in hours:
Dutch Harbor and St. Paul	236	50
Akutan and St. Paul	238	50

4.7.4 Alternative 3 - Limited Redefinition of Single Geographic Location

Alternative 3, selected as the preferred alternative by the Council in October 2002, also may result in a change to the competitive situation of the eight AFA inshore processors, but likely not to the degree allowed by Alternative 2. Alternative 3 would limit the number of permissible relocations, when processing catch from a Bering Sea pollock target fishery, to only four during a calendar year. Like Alternative 2, the primary potential gains in efficiency would be reduced costs (at least when evaluated across the cooperative) and/or increased product recovery and quality, and benefits associated with reduced delivery times (e.g., increased fishing time). For example, pollock harvested near St. Paul and delivered to an AFA stationary floating processor located in St. Paul harbor, would have a substantially reduced delivery time compared to deliveries to these same facilities located in Akutan or Dutch Harbor.

4.8 Analysis of Alternatives for Inshore/Offshore Revisions to BSAI and GOA FMPs (Action Two)

This section discusses, in more detail, the recommendation by NMFS to revise or remove obsolete inshore/offshore language in the BSAI and GOA FMPs, and to remove the December 31, 2004, sunset date for the GOA inshore/offshore allocation. Where appropriate, language was taken directly from NMFS's letter to the Council, dated March 7, 2002, which discusses these issues.

4.8.1 Recommended Inshore/Offshore Language Revisions

The passage of the AFA, in 1998, superseded inshore/offshore language in the BSAI FMP. As a result, inshore/offshore language currently contained in the BSAI FMP is obsolete or is no longer consistent with the AFA. The inshore/offshore language in the GOA FMP was also impacted by the passage of the AFA. There are multiple references to BSAI inshore/offshore categories and operating restrictions in the GOA document that no longer are relevant under the AFA.

The AFA has also impacted the Bering Sea Catcher Vessel Operational Area (CVOA). Currently, the language is not consistent with prevailing BSAI pollock fishery management

rules. NMFS has recommended revising the BSAI FMP in order to bring the language into compliance with current regulations.

Amendments 61/61/13/8 incorporated the AFA into the groundfish, crab, and scallop FMPs, and also extended GOA inshore/offshore allocations through 2004. The Council chose this sunset date so that both BSAI and GOA allocation issues could be addressed concurrently, when the AFA pollock allocations were scheduled to expire, on December 31, 2004. However, Congress subsequently passed legislation that removed the December 31, 2004, sunset provision from the AFA pollock allocations. Thus, the final rule to implement Amendments 61/61/13/8 contained no sunset date. Because Congress extended the AFA allocations indefinitely, the primary reason that had been articulated for reviewing GOA inshore/offshore allocations in 2004 is no longer valid.

Since approval of this amendment package in October 2002, two of the proposed updates to the BSAI and GOA FMPs have since been accomplished via Amendments 83 and 75. Specific alternatives that were implemented are Alternative 2, which would have removed obsolete inshore/offshore language from the BSAI FMP, and Alternative 4, which would have removed reference to BSAI inshore/offshore from the GOA FMP. Since Alternatives 2 and 4 have already been implemented, the only remaining changes to BSAI and GOA FMPs are Alternative 3, which would update the CVOA to accommodate AFA related changes from the BSAI FMP and Alternative 5, which would remove the December 31, 2004, sunset date for GOA inshore/offshore allocation from the GOA FMP. Presented below is the analysis of the FMP changes. Where FMP text has been implemented via Amendments 83/75, the analysis has been updated to include a note of the implementation.

4.8.1.1 Draft Amendment Language for the BSAI FMP

To assist the Council in the discussion of the proposed changes to the BSAI FMP, NMFS has prepared a draft of the new FMP amendment language that contains all of the changes that they propose. The language is presented below. Note that Section 5.4.11 has been superseded via Amendment 83, which revised the BSAI FMP. The only proposed FMP language change that was not superseded via Amendment 83 was Section 3.5.2.1.6, the catcher vessel operational area (CVOA), which is presented below.

Section 5.4.11 of the FMP is revised to read as follows:

5.4.11 Inshore/offshore allocations of pollock and the Catcher Vessel Operational Area (CVOA)

5.4.11.1 History of inshore/offshore allocations of pollock in the BSAI

In 1992, the first 3-year inshore/offshore allocations of pollock were approved under Amendment 18. Amendment 18 established a Community Development Quota (CDQ) program and set aside one-half of the pollock reserve (7.5 percent of the BSAI pollock TAC) for CDQ harvest, allocated 35 percent of the remaining BSAI pollock TAC to vessels catching pollock for processing by the inshore component and 65 percent of the remaining BSAI pollock TAC to vessels catching pollock for processing by the offshore component. Amendment 18 also

established a catcher vessel operational area (CVOA), from which the offshore component would be excluded during the B season, when directed fishing for pollock.

In 1995, the inshore/offshore allocations of pollock and the CDQ program were extended, unchanged, for an additional 3 years, under Amendment 38. In September 1998, the Council submitted Amendment 51 which revised the inshore/offshore allocation percentages, approved under Amendment 38, and established the CVOA as a permanent provision of the FMP. In October 1998, the President signed into law the American Fisheries Act (AFA), which superseded the inshore/offshore allocations contained in proposed Amendment 51. As a result, NMFS partially-approved Amendment 51, by disapproving the pollock allocations, but approving the permanent establishment of the CVOA. Also in 1998, the CDQ program was separated from the inshore/offshore program and made a permanent provision of the FMP, under Amendment 45.

In 2002, the provisions of the AFA were incorporated into the FMP, under Amendment 61, which permanently superseded the previous inshore/offshore pollock allocation program that was in effect from 1992 through 1998. AFA-related management measures are set out at Section 3.7.2.of the FMP. The CVOA is the sole remaining BSAI inshore/offshore management measure that was extended under Amendment 51 and not superseded by the passage of the AFA.

3.5.2.1.6 Catcher Vessel Operational Area (CVOA)

A catcher vessel operational area shall be defined as the area of the BSAI east of 167°30' W. long, west of 163°W. long., south of 56°N. lat. and north of the Aleutian Islands. AFA catcher/processors are prohibited from engaging in directed fishing for pollock in the CVOA during the non-roe seasons unless they are participating in the CDQ fishery.

4.8.1.2 Draft Amendment Language for the GOA FMP

To assist the Council in the discussion of the proposed changes to the GOA FMP, NMFS has prepared a draft of FMP amendment language that contains the changes proposed. In addition, NMFS has also included proposed changes to the SGL requirements for BSAI inshore processors. Final FMP text proposed by the Council for the GOA FMP may vary from this text. There are no changes proposed to the GOA SGL requirements. Note, all proposed FMP language was superseded by Amendment 75.

Section 3.2.6.3.2 is revised to read as follows:

3.2.6.3.2 Inshore/offshore allocations of pollock and Pacific cod

The total allowable catch of GOA pollock and Pacific cod will be allocated between the inshore and offshore components of industry in specific shares in order to lessen or resolve resource use conflicts and preemption of one segment of the groundfish industry by another, to promote stability between and within industry sectors and affected communities, and to enhance conservation and management of groundfish and other fish resources.

Inshore/offshore allocations of pollock and Pacific cod were first approved under Amendment 23, which was effective from 1992 through 1994. Amendments 40, 51, and 61 extended the inshore/offshore allocations of pollock and Pacific cod, unchanged for three additional 3-year periods, from 1995-1998, 1999-2001, and 2002-2004, respectively. Amendment 61 contained a December 31, 2004, sunset date, so that GOA inshore/offshore allocation issues would have been evaluated concurrently with BSAI allocation issues, in 2004, when the BSAI allocation percentages established by the AFA also were scheduled to expire. However, in November 2001, Congress removed the December 31, 2004, sunset date for AFA pollock allocations. This action was followed by Amendment 62, in 2002, which proposed removing the sunset date from the GOA inshore/offshore allocations and revised the FMP to remove references to the obsolete inshore/offshore regime in the BSAI.

4.8.2 Impacts of Alternative 1: No Action

Given that Alternatives 2 and 4 were already implemented, via Amendments 83 and 75, they are not actionable here. Their inclusion in this document is only for completeness of the record. Taking no action on Alternative 3 will leave in place CVOA language in the BSAI FMP. Selecting no action on Alternative 5 would keep in place in the GOA FMP the current sunset date of December 31, 2004, for the GOA inshore/offshore allocation, which, obviously, has no meaning whatsoever, given the timing of this action in 2008.

4.8.4 Impacts of Alternative 3 (Preferred Alternative): Update the CVOA to Accommodate AFA-related Changes

Alternative 3 would update the CVOA language to accommodate AFA-related changes. The FMP contains the following CVOA language in Appendix B:

> The CVOA is defined as the area of the BSAI east of 167°30' W. longitude, west of 163° W. longitude, south of 56° N. latitude, and north of the Aleutian Islands. *The CVOA shall be in effect during the B season from September 1 until the date that NMFS closed the inshore component B season to directed fishing. Vessels in the offshore component are prohibited from conducting directed fishing for pollock in the CVOA unless they are participating in a CDQ fishery.*

The italicized text is not consistent with current BSAI pollock fishery management. First, the B season no longer begins on September 1. Second, NMFS no longer closes the "inshore component" to directed fishing for pollock, because each individual inshore cooperative is operating under its own pollock allocation. Finally, the term "offshore component" was superseded by the new AFA category of "AFA catcher/processor." To make this language consistent with current management of the BS pollock fishery, we recommend that the following text be used to describe the CVOA area in Section 3.5.2.1.6 and Appendix B of the BSAI FMP:

AFA catcher/processors are prohibited from engaging in directed fishing for pollock in the CVOA during the non-roe seasons unless they are participating in the CDQ fishery.

As part of the latest Steller sea lion regulations, NMFS has revised CVOA regulations to comport with the AFA and Steller sea lion protection measures. Therefore, the CVOA language in the FMP should be updated, as well.

In choosing this alternative, there would be no adverse economic impacts. This alternative would be an editorial change to the BSAI FMP. Updating the BSAI FMP to reflect current CVOA regulations and management procedures could provide a direct benefit by reducing the possibility of confusion and disagreements, in the future, concerning CVOA regulations.

4.8.6 Impacts of Alternative 5 (Preferred Alternative): Remove the December 31, 2004, Sunset Date for GOA Inshore/Offshore Allocation

Alternative 5 would remove the December 31, 2004, sunset provision for GOA inshore/offshore allocation set forth in the GOA FMP. Amendments 61/61/13/8 incorporated the AFA into the groundfish, crab, and scallop FMPs, and also extended GOA inshore/offshore allocations through 2004. The Council chose December 31, 2004, as the sunset date, so that both BSAI and GOA allocation issues could be addressed concurrently, when AFA pollock allocations expired on December 31, 2004. However, Congress subsequently passed legislation that removed the December 31, 2004, sunset date from the AFA pollock allocations, and the AFA-related sunset dates contained in Amendments 61/61/13/8 were removed through partial-disapproval of the amendment package. Because Congress extended the AFA allocations indefinitely, the primary reason that had been articulated for reviewing GOA inshore/offshore allocations in 2004, has been eliminated.

Removing the sunset provision from the GOA inshore/offshore allocation regime would not require amending existing regulations, as these regulatory amendments were made as part of the final rule for Amendments 61/61/13/8 and subsequent correction regulatory amendments for the AFA.

The EA/RIR/IRFA for Amendments 51/51 contained specific language in the analysis to "rollover" the GOA allocations without a sunset date. The analysis emphasized that, while the Council is proceeding down the path of a fully rationalized program, a stable environment in the fisheries is critical to their success, which is still the case today. Maintaining the existing allocation provides a reasonable assurance to each industry sector involved regarding the future of the fishery. While voluminous public testimony was received on the BSAI allocations, relatively little was received in opposition to the GOA allocations.

The EA/RIR/IRFA analysis prepared for Amendments 51/51 identified that the economic analysis submitted by the Council does not provide a basis upon which to draw unambiguous conclusions about the probable net economic benefits of this element or other competing alternatives. Treated in considerable detail in the document, the reasons for this deficiency pertain to basic data limitations that make conversion from gross to net economic measures impossible. That analysis is incorporated here, by reference.

Despite the general acquiescence to the GOA allocations at the time of Inshore/Offshore-3, the Council opted to "rollover" the GOA allocations, with a three-year sunset provision, to match the BSAI allocations. Based on the EA/RIR/IRFA for Amendments 51/51, Alternative 5 contained within this amendment is within the scope of that analysis, and does not require further analysis.

4.9 Monitoring and Enforcement

There would be some minor additional monitoring or enforcement costs for the alternatives associated with the SGL action item presented in this amendment. The increased cost would be in the form of a check in/check out procedure for the AFA stationary floating processors.

Under the second action item in this amendment, all of the alternatives are editorial or technical changes to the BSAI and GOA FMPs, designed to eliminate outdated or inconsistent inshore/offshore language, so there would be no additional monitoring or enforcement costs incurred. By reducing the potential for confusion and misinterpretation, these actions clarify and make consistent the regulatory requirements and may actually reduce future enforcement and litigation costs to the agency.

4.10 Qualitative Cost/Benefit Analysis

Single Geographic Location

Selection of Alternative 1 will result in no changes from the status quo regarding the competitive situation or efficiency of operation for the two stationary floating processing ships, F/V ARCTIC ENTERPRISE and the F/V NORTHERN VICTOR.

Selection of either Alternative 2 or Alternative 3 will result in the potential for both benefits and costs to the industry, compared with the status quo. Although the respective benefits and costs under Alternative 2 are largely undetermined, it is most likely that the benefits exceed the costs, as described below. Under Alternative 3, also largely undetermined, the respective benefits and costs are likely to be smaller when compared to Alternative 2, due to limitations in the alternative.

There are several areas of potential economic gains, which include reduced costs, increased operational efficiencies (for both the floaters and the catcher vessels that deliver to them), fuller utilization of catch, and an increase in product quality.

The only cost associated with the adoption of Alternative 2 or Alternative 3, is a potential for a negative impact to accrue to the six AFA onshore plants. However, because empirical data on costs and operational attributes associated with these entities is unavailable to NMFS, an objective determination of this outcome is not feasible. Nonetheless, the companies within the onshore processing group expressed no significant opposition to Alterative 2 or Alternative 3, thus, it seems reasonable to assume that the potential impact for these companies is not of significant concern. Under Alternative 2, there could be a shift in regional economic activity associated with relocating the operation of the F/V ARCTIC ENTERPRISE and/or the F/V

NORTHERN VICTOR, for any portion of the year, away from their current locations. Strictly speaking, these changes do not constitute "economic benefits", because any increase in one area is offset by an approximately equivalent loss in another area. Any differences likely reflect marginal inefficiencies. These changes in economic activity are "transfers", which do not increase net benefits to the Nation. The same conclusions can be reached with respect to Alternative 3, but potentially to a lesser extent, owing to the more restrictive limits placed on relocations. A summary of the potential benefits and costs that are likely to result from the alternatives are provided in Table 4.6.

Table 4.4 Qualitative Summary of Benefits, Costs, and Distributional Impacts

Economic Consequences Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Catcher vessel operating costs	As the status quo, Alternative 1 would result in no change in catcher vessel operating costs.	There is potential for reduced operating costs for the cooperative fleets delivering to the two stationary floating processors, should those processors operate in areas closer to concentrations of pollock, than their current locations in Beaver Inlet and Akutan. This situation, should it occur, would most likely be for the BS pollock B season, and involve operations in St. Paul in the Pribilof Islands. The magnitude of these potentially reduced operating costs cannot be estimated *a priori*, but the differences in actual running times between these harbors are shown in Table 4.3.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year while processing BS target pollock catches, so the potential cost savings accruing to catcher vessels could be relatively smaller, all else being equal.

Economic Consequences Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Stationary floating processing ship operations	As the status quo, Alternative 1 would result in no change in operations for the two stationary floating processing ships.	There is potential for increased product value, increased product quality, or both if future operations of one or the other of the stationary floating processing ships were to operate nearer to concentrations of pollock during part of the year. The magnitude of the potential gain from efficiency or product value is unknown at this point. Allowing the F/V ARCTIC ENTERPRISE and the F/V NORTHERN VICTOR to relocate during the fishing season may add greater economic and operational flexibility for their respective companies to deal with regulation changes from measures to protect Steller sea lion or other time/area closures that may occur in future. They may enhance the position of the two respective cooperatives, should stocks of pollock move northward, due to regime shifts in the BS. Relocating would impose a financial cost, but since they would be entirely voluntary, one would not anticipate observing these relocations unless the expected benefits to the operation exceeded the expected costs. Neither can be estimated at present.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year, while processing BS target pollock catches. Given the virtual absence of intra-seasonal movement of the two operations in the past, as well as the logistical and economic burden of undertaking such a relocation, it seems highly improbable that a maximum of four moves per year will represent a meaningful operational constraint in the foreseeable future.
Regional economic impacts	Alternative 1 would result in no change in regional economic effects.	Akutan may lose tax revenue generated from the local 1% raw fish tax on landings processed by the floater if the floating processor relocated to another location outside the community. In addition, Aleutians East Borough may lose a portion of the fish tax revenues they currently receive, if the floaters relocate to another location outside the Borough.	This alternative is similar to Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year, while processing BS target pollock.

Economic Consequences Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Competitive situation among the AFA inshore plants	Alternative 1 would result in no change in the competitive situation within the group of eight AFA inshore processing plants.	There could be a relatively small shift in competitive advantage to the benefit of the owners of the F/V ARCTIC ENTERPRISE and the F/V NORTHERN VICTOR and their respective cooperative fleets. The AFA onshore processing plant operators have, despite numerous opportunities, expressed no opposition to this change, except regarding the number of annual changes permitted.	Same as Alternative 2, but AFA floaters would be restricted to only four relocations in the Bering Sea per calendar year, while processing BS target pollock catches. The AFA onshore processing plant operators have, despite numerous opportunities, expressed no opposition to this change, except regarding the number of changes permitted.
Consumer	No change	Potential increased product quality and supply, owing to fresher raw fish, increased recovery rates, and wider variety of product forms, any potentially accrue. However, most of the production from these faculties enters the global whitefish market, so CS gains by domestic consumers may be very difficult to determine..	Same as Alternative 2.

Economic Consequences Category	Alternative 1 - Retain SGL Restriction to One Year (Status Quo)	Alternative 2 - Redefine SGL Restriction to One Week	Alternative 3 - Limit SGL to the Bering Sea and Relocations to 4 Per Calendar Year (Preferred Alternative)
Net Benefit	No Change	Net Benefits to the Nation are likely positive, owing to the greater opportunity for economic efficiency in the fishery.	Net Benefits to the Nation are likely positive, although "theoretically"smaller than under Alternative 2, owing to the additional restriction of opportunity for economic efficiency in the fishery under this alternative. Given that four relocations of these largely fixed-floating factory platforms, while processing BS target pollock, is highly unlikely to be constraining, the results Alternative 2 and Alternative 3, and the thus the net benefit to the Nation, is likely the same, over the foreseeable future.

BSAI and GOA FMPs Proposed Inshore/Offshore Language

The alternatives for revising the BSAI and GOA FMPs to expunge obsolete inshore/offshore language, update the CVOA, and remove the sunset date for GOA inshore/offshore allocation are housekeeping (i.e., technical or editorial) revisions, thus there are no tangible economic costs or benefits to be analyzed. The changes may result in a smaller risk of misunderstanding or misinterpretation of the FMPs, associated regulations, and other prevailing laws, which represent a "benefit" insofar as uncertainty impacts decision making.

4.11 Summary of the Significance Criteria

E.O. 12866 requires that the Office of Management and Budget review proposed regulatory programs that are considered to be "significant." A "significant regulatory action" is one that is likely to:

1. Have an annual effect on the economy of $100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

2. Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

3. Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

4. Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.

Based on the costs and benefits discussed in the RIR and the above criteria, none of the alternatives appear to have the potential to constitute a "significant" action under the E.O. 12866, recognizing that there may be distributional impacts among the various participants in the industries affected by this proposed action.

4.12 Consistency with National Standards

The following National Standards, contained within the Magnuson-Stevens Act, are addressed, where relevant to the actions taken by the Council under this amendment package. Most of these standards would not be affected by the proposed elimination of the SGL provision, nor the editorial and technical changes to eliminate obsolete or inconsistent language in the BSAI or GOA FMPs.

National Standard 1 - Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery for the United States fishing industry.

The alternatives proposed in this amendment will not affect the conservation and management measures that prevent overfishing and will continue to allow for optimum yield of the BSAI or GOA pollock and Pacific cod or any other groundfish.

National Standard 2 - Conservation and management measures shall be based upon the best scientific information available.

Information contained in this amendment package was derived from the best sources of information available to Council and NMFS Staff.

National Standard 3 - To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

Since the proposed alternatives do not change TAC or allocation for any fishery, nothing within this amendment package will impact how NMFS and ADF&G manage fish stocks in relation to National Standard 3.

National Standard 4 - Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges

among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

The proposed SGL alternatives are designed to allow greater operational flexibility for AFA stationary floating processors. Thus, the proposed alternatives do not discriminate between residents of different states.

The proposed alternatives for eliminating obsolete or inconsistent inshore/offshore language in the BSAI and GOA FMPs are limited to editorial or technical changes only.

National Standard 5 - Conservation and management measures shall, where practicable, consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

Removing the SGL restriction would likely have a positive impact on the efficiency of the inshore fishery. Eliminating the SGL restriction for stationary floating processors proposed in the amendment would allow more flexibility for these vessels that currently must process targeted BSAI pollock in only one location. This flexibility could potentially reduce delivery time, and improve utilization and product quality.

Alternatives for eliminating obsolete or updating inconsistent inshore/offshore language in the BSAI and GOA FMPs would not impact the efficiency of the fishery resource. The alternatives are limited to editorial and technical changes only.

National Standard 6 - Conservation and management measures shall take into account and allow for variations among, and contingencies in, fisheries, fishery resources, and catches.

Eliminating the SGL restriction for stationary floating processors would allow these vessels to respond to variation among the BSAI pollock stocks and contingencies within the inshore processing sector. These changes would not affect NMFS's ability to adjust for variations among and contingencies in the BSAI fisheries.

Purposed changes to the BSAI and GOA FMPs, to eliminate or update inconsistent inshore/offshore language and extend the GOA inshore/offshore allocation into the foreseeable future, would not impact this standard.

National Standard 7 - Conservation and management measures shall, where practicable, minimize costs and avoid unnecessary duplication.

The proposed SGL alternatives could potentially reduce existing regulation, thus reducing costs of monitoring for compliance by AFA stationary floating processors operating in the BSAI. Updating and eliminating obsolete inshore/offshore language in the BSAI and GOA FMPs would reduce costs and avoid unnecessary duplication in both management plans and associated regulations.

National Standard 8 - Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities by utilizing economic and social data that meet the requirements of paragraph (2), in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.

The proposed SGL alternatives could potentially have some minor effects on communities, if the floaters preempt some deliveries to shoreside processors. However, these effects could be offset by increased commerce with businesses in these, or other rural Alaska coastal communities.

Proposed changes to the BSAI and GOA FMPs to eliminate outdated inshore/offshore language and remove the GOA inshore/offshore allocation sunset would not impact this standard.

National Standard 9 - Conservation and management measures shall, to the extent practicable, (A) minimize bycatch and (B) to the extent bycatch cannot be avoided, minimize the mortality of such bycatch.

Eliminating the SGL restriction would allow AFA stationary floating processors to process BS targeted pollock in more than one location in a fishing year. This action is not likely to impact bycatch levels in an appreciable way. This standard would not be impacted by updating the BSAI and GOA FMPs to remove inconsistent or obsolete inshore/offshore language, because these changes are editorial and technical in nature.

National Standard 10 - Conservation and management measures shall, to the extent practicable, promote the safety of human life at sea.

The alternatives included in the amendment package appear to be consistent with this standard. None of the changes to the SGL or inshore/offshore language in the BSAI or GOA FMPs would be expected to substantially affect safety at sea. The proposed SGL changes could potentially increase safety at sea by reducing running times for the catcher vessels delivering to the stationary floating processors.

5.0 REFERENCES

Brix, K. Memorandum to Sue Salveson regarding Reinitiation of Endangered Species Section 7 Consultation for the Alaska Groundfish Fishery Management Plans. NMFS, Alaska Region, Juneau, Alaska. June 23, 2006.

Federal Register. Fisheries of the Exclusive Economic Zone Off Alaska; Permit Requirements for Vessels, Processors, and Cooperatives Wishing to Participate in the Bering Sea and Aleutian Islands Pollock Fishery Under the American Fisheries Act. Final Rule. Federal Register. pp. 380-390. January 5, 2000.

Federal Register. Fisheries of the Exclusive Economic Zone Off Alaska; Emergency Interim Rule to Implement Major Provisions of the American Fisheries Act. Final Rule. Federal Register. pp. 4520-4555. January 28, 2000.

Federal Register. Fisheries of the Exclusive Economic Zone Off Alaska; Inshore/Offshore Allocations of Pollock and Pacific Cod Total Allowable Catch. Proposed Rule. Federal Register. pp. 57997-58005. October 29, 1998.

Federal Register. Groundfish of the Gulf of Alaska; Groundfish Fishery of the Bering Sea and Aleutian Islands. Final Rule. Federal Register. pp. 23321-23346. June 3, 1992.

National Marine Fisheries Service (NMFS). Alaska Groundfish Harvest Specifications Final Environmental Impact Statement. NMFS, Alaska Region, Juneau, Alaska. January 2007.

National Marine Fisheries Service (NMFS). Biological Assessment of the Alaska Groundfish Fisheries and NMFS Managed Endangered Species Act Listed Marine Mammals and Sea Turtles. NMFS, Alaska Region, Juneau, Alaska. April 2006.

National Marine Fisheries Service (NMFS). Programmatic Supplemental Environmental Impact Statement for the Alaska Groundfish Fisheries Implemented Under the Authority of the Fishery Management Plans for the Groundfish Fishery of the Gulf of Alaska and the Groundfish Fishery of the Bering Sea and Aleutian Islands Area. (Programmatic SEIS). NMFS, Alaska Region, Juneau, Alaska. June 2004.

National Marine Fisheries Service (NMFS). Stock Assessment and Fishery Evaluation Report for the Groundfish Resources of the Bering Sea/Aleutian Islands Regions, 2007, NPFMC Plan Team for the Groundfish Fisheries of the BSAI. November 2007.

National Marine Fisheries Service (NMFS). Stock Assessment and Fishery Evaluation Report for the Groundfish Resources of the Gulf of Alaska, 2007, NPFMC Plan Team for the Groundfish Fisheries of the GOA. November 2007.

National Marine Fisheries Service (NMFS). Bycatch by Target Fishery, Zone and Mode in the Bering Sea and Aleutian Islands for Halibut, Salmon, Bairdi Tanner and Red King Crab for 1999, 2000, and 2001. Retrieved March 27, 2002, from http://www.fakr.noaa.gov.

National Marine Fisheries Services (NMFS). Letter to the North Pacific Fishery Management Council Addressing Inshore/Offshore Language Changes. March 7, 2002.

National Marine Fisheries Services (NMFS). Steller Sea Lion Protection Measures: Final Supplemental Environmental Impact Statement. Appendix A is the 2001 biological opinion. NMFS, Alaska Region, Juneau, Alaska. November 2001.

National Marine Fisheries Service (NMFS). Section 7 Consultation of the Authorization of the Bering Sea and Aleutian Islands Groundfish Fishery Under the BSAI FMP and the Authorization of the Gulf of Alaska Groundfish Fishery Under the GOA FMP. NMFS, Alaska Region, Juneau, Alaska. November 2000.

North Pacific Fishery Management Council (NPFMC). Stock Assessment and Fishery Evaluation for Bering Sea/Aleutian Islands and Gulf of Alaska Groundfish (2 documents). November 2001.

North Pacific Fishery Management Council (NPFMC). Groundfish of the Gulf of Alaska: A species Profile. Anchorage, Alaska. June 1, 2001.

North Pacific Fishery Management Council (NPFMC). Groundfish of the Bering Sea and Aleutian Islands: A species Profile. Anchorage, Alaska. December 21, 2000.

North Pacific Fishery Management Council (NPFMC). Environmental Assessment for Amendments 55/55/8/5/5 Essential Fish Habitat. NPFMC, Anchorage, Alaska. January 20, 1999.

North Pacific Fishery Management Council (NPFMC). EA/RIR/IRFA for Inshore/Offshore-3 (Amendments 51/51). Secretarial Review. NPFMC, Anchorage, Alaska. August 26, 1998.

North Pacific Fishery Management Council (NPFMC). EA/RIR/IRFA for Inshore/Offshore (Amendments 18/23). Secretarial Review. NPFMC, Anchorage, Alaska. September 19, 1991.

Terry Hyatt, et. al. Data analysis from the Stock Assessment and Fishery Valuation Report for the Groundfish Fisheries of the Gulf of Alaska and Bering Sea/Aleutian Islands Area: Economic Status of the Groundfish Fisheries Off Alaska, 2000, National Marine Fisheries Service, Alaska Fisheries Science Center, November 15, 2001.

6.0 LIST OF PREPARERS

Council Staff:
Jon McCracken, Mark Fina, Ph.D.
605 West 4th Avenue, Suite 306
Anchorage, Alaska 99501

National Marine Fisheries Service - Alaska Region
Kent Lind
Jeff Hartman
Becky Carls
P.O. Box 21668
Juneau, AK 99802-1668

National Marine Fisheries Service - Alaska Region
Lewis Queirolo, Ph.D.
440 Eagle Crest Rd.
Camano Island, WA 98282

Contract:
Jim Richardson
ResourcEcon
308 G Street, Suite 302
Anchorage, AK 99501

Individuals Consulted:
Terry Leitzell, Icicle Seafoods, Inc.
Sinclair Wilt, Alyeska Seafoods, Inc.
Gregg Baker, Westward Seafoods, Inc.
Joe Plesha, Trident Seafood Corporations
Barry Collier, Peter Pan Seafoods, Inc.
Tom Enlow, The Grand Aleutian
Glen Reed, Pacific Seafood Processor's Association
Trevor McCabe, At-Sea Processors Association
John Gauvin, Groundfish Forum
Burney Hill, Environmental Protection Agency