North Pacific Fishery Management Council

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FINAL ADVISORY PANEL MINUTES North Pacific Fishery Management Council June 7–11, 2010

The following members were present for all or part of the meetings:

Joe Childers Tim Evers Matt Moir Mark Cooper Jeff Farvour Theresa Peterson **Craig Cross** Becca Robbins Gisclair Ed Poulsen John Crowley Jan Jacobs Beth Stewart Julianne Curry **Bob Jacobson** Lori Swanson Jerry Downing Simon Kinneen Anne Vanderhoeven

Tom Enlow Chuck McCallum

The AP unanimously approved the minutes from the previous meeting.

C-1(b) Bering Sea Chum Salmon Bycatch

Alternative 1 – Status Quo

Alternative 1 retains the current program of the Chum Salmon Savings Area (SSA) closures triggered by separate non-CDQ and CDQ caps with the fleet's exemption to these closures per regulations for Amendment 84 and as modified by the Amendment 91 Chinook bycatch action.

Alternative 2 – Hard Cap

Component 1: Hard Cap Formulation (with CDQ allocation of 10.7%)

- a) 50,000
- b) 75,000
- c) 125,000
- d) 200,000
- e) 300,000
- f) 353,000

Component 2: Sector Allocation

Use blend of CDQ/CDQ partner bycatch numbers for historical average calculations.

- a) No sector allocation
- b) Allocations to Inshore, Catcher Processor, Mothership, and CDQ
 - 1) Pro-rata to pollock AFA pollock sector allocation
 - 2) Historical average
 - i. 2007-2009
 - ii. 2005-2009
 - iii. 2000-2009
 - iv. 1997-2009
 - 3) Allocation based on 75% pro-rata and 25% historical

- 4) Allocation based on 50% pro-rata and 50% historical
- 5) Allocation based on 25% pro-rata and 75% historical

For Analysis:

CDQ	Inshore CV	Mothership	Offshore CPS
3.4%	81.5%	4.0%	11.1%
10.7%	44.77%	8.77%	35.76%

Suboption: Allocate 10.7% to CDQ, remainder divided among other sectors.

Component 3: Sector Transfer

- a) No transfers or rollovers
- b) Allow NMFS-approved transfers between sectors

Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:

- 1) 50%
- 2) 70%
- 3) 90%
- c) Allow NMFS to roll-over unused by catch allocation to sectors that are still fishing

Component 4: Cooperative Provision

a) Allow allocation at the co-op level for the inshore sector, and apply transfer rules (Component 3) at the co-op level for the inshore sector.

Suboption: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:

- 1) 50%
- 2) 70%
- 3) 90%
- b) Allow NMFS to rollover unused by catch allocation to inshore cooperatives that are still fishing.

Alternative 3 – Trigger Closure

Component 1: Trigger Cap Formulation

Cap level

- a) 25,000
- b) 50,000
- c) 75,000
- d) 125,000
- e) 200,000

Application of Trigger Caps

- a) Apply trigger to all chum bycatch
- b) Apply trigger to all chum bycatch between specific dates
- c) Apply trigger to all chum bycatch in a specific area.

Component 2: Sector allocation

Use blend of CDQ/CDQ partner bycatch numbers for historical average calculations.

- a) No sector allocation
- b) Allocations to Inshore, Catcher Processor, Mothership, and CDQ
 - 1) Pro-rata to pollock AFA pollock sector allocation
 - 2) Historical average
 - i. 2007-2009
 - ii. 2005-2009

iii. 2000-2009 iv. 1997-2009

- 3) Allocation based on 75% pro-rata and 25% historical
- 4) Allocation based on 50% pro-rata and 50% historical
- 5) Allocation based on 25% pro-rata and 75% historical

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Component 4: Cooperative Provisions

a) Allow allocation at the co-op level for the inshore sector, and apply transfer rules (Component 3) at the co-op level for the inshore sector.

<u>Suboption</u>: Limit transfers to the following percentage of salmon that is available to the transferring entity at the time of transfer:

- 1) 50%
- 2) 70%
- 3) 90%
- b) Allow NMFS to roll-over unused bycatch allocation to cooperatives that are still fishing

Component 5: Area and Timing Options

- a. Large area closure
- b. Discrete, small area closures identified by staff in February Discussion paper (20 ADF&G statistical areas, identified in Table 4)
- c. Groupings of ADFG area closures by month that represent 40%, 50%, 60% of historical bycatch. the small area closures (as presented) (described in Option b above) into 3 zones that could be triggered independently with subarea, rather than statistical area, level closures

Component 6: Timing Option – Dates of Area Closure

- a) Trigger closure of Component 5 areas when the overall cap level specified under Component 1(a) was attained
- b) Under Component 5(b) discrete small closures would close when a an overall cap was attained and would close for the time period corresponding to periods of high historical bycatch, considering both-number of salmon. a (i.e. Table 11 in February Discussion Paper) Under

- Component 5(c) Subareas within a zone would close for the time period corresponding to periods of high historical bycatch within the subarea when a zone level cap was attained.
- c) Under Component 5, Areas close when bycatch cap is attained within that area (i.e. Table 12 in February Discussion Paper)
 - a. for the remainder of year
 - b. for specific date range

<u>Component 7</u>: Rolling Hot Spot (RHS) Exemption – Similar to status quo (<u>with RHS system in regulation</u>), participants in a vessel-level (platform level for Mothership fleet) RHS would be exempt from regulatory triggered closure below.

- 1. Modified large area closure (encompassing 90% of historical bycatch).
 - a) Sub-option: RHS regulations would contain an ICA provision that the regulatory trigger closure (as adopted in Component 5) apply to participants that do not maintain a certain level of rate-based chum salmon bycatch performance.

In constructing an ICA under this component, the following aspects should be considered:

• Closures that would address timing & location of bycatch of Western AK chum stocks.

In addition, include the following items in the initial review analysis:

- 1. Analyze discrete area approach normalized across years (i.e. proportion of salmon caught in an area in a year rather than numbers of salmon);
- 2. Discuss how Component 7 and suboption would be applied;
- **3.** In depth description of the rolling hot spot regulations (Amendment 84), focusing on parameters that could be adjusted if the Council found a need to refine the program to meet objectives under Component 7. **Specifically analyze:**
 - a. the base rate within the RHS program;
 - b. the options for revising the tier system within the RHS program;
 - c. the Council's options for revising the fine structure within the RHS program.

 Analysis should include a discussion of the meaningfulness of fines (i.e., how do fine amounts compare to total income for vessels/companies participating in the RHS program) as well as a comparison of penalties under the RHS program to agency penalties and enforcement actions for violating area closures.
- 4. Discussion from NMFS of catch accounting for specific caps for discrete areas, and area aggregations described in Component 5 and for areas within those footprints that may have other shapes that could be defined by geographic coordinates [Component 6(c)] Discussion from NMFS on the ability to trigger a regulatory closure based on relative bycatch within a season (with respect to catch accounting system and enforcement limitations) considering changes in bycatch monitoring under Amendment 91.
- 5. Contrast a regulatory closure system (Components 5 and 6) to the ICA closure system (Component 7) including data limitations, enforcement, potential level of accountability (i.e., fleet-wide, sector, cooperative, or vessel level).
- 6. Examine differences between high bycatch years (i.e. 2005) and other years to see what contributes to high rates (i.e. timing/location, including fleet behavior and environmental conditions).
- 7. Examine past area closures and potential impacts of those closures on historical distribution of bycatch and on bycatch rates (qualitative); include 2008 and 2009 data and contrast bycatch distribution under VRHS versus the Chum Salmon Savings Area.

[Motion passed 19/0]

C-4 Observer Program

The AP recommends that the Council select Alternative 3 as the preliminary preferred alternative and that the document be released for public review with the following revisions as well as the recommendations of the Observer Advisory Committee:

- 1. Defines observer needs by fishery
- 2. Provides a sampling design by fishery (e.g., what kind of modifications will be required to accommodate an observer, what kind of equipment will be required to accommodate observer; what kind of access the observer must have.)
- 3. Includes an option that allows vessels/fishermen tasked with observer coverage to fulfill observer requirements through electronic monitoring where EM is an effective means of meeting observer coverage goals. Includes costs and description of equipment and cost of the review of the data.
- 4. Includes an assessment of economic impacts on industry sectors and communities.
- 5. Defines "fishing trip" in a manner that addresses the observer effect.
 - a. That in case of IFQ vessels, a trip would include a base amount of pounds to be observed.
 - b. In the case of A/B season the observer manager be able to determine length of observer deployment.
 - c. Duration an observer is deployed on a vessel is not preannounced.
- 6. Includes fee assessment alternative based on actual prices (i.e., COAR data).
- 7. To analyze A shares when they are used in a manner other than A shares, as in the case of B, C or D shares.
- 8. Request from the agency an annual report outlining program elements accomplished and funds expended.
- 9. Catcher processor will be defined for the 100% coverage strata based on their actual historic activity.
- 10. NMFS will be able to use fee proceeds to place NMFS staff on vessels to resolve sampling issues and facilitate the collection of unbiased data.
- 11. Maintain consideration of the 3-year rolling average to determine fees.

OAC Recommendations:

- 1. The OAC recommends that the Council release the June 2010 draft analysis for public review.
- 2. The OAC recommends expanding the implementation section (p. 118–119) to include examples of operational control rules that NMFS could implement within the sample design (not regulations) to address the 'observer effect'.
- 3. The OAC recommends providing a section in the analysis that details when and how NMFS would provide information to the SSC and Council related to how NMFS deployed observer resources in the previous year and how fee proceeds were used. The approach discussed for consultation was an annual report under an existing item (e.g., NMFS B report, research priorities, etc). The analysis should describe the types of information to be reported and how it would be reported.
- 4. The OAC recommends that the Council support development of a voluntary pilot program for monitoring on small vessels in the near-term, or on any operational aspects that would assist observer providers in testing a new system prior to implementation. While the committee recognizes that this type of program could be undertaken on a voluntary basis between vessels and observer providers, it recommends the Council promote such efforts and relay that support to NMFS.

- 5. The OAC recommends that the Council request that NMFS request funding for start-up costs of the restructured program.
- 6. The OAC recommends that it convene to review the public review draft analysis prior to the Council's scheduled final action (currently October 2010).

[Motion passed 19/0]

The AP recommends the Council ask NMFS to assess what is feasible to address the existing problems within the current GOA observer program using the existing authority of the agency.

[Motion passed 17/2]

<u>Minority Report (C4 Observer Program):</u> The original main motion contained an additional recommendation that the analysis include an alternative that "levies a lower fee on fisheries already paying a management and enforcement fee."

A motion to remove this alternative from the main motion passed 11 to 7. The minority felt that the halibut/sablefish IFQ fleet is already paying a self-assessment fee (up to 3%) that covers management and enforcement and that an additional 2% fee to place observers on this fleet is disproportionate to the observer coverage needs of the Halibut IFQ fleet. Signed by Jeff Farvour, Julianne Curry, Tim Evers, Theresa Peterson, Bob Jacobson.

C-5 Central GOA Rockfish Program

The AP recommends the Council approve the following preferred alternatives, elements, and options defining the Central Gulf of Alaska Rockfish Program (**bold/underline** = new language, strikeout = deleted language):

Entry-Level Fishery Alternatives (EL)

- 1. No action (revert back to LLP management)
- 2. Trawl/fixed gear fisheries (the pilot program structure)
- 3. Fixed gear only fishery

[Motion passed 18-0]

Catcher Processor Alternatives (CP)

- 1. No action (revert back to LLP management)
- 2. Catcher processor cooperative only
- 3. Cooperative or limited access (the pilot program structure) [Motion passed 12-6]

Catcher Vessel Alternatives (CV)

- 1. No action (revert back to LLP management)
- 2. Harvester only cooperative
- 3. Harvester cooperatives with allocation of harvest shares to processors
- 4. Severable harvester/processor association no forfeiture [Motion passed 15-3]

The above alternatives are defined by the following elements and options.

1 ICA Set Aside

Prior to allocation of catch history to the sectors, NMFS shall set aside an Incidental Catch Allocation (ICA) of Pacific ocean perch (POP), northern rockfish, and pelagic shelf rockfish to meet the incidental catch needs of fisheries not included in the cooperative program. (EL - all)

2 Entry-level Set Aside (EL – all)

A percentage of CGOA POP, northern rockfish, and pelagic shelf rockfish for catcher vessels not eligible to participate in the program.

2.1 Trawl and fixed gear (non-trawl) entry level fisheries (EL 2)

The annual set aside will be 5 percent of each of these target rockfish species.

Set asides shall be apportioned at 50% for trawl gear and 50% for fixed gear. The trawl sector's allocation by weight (based on the aggregate TAC for Pacific ocean perch, northern rockfish, and pelagic shelf rockfish) shall first be Pacific ocean perch.

Unharvested allocations to either sector shall be available to both sectors at the end of the third quarter.

The entry level fishery will be managed as a limited entry fishery.

Start dates for the entry level fishery should be January 1, for fixed gear, and approximately May 1, for trawl gear.

2.1.2 Halibut PSC Limit Allowances

Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.

Trawl halibut PSC options

Option 1: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), the start date will be on the next release of halibut PSC.

Option 2: If sufficient halibut PSC is not available at the start of the trawl gear fishery (May 1), halibut usage will be deducted against the following quarter's halibut PSC allowance.

Vessels that can participate in the entry level fishery are those vessels that did not qualify for the CGOA rockfish cooperative program. Before the beginning of each fishing year an application must be filed with NMFS by the interested vessel that includes a statement from a processor confirming an available market.

Option: Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply).

2.2 Fixed gear (non-trawl) only entry level fishery (EL-3)

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The annual set aside will be
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5 mt <del>1 mt 10 mt of the POP TAC</del>
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5 mt 1 mt - 10 mt of the northern rockfish TAC

10 mt − 30 mt of the pelagic shelf rockfish TAC

[Motion passed 18-0]

If the entry-level fishery has retained harvests of 90% or more of their allocation of a species, the set-aside would increase the following year by the amount of the initial allocation

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5 mt 1 mt 10 mt POP
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5 mt 1 mt 10 mt Northern rockfish

10 mt - 30 20 mt pelagic shelf rockfish

[Motion passed 16-0]

This increase would be capped at a maximum of:

POP

a. 1%

b. 3%

c. 5%

Northern Rockfish

a. 2%

b. 3%

c. 5%

Pelagic Shelf Rockfish

a. 2.5%

b. 3%

c. 5%

[Motion passed 17-0]

The entry level fishery will be managed as a limited entry fishery.

Start date for the entry level fishery should be January 1.

Prosecution of the entry level fishery will be supported by general allowance of halibut PSC to the gear type and the general allocations of secondary species.

Any fixed gear vessel or gear type exempt from CGOA LLP requirements or any holder of a CGOA fixed gear LLP may enter a vessel in the entry level fishery.

Option: Entry level fixed gear sector targeting rockfish is exempt from VMS requirements (Pacific cod VMS requirements continue to apply). [Motion passed 17-0]

Program eligibility (CP – all and CV – all)

The eligibility for entry into the cooperative program is one targeted landing of POP, Northern rockfish or PSR caught in CGOA during the qualifying period using a CGOA trawl LLP license.

Option: In addition, the following participants would be eligible to enter the program:

those persons whose vessel had one targeted landing of POP, northern rockfish or PSR caught in CGOA during the qualifying period with interim trawl CGOA license that was later determined to be an invalid trawl CGOA endorsement, but who acquired a valid CGOA trawl license prior to December 31, 2003, which has been continuously assigned to the vessel with the target landing since acquired until the date of final Council action.

[Motion passed 18/0]

4 Qualified catch (CP – all and CV – all)

4.1 Basis for the allocation to the LLP license holder is the catch history of the vessel on which the LLP license is based, and shall be determined on a fishery-by-fishery basis. The underlying principle of this program is one history per license. In cases where the fishing privileges (i.e., moratorium qualification or LLP license) of an LLP qualifying vessel have been transferred, the allocation of harvest shares to the LLP shall be based on the aggregate catch histories of (1) the vessel on which LLP license was based, up to the date of transfer, and (2) the vessel owned or controlled by the LLP license holder and identified by the license holder as having been operated under the fishing privileges of the LLP qualifying vessel after the date of transfer. (Only one catch history per LLP license.)

Option: For licenses qualified based on catch of a vessel using an interim license, the basis for the allocation will be the catch history of such vessel, notwithstanding the invalidity of the interim Central Gulf trawl LLP endorsement under which the vessel operated during the qualifying period. History allocated under this provision shall be assigned to the LLP license.

[Motion passed 18-0]

- 4.2 Catch history will be the history during the following qualifying period (dates inclusive):
 - 1) 1996-2002 (drop two) [Motion passed 16/3]
 - 2) 1998-2006 (drop two or four)
 - 3) 2000-2006 (drop two)

Minority Report (Component 4.2): A motion to adopt #3 as the preferred option failed 6/12. The selection of status quo (1996-2002 drop 2) for this provision means that history generated 10-16 years prior to implementation will be used to determine allocations. The time clip of 2000-2006 drop 2 better reflects the interest of those currently participating in and dependent on this fishery. Significant public testimony supported the selection of the years immediate prior to implementation of the Rockfish Pilot Program because it does a better job of protecting those who are dependent on and currently prosecuting this fishery now and into the future. The undersigned support the selection of Option 3 (2000-2006 drop 2). Signed: Matthew Moir, Theresa Peterson, Timothy Evers

4.3 Qualified target species history is allocated based on retained catch (excluding meal) during the rockfish target fishery. Different years may be used (or dropped) for determining the history of each of the three rockfish species.

The CP catch history will be based on WPR data. CV catch history will be based on fish tickets.

Note: Only legal landings will be considered in determining catch history.

- 4.4 Entry level trawl qualification/allocations for the main program:
 - 1) Vessels / LLPs that do not qualify for Cooperative quota (CQ) for the CGOA rockfish cooperative program.
 - 2) The trawl LLP must have registered for the entry level fishery in 2007, 2008, and 2009.
 - Option: The trawl LLP must have registered for the entry level fishery in two of three years, 2007-2009.
 - 3) The trawl LLP must have made a landing of fish in the entry level fishery with trawl gear in 2007, 2008, or 2009.

[Motion passed 19/0]

Option: A vessel that qualifies for the entry level allocation under this section may elect to opt out of the rockfish program—this is a one-time selection. Opt out quota would be reallocated to the main quota pool.

[Motion passed 18/0]

- 4.5 The qualified entry level trawl LLP would receive an allocation of QS for the primary rockfish species equivalent to:
 - 1) Average of the lowest one quarter to one third of the qualified CV LLPs that actively fished in the RPP program in either 2007 or 2008.
 - 2) Actual catch history of the vessel/LLP in 2007 or 2008 or 2009 (information would be with held due to confidentially restrictions unless the vessel(s) agrees to have the data released to the public).
 - 3) Average of all qualified CV LLPs.

Option: The qualified entry level trawl LLP's, in aggregate, would receive an allocation of QS for the primary rockfish species of in an amount between 1.5% and 5% (the set aside for the entry level trawl fishery and full entry level fishery under the Rockfish Pilot Program), to be

determined by the Council. Within that allocation, each of the qualified entry level LLP's would receive:

- a) an allocation of QS for the primary rockfish species in proportion to the number of years they made a delivery to an entry level processor from 2007 to 2009 or
- b) an equal allocation.

[Motion passed 19/0]

[Motion to reconsider percentage (1.5%) passed 16/2] [A motion to change percentage to 2.5% failed 9/9]

Note: secondary allocations and halibut PSC allowances are calculated the same as the other qualified LLPs.

Allocations of QS for qualified entry level trawl LLPs would be established as a set aside, prior to allocations to the other CV sector licenses or CP sector.

Sector definitions (CP – all and CV – all)

Trawl catcher vessel – A trawl catcher-vessel that has a CV or CP LLP license, but does not process its catch on board.

Trawl catcher processor - A trawl catcher-processor is a trawl vessel that has a CP LLP license and that processes its catch on board.

6 Rationalized areas (CP – all and CV – all)

History is allocated for the CGOA only (NMFS statistical areas 620 and 630).

- **Sector allocations** (CP all and CV all)
- 7.1 Target rockfish species

Catch history is determined by the sector's qualified catch in pounds as a proportion of the total qualified catch in pounds.

Sector allocations of target rockfish species are based on individual qualified vessel histories applying any applicable drop year provision at the vessel level.

Full retention of the target rockfish species is required

7.2 Secondary species

Secondary species history is allocated based on retained catch of the species while targeting rockfish, over retained catch in all fisheries.

7.2.1 Except as provided below, history will be allocated to each sector for the following secondary species:

sablefish, shortraker rockfish, rougheye rockfish, thornyhead rockfish, and Pacific cod.

7.2.3 Except as otherwise provided below, secondary species allocations will be based on: The sector's average annual percentage of retained catch of the secondary species by the rockfish target fisheries during the qualifying period. For each qualifying year calculate the sector's retained catch of the species in the target rockfish fisheries divided by the retained catch of all CGOA fisheries. Sum these percentages and divided by the number of qualifying years. The calculated average annual percentage is multiplied by the

secondary species TAC for that fishery year and allocated to each sector in the cooperative program.

7.2.4 Exceptions:

Shortraker and rougheye

For shortraker and rougheye:

For the CP sector:

a shortraker allocation of the TAC will be:

Option 1a: 30.03 percent [Motion passed 11/6]

Option 1b: 50 percent

To be managed as a hard cap, and a rougheye allocation of 58.87% of the TAC, to be managed as a hard cap.

For the CV sector, shortraker and rougheye will be managed with a combined MRA of 2 percent. If harvest of shortraker by the CV sector reaches 9.72% of the shortraker TAC, then shortraker will go on PSC status for that sector.

Minority Report (Component 7.2.4): A motion to manage shortraker and rougheye for the CP sector under a combined 2% MRA failed 7/9. The minority notes that MRA management has proven successful under the existing program and shortraker harvest does not present a conservation concern. The hard cap selected (30.03%) represents less than half of the history of the CP sector prior to the rockfish pilot program. The existing CP cooperative, operating under a hard cap of 30.03%, has leased shortracker to augment the allocation. The cap could be constraining to future CP cooperatives. An MRA provides flexibility for the sector. Signed: Jan Jacobs, Craig Cross, Anne Vanderhoeven, Lori Swanson, Beth Stewart

Sablefish and Pacific cod

For the catcher processor sector, Pacific cod history will be managed by MRA of 4%.

Option 1: No directed fishing for secondary species Pacific cod and sablefish Option 2: Manage Pacific cod and sablefish under a modified MRA. [Motion passed 17/0]

Secondary species allocations may be fished independently of the primary species allocations.

Full retention of all allocated species is required.

Participants must retain all allocated secondary species and stop fishing when cap is reached.

Option 1: MRAs in the CP sector will be enforced on a trip-by-trip basis. Option 2: MRAs in the CP sector will be enforced on an instantaneous basis. [Motion passed 17/0]

7.3 Prohibited species (halibut mortality)

Option 1: Allowance to the rockfish cooperative program will be based on historical average usage, calculated by dividing the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, by the number of years.

Option 2: Allowance to the rockfish cooperative program will be based on the historical average usage, calculated as:

- 1) 50 percent of the total number of metric tons of halibut mortality in the CGOA rockfish target fisheries during the qualifying years, divided by the number of qualifying years plus
- 2) 50 percent of the total number of metric tons of halibut mortality in the first three years of the rockfish pilot program, divided by three (i.e., the number of years).

The halibut PSC allowance will be divided between sectors based on the relative amount of target rockfish species allocated to each sector (e.g., the sector's share of total qualified catch).

Option for supplementing the last seasonal halibut apportionment for trawl gear

10 percent, 25 percent, 50 percent, 75% or 100 percent of any allowance of halibut PSC that has not been utilized by November 15 or after the declaration to terminate fishing will be added to the last seasonal apportionment for trawl gear, during the current fishing year. The remaining portion of any allowance will remain unavailable for use.

[Motion passed 11/7]

A motion for 30% failed 6/12; a motion for 50% failed 7/11

Minority Report (Component 7.3): A seven member minority wanted a maximum rollover of 50% and a six member minority preferred a rollover of 30%. The rockfish program claims to reduce halibut bycatch and seafloor contact. The rockfish fishery has achieved these goals. However, if 100% rollover provision of unused halibut prohibited species was rolled over it would undermine the fundamental intent of MSA in reducing bycatch thus something less than a 100% rollover is required. The minority believes that the majority choice of 75% rollover is too high. Bottom trawl time and associated impacts to the habitat have significant impacts to the habitat around Kodiak Island in the fall. Fishing has increased in areas of abundance for Tanner crab and Chinook bycatch has increased in the fall. In order to provide some level of net benefit to the nation, a portion of halibut savings should truly be realized and left in the water. PSC allocations based on preprogram usage. A 30-50% reduction fulfills commitments to reduce bycatch/habitat impacts while achieving program goals. Signed: Theresa Peterson, Jeff Farvour, Becca Robbins Gisclair, Chuck McCallum, Tim Evers, John Crowley

8 Allocation from sector to vessel (CP – all and CV – all)

Within each sector, history will be assigned to LLP holders with CGOA endorsement that qualify for a sector under the 'sector allocations' above. The allocations will be to the current owner of the LLP of the vessel which earned the history.

Target Species

Each LLP holder will receive an allocation of catch history equivalent to the license's proportion of the total of the sector qualifying catch history.

Secondary Species

Each LLP holder will receive an allocation of allocated secondary species equal to the license's proportion of the sector's target rockfish catch history.

PSC (Halibut Mortality)

Each LLP holder will receive an allowance of halibut mortality equivalent to the license's proportion of the sector's target rockfish catch history.

Halibut PSC in the CP sector shall be divided between the co-op(s) and limited access fisheries according to the history of the participating vessels.

Allocations are revocable privileges

The allocations under this program:

- 1) may be revoked, limited, or modified at any time,
- shall not confer any right of compensation to the holder, if it is revoked, limited, or modified, and

3) shall not create or be construed to create any right, title, or interest in or to any fish before the fish is harvested by the holder.

Domestic processing

All fish harvested with an allocation from this program must undergo primary processing in the U.S.

Regionalization – Apply to catcher vessel sector only:

All CV CQ must be landed in the City of Kodiak at a shorebased processing facility.

Option: Entry-level fixed gear landings must be landed at a shorebased processing facility in the Kodiak Island Borough.

[Motion passed 17/0]

9 Catcher vessel/shore based processor provisions (CV – all)

9.1 Processor eligibility (CV-3)

An eligible processor is a processing facility that has purchased:

Option 1 – 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish harvest per year, for 4 years, from 1996 to 2000 (inclusive).

Option 2 - 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish per year, for 4 years, from 2000 to 2006 (inclusive).

Suboption: (entry level fishery processor): 250 MT of aggregate Pacific ocean perch, northern rockfish, and pelagic shelf rockfish for two years from 2007 to 2009 (inclusive).

Processor qualifying years

Each eligible shore based processor is allocated processor catch history based on individual processor histories of CGOA target rockfish for the years (inclusive) (Option: based on individual annual average processing history)

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Option 1 - 1996-2000 (drop 1 year)
Option 2 - 2000-2006 (drop 2 year)
Suboption 1: (entry level processors): 2007-2009 (drop 1 year)
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Suboption 2: (entry level processors) Eligible entry level processors will be allocated target rockfish, secondary species, and halibut PSC from the processor pool of harvest shares that are derived from those trawl LLPs that received allocations based on participation in the entry level trawl fishery into the main program.

9.2 Option A - Harvester only cooperative (CV-2)

Allocation of the primary rockfish and secondary species and halibut PSC allowance to the CV sector shall be to harvesters (i.e., 100/0).

A holder of catcher vessel harvest history must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations, except as permitted by general antitrust law.

Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

Co ops may engage in intercooperative transfers of annual allocations with other cooperatives.

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

9.3 Option B - Harvester cooperatives with processor allocation of harvest shares (CV 3)

Allocation of the primary rockfish and secondary species and halibut PSC allowances to the CV sector shall be apportioned between harvesters (CV only) and shore based processors:

Option 1: 90/10
Option 2: 80/20
Option 3: 70/30

Eligible processors will be allocated target rockfish and secondary species and halibut PSC allowances from the processor pool of harvest shares in proportion to its qualifying processing history. Annual allocations will be of the same species and subject to the same allocation and harvest rules governing catcher vessel allocations.

A holder of catcher vessel harvest history or processor histories must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

Co ops may engage in intercooperative transfers of annual allocations with other cooperatives.

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

9.4 Option C - Harvester cooperatives with severable processor associations and no forfeiture (CV-4)

Allocation of the primary rockfish and secondary species and halibut PSC allowance to the CV sector shall be to harvesters (i.e., 100/0).

A holder of catcher vessel harvest history must join a cooperative to coordinate the harvest of allocations. (Cooperatives are subject to general cooperative rules below.) Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations, except as permitted by general antitrust law.

<u>Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.</u>

<u>Co-ops may engage in intercooperative transfers of annual allocations with other cooperatives.</u>

Membership agreements will specify that processor affiliated cooperative members cannot participate in price setting negotiations except as permitted by general antitrust law.

[Motion passed 19/0]

Harvesters must join a cooperative to participate in the target rockfish fisheries.

The shorebased Kodiak processor must have a federal processor permit and an approved Catch Monitoring and Control Plan (CMCP).

10 Catcher processor cooperatives

More than one co-op may form within the sector.

Allocations may be transferred between co-ops of at least two LLPs.

Participants have a choice of participating in:

Option 1: a co-op or opt out of the rockfish program,

Option 2: a co-op, a limited access fishery, or opt of the rockfish program

Under the LLP/open access fishery option, the LLP's historical share will be fished in a competitive fishery open to rockfish qualified vessels who are not members of a cooperative. The secondary species would be managed under the following reduced MRAs, intended to maintain catch levels below the allocated amount: Pacific cod-4%, sablefish-3%, shortraker/rougheye-2%, and thornyhead-4%. All other species would be managed with MRAs at their current levels.

[Motion passed 17/0]

11 General cooperative provisions – apply to both sectors

Duration of cooperative agreements is 1 year.

The cooperative membership agreement (and an ancillary agreement with an associated processor, if applicable) will be filed with the RAM Division. The cooperative membership agreement must contain a fishing plan for the harvest of all cooperative fish.

Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative agreement.

Subject to any harvesting caps that may be adopted, allocated history may be transferred and consolidated within the cooperative.

The cooperative agreement must have a monitoring program. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target rockfish species, secondary species and PSC mortality allowance, as may be adjusted by intercooperative transfers.

A cooperative may adopt and enforce fishing practice codes of conduct as part of their membership agreement.

Cooperatives will **submit a written** report annually to the Council, as per AFA.

[Motion passed 18/0.]

Cooperatives will be required to notify RAM division which LLP holders are in a cooperative by March 1st of the fishing year.

12 Sector Transfer provisions

CP annual allocations may be transferred to CV cooperatives. CV annual allocations may not be transferred to CP cooperatives.

All transfers of annual allocations would be temporary, and history would revert to the original LLP at the beginning of the next year.

A person holding an LLP that is eligible for this program may transfer that LLP. That transfer will effectively transfer all history associated with the LLP and any privilege to participate in this program that might be derived from the LLP.

Permit post-delivery transfers of cooperative quota (annual allocations to cooperatives).

There would be no limits on the number or magnitude of post-delivery transfers. All post-delivery transfers must be completed by December 31st.

No cooperative vessel shall be permitted to begin a fishing trip, unless the cooperative holds unused cooperative quota.

Harvest shares held by processors will be divisible for transfer.

Harvest shares held by processors may be transferred to:

Option 1: Those processors, at the plant level, who where initially issued harvest shares Option 2: Those processors who have processed at least 100 metric tons to 250 metric tons of rockfish delivered by catcher vessels within any two-year period during the new program

Suboption 1: a shorebased processing facility in the City of Kodiak

Suboption 2: to a shoreside processing facility

Option 3: a holder of a Central GOA rockfish program eligible CV LLP

Note: More than one option can be chosen.

13 Cooperative Harvest Use Caps

CV cooperatives

No person may hold or use more than 3% to 5% of the CV QS (including any shares allocated to processors), using the individual and collective rule (Option) with grandfather provision).

Control of harvest shares by a CV cooperative shall be capped at 30% of aggregate POP, northern rockfish and PSR for the CV sector.

No CV may catch more than 4 - 10 % 8% 10% of the target CV allocation in the aggregate.

(Option: with grandfather provision applicable to LLP).

[Substitute motion passed 13/5]

No person may hold or use more than 20-25% of the QS initially allocated to processors, using the individual and collective rule (Option: with grandfather provision).

In the event a license history exceeds the applicable cap on initial allocation, this person holding that license will be grandfathered for the initial allocation. The initial holder may sever the portion of the history that exceeds the cap on transfer, provided that severed history is transferred to a qualified CV license holder, after which that history will attach to the license of the recipient. After the transfer the recipients must comply with all caps.

The grandfather clauses apply at the time of final action by Council.

[Motion passed 17/0]

CP cooperatives

No person may hold or use more than 20%, 30%, or 40% **50%** of the CP historical shares, using the individual and collective rule

(Option: with grandfather provision).

[Motion passed 12/6]

<u>Minority Report (Component 13)</u>: The minority believes that the vessel cap of 10% may result in consolidation resulting in loss of crew jobs and a loss of boats on the water. The minority recommended a vessel cap of 8%. Vessels caps that are set too high in catch share programs can be barriers to entry in these programs. Signed: Theresa Peterson, Becca Robbins Gisclair, Jeff Farvour, Chuck McCallum

Control of harvest share by a CP shall be capped at 60% of aggregate POP, northern rockfish and PSR for the CP sector.

Option: Eligible CPs will be grandfathered at the current level. [motion passed 18/0]

Shoreside Processor Use Caps

Shoreside processors shall be capped at the entity level.

No processor shall process more than 10%, 20%, 25%, 30% or 33% of aggregate POP, Northern Rockfish and PSR for the CV sector. [Motion passed 18/0]

No processor shall process more than 10%, 20%, 25%, 30%, or 33% of the sablefish allocated to the CV sector.

No processor shall receive more than 25% of Pacific cod allocated in the CV sector. [Motion passed 18/0]

Option: Eligible processors will be grandfathered for the processing cap based on the CQ allocated to the processor affiliated cooperatives during the pilot program total processed eatch during the qualifying years.

[Motion passed 18/0]

Note: The Council requested staff to examine methods of adjusting the cap and grandfather amounts, in the event that a grandfathered processor is not available for processing, and the cap creates a potential barrier to complete harvest of the fishery.

(The average annual received catch over the qualifying years used to allocate CV QS will be used as a base (or index) for applying the aggregate caps.)

14 Harvesting provisions

The cooperative season start data is May 1, and closing date is November 15. Any limited access fishery will open in early July, as under the previous License Limitation Program management. [Motion passed 18/0]

All non-allocated species will be managed by MRA, as in the current regime. This includes arrowtooth flounder, deep water flatfish, shallow water flatfish, flathead sole, rex sole, pollock, 'other species', Atka mackerel, and 'other rockfish". Basis species for purposes of determining MRAs will be:

All allocated species

Secondary species allocations may be fished independently of the primary species allocations.

Option: No directed fishing for secondary species Pacific cod and sablefish.

MOVED TO 7.2.4

Full retention of all allocated species is required.

15 Program review

A formal detailed review of the program shall be undertaken 5 years after implementation. The review shall assess:

- 1) the progress of the program in achieving the goals identified in the purpose and need statement and the MSA, and
- 2) whether management, data collection and analysis, and enforcement needs are adequately met. Additional reviews will be conducted every 7 years, thereafter, coinciding with the fishery management plan policy review.

16 Duration

Share Duration

The duration of all CGOA rockfish LAPP program permits are 10 years. These permits shall be renewed before their expiration, unless the permit has been revoked, limited, or modified.

Option: Program Duration

Absent Council review and recommendation to extend, the CGOA rockfish LAPP program expires 10 years after implementation.

[Motion passed 14/3]

A substitute motion for program expiration after 15 years, failed 3/14.

<u>Minority Report (Component 16)</u>: A minority believes that a hard sunset for the entire rockfish program is important. Both ten and fifteen year sunsets were supported by the minority. The first line of the problem statement is "The intent of this action is to retain the conservation, management, safety, and economic gains to the extent practicable..." and it is notable that the program has achieved the benefits of a rationalized fishery without giving away the 'property rights' in the fishery.

The rockfish program began as a two year pilot program which was extended through an act of congress. In complying with the reauthorized MSA it has undergone fundamental changes such as no processor association. This program is a part of a piece meal attempt to rationalize fisheries in the Gulf of Alaska in allocating a small rockfish fishery along with valuable secondary species. We have no idea what things will look like ten years down the line; especially with the number of council agenda items addressing bycatch issues with crab, salmon, and halibut on the horizon. A program duration will create incentives to keep the program working so Council may choose to continue the program and the fleet will not have the expectation that the program will exist in perpetuity.

All that is required for a limited access program to deliver the benefits of a rationalized program is that there be a meaningful quantifiable limit or a set quota on the amount of the fishery resource that can be harvested. The public has zero incentive to design programs in such a way as to maximize the bottom line asset value of the resource quota. Quite the opposite in fact because the greater the value of the quota the greater the negative impact on communities through the higher barriers to entry into the fishery. Limited program duration can serve to achieve the benefits of rationalization while delivering adequate business stability and trying to keep the barriers to new entrants lower than would otherwise be the case. Signed: Theresa Peterson, Becca Robbins Gisclair, Chuck McCallum

17 Cost recovery

A fee, not to exceed 3% of ex vessel value, will be charged on all program landings to cover the costs of administration of the program.

18 Sideboards

18.1 Catcher vessel options

West Yakutat and Western Gulf Primary Rockfish Species

Option 1: For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher vessel sector would be limited, in aggregate, in the month of July to the historic average catch of those vessels based on the retained catch as a percentage of the retained catch in the fishery in the month of July during the qualification years. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and Western Gulf rockfish.

Option 2: For catcher vessels, prohibit directed fishing for WYAK and WGOA primary rockfish species in the month of July.

Suboption: Exempt a vessel that participated in the WYAK rockfish fishery for 2006-2008 and participated in the entry level pilot fishery at least one year. These vessels will be sideboarded at their catch history for 2006-2008.

[Motion passed 11/0/5 (abstentions)]

Halibut PSC

Option 1: For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher vessel sector would be limited, in the aggregate, in the month of July to the historical average halibut mortality taken by those vessels in the target flatfish fisheries in the month of July, by deep and shallow complex target fisheries, as a Gulf wide cap.

Option 2: For the month of July, limit all CVs to the shallow water complex fisheries (except for rockfish target fisheries in CGOA, WYAK and WGOA).

[Motion passed 17/0]

IFQ halibut and sablefish are exempt from sideboard provisions

Bering Sea and Aleutian Island Sideboard Provisions

Yellowfin sole, other flatfish, and Pacific ocean perch fisheries

Option 1: The qualifying vessels in the trawl catcher vessel sector may not participate in the directed yellowfin sole, other flatfish (flathead, etc.) or Pacific ocean perch fisheries in the BSAI in the month of July.

Option 2: The qualifying vessels in the trawl catcher vessel sector may participate in the limited access yellowfin sole, other flatfish, or Pacific ocean perch fisheries in the BSAI in the month of July.

[Motion passed 17/0]

Pacific cod fishery

Option 1: Qualifying vessels in the trawl catcher vessel sector may fish in the BSAI Pacific cod fishery in the month of July and would be limited, in aggregate, to the historical average catch of those vessels in the BSAI Pacific cod fishery, based on the retained catch as a percentage of retained catch in the catcher vessel trawl fishery in July, during the qualifying years.

Option 2: The qualifying vessels in the trawl CV sector may participate in the BSAI Pacific cod fishery in the month of July, without any sideboard limit. [Motion passed 17/0]

AFA non-GOA exempt CVs qualified under this program are subject to the restraints of AFA sideboards and their co-op agreements, and not subject to additional sideboards under this program.

18.2 Catcher processor options

Non-Amendment 80 catcher processors will be prohibited from WYAK and WGOA rockfish species fisheries for the month of July.

IFQ halibut and sablefish are exempt from sideboard provisions.

No sideboard limits apply to West Yakutat and Western GOA primary rockfish species complexes except as outlined below (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

No July GOA halibut sideboard limit (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Catcher-processor coop sideboards

Members of a cooperative will be limited to the aggregate rockfish history of the cooperative during the qualifying years in West Yakutat & Western GOA.

Limited access sideboards

The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). Vessels that account for greater than or equal to 5% of the allocated CP history in the Pacific Ocean Perch fishery that participate in the limited access rockfish fishery are subject to a stand down in West Yakutat & Western GOA until 90% of the limited access POP quota is achieved.

Opt-out sideboards

CP vessels may decide to opt out of the CGOA rockfish program on an annual basis. These CP vessels may not target POP, northern rockfish or pelagic shelf rockfish in the CGOA, in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries.

The history of CP vessels which opt out will remain with the sector.

Opting out is an annual decision. CP vessels which do not join cooperatives will be assigned opt out status. The decision to opt out should not, in any way alter the status of their catch history for future rationalization programs.

CPs that opt out of the rockfish program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering WYAK & WGOA rockfish fisheries or shallow or deep-water flatfish complexes in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least of two of the years from the qualifying period through 2009. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WYAK). Week ending dates will be used as contained in the analysis.

Amendment to add "and Western GOA" passed 14/4.

[Amended motion passed 18/0]

OLD 18.2 TEXT IS BELOW:

West Yakutat and Western Gulf Primary Rockfish Species

Option 1: For fisheries that close on TAC in the Gulf, the qualified vessels in the trawl catcher processor sector would be limited, in aggregate, in the month of July, to the historical average

eatch of those vessels, based on the retained catch as a percentage of the retained catch in the fishery in the month of July, during the qualification years. Fisheries that this sideboard provision would apply to are the West Yakutat and Western Gulf primary rockfish species fisheries.

Option 2: For catcher processors, no sideboard limits will apply to the West Yakutat and Western Gulf primary rockfish species fisheries (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Non-Amendment 80 catcher processors will be prohibited from West Yakutat and Western Gulf rockfish species fisheries for the month of July.

Halibut PSC

Option 1: For flatfish fisheries in the GOA that close because of halibut PSC, the qualified vessels in the trawl catcher processor sector would be limited, in the aggregate, in the month of July, to the historical average halibut mortality taken by those vessels in the target groundfish fisheries in the month of July, by deep water and shallow water complex targets, as a Gulf wide cap.

Option 2: For catcher processors, no July GOA halibut sideboard limit (rockfish eligible catcher processors that are also Amendment 80 participants would continue to be limited by Amendment 80 sideboards).

Suboption: Limit all CPs to the deep water complex fisheries in the CGOA for the month of July.

Note: IFQ halibut and sablefish are exempt from sideboard provisions

Standdown for vessels that opt out of the rockfish fisheries

Option 1: CP vessels may decide to opt out of the CGOA cooperative program on an annual basis. These CP vessels may not target POP, northern rockfish or pelagic shelf rockfish in the CGOA, in the years they choose to opt out. They may retain these species up to the MRA amount in other fisheries. They will be sideboarded at the sector level in the GOA, as described in the general provisions.

The history of CP vessels which opt out will remain with the sector.

CPs that opt out of the rockfish cooperative program will be prohibited, for two weeks following the start of the traditional July rockfish fishery, from entering other GOA fisheries in which they have not previously participated. Participation shall be defined as having been in the target fishery during the first week of July in at least two of the qualifying years. For purposes of qualifying under this provision, history from area 650 (SEO) will be considered the same as history from area 640 (WY). The following week ending dates will be used for determining participation in a target fishery:

1996 — July 6 1997 — July 5 1998 — July 4 1999 — July 10 2000 — July 15 2001 — July 7 2002 — July 6 2003 — July 5 2004 — July 10 2005 — July 9 Opting out is an annual decision. CP vessels which do not join cooperatives will be assigned opt out status. The decision to opt out should not, in any way, alter the status of their catch history for future rationalization programs.

Option 2: No standdown for vessels that opt out of the rockfish fishery.

Standdown for vessels that join cooperatives

Option 1: For the CP sector, the cooperative program fishery participants must either:

1) start fishing in the target rockfish fisheries at the same time as the opening of the CGOA rockfish limited access fisheries (in July) and harvest 90% of their CGOA rockfish allocation prior to entering any other GOA non-pollock groundfish fishery, or 2) standdown for two weeks from the opening of the CGOA rockfish limited access fishery, prior to participating in any other GOA non-pollock groundfish fishery.

A vessel which has met either standdown requirement can then move into the GOA open access fisheries, subject to the sector level limitations in the GOA in the general sideboard provisions.

To the extent permitted by the motion, history may be leased between vessels. Each member of a cooperative that transfers its history to another CP or CV must still refrain from operating in any other GOA groundfish fishery, until the earlier of:

1) 90% of all of the CGOA rockfish allocation on the stacked vessel is harvested in the CGOA, provided fishing of the allocation began on or after the opening of the limited access fishery;

2) two weeks from the opening of the limited access fishery, prior to participating in any other GOA groundfish fishery.

Members of a cooperative will be subject to all limitations and restrictions described in the general sideboard provisions and CP specific sideboard provisions, except that cooperative members shall not be subject to any standdown in the GOA groundfish fisheries, if all vessels in the co-op maintain adequate monitoring plans during all fishing for CGOA rockfish sideboard fisheries.

In addition to the other limitations and restrictions described above, each cooperative will be limited in the aggregate:

1) for fisheries that close on TAC in the GOA in the month of July, to the historical average total catch of the cooperative members in the month of July during the qualification years 1996 to 2002. Fisheries that this sideboard provision would apply to include West Yakutat rockfish and WGOA rockfish, and

2) for flatfish fisheries in the GOA that close because of halibut PSC in the month of July, to the historical average halibut PSC mortality taken by cooperative members in the target flatfish fisheries in the month of July, by deep water and shallow water complex fisheries.

Option 2: No standdown (or alternative cooperative limit) for vessels that join cooperatives in the rockfish fishery.

Standdown for vessels that join the limited access fishery

Option 1: The limited access fishery starts at the same time as the traditional rockfish target fishery (early July). For vessels that account for less than 5% of the allocated CP history in the Pacific Ocean perch fishery that participate in the limited access rockfish fishery, there are no additional intra sector sideboards. For vessels that account for greater than or equal to 5 percent of the allocated CP history in the Pacific ocean perch fishery that participate in the limited access

rockfish fishery and GOA standdowns are in place until 90% of the limited access Pacific Ocean perch quota is achieved.

Option 2: No standdown for any vessels that join the limited access rockfish fishery.

19 Observer Coverage

Shoreside observer coverage

Shoreside processor observer coverage requirements for all rockfish program deliveries will be:

Option 1: An observer will be on duty whenever program delivers are made. No observer will be allowed to work more than 12 hours per day.

Option 2: Same observer coverage requirement for shoreside processors as in other groundfish fisheries.

Option 3: Employ a CMCP Monitor to oversee deliveries

[Motion passed 18/0]

Catcher vessel observer coverage

Fishing days and observer coverage under the rockfish program will be separate from and not count towards meeting a vessel's overall groundfish observer coverage requirement.

Final motion as amended passed 15/3.

C-6(a) GRS Program

The AP passed the following motion 16 to 0, with 1 abstention.

NMFS has identified two issues with the current GRS program. First, implementation of the GRS calculation does not correlate with historic groundfish retention rates in front of the Council at the time of Am 79 final action, and requires groundfish retention well beyond those considered by the Council. The current GRS calculation schedule may impose economic hardships to the Am 80 fleet well beyond those considered in the Am 79 analysis. Second, NMFS enforcement has significant concerns with the cost of enforcing a GRS violation, which may hinder their ability to enforce the current GRS program. For these reasons, the AP recommends that the Council reconsider Am 79.

Because the ability for a vessel to comply with the GRS may influence annual co-op formation negotiations, these negotiations must be considered in a timely manner to meet the November 1 annual Am 80 co-op formation deadline, and the AP recognizes that co-ops increase the Am 80 sector's ability to increase groundfish retention, the AP recommends the following actions:

- 1. Temporary suspension of GRS regulations through emergency rule at this meeting.
- 2. Additionally, the AP recommends initiation of an FMP amendment to come back to the Council in October and explores revising the current GRS program by considering the following alternative approaches:
 - Revise the current GRS schedule to correlate groundfish retention considered in the Am 79 analysis to groundfish retention calculated with the current GRS enforcement methodology.
 - Allow the Am 80 sector to engage in internal monitoring and administration of a groundfish retention program to meet Council retention goals described in Am 79. At the October 2010 Council meeting, the Am 80 sector should provide the Council with a unanimous detailed civil contract that would hold each individual entity or cooperative accountable to meet these retention goals.

C-6(b) Am 80 Lost Vessel Replacement

The AP recommends that the Council approve the following elements and options for final action on Amendment 80 vessel replacement:

Alternative 3: The owner of an Amendment 80 vessel may replace that vessel with another vessel for any purpose. Only one replacement vessel may be used at any given time (one-for-one replacement).

- Option 1: Vessel size restrictions
 - (e) No length restriction on replacement vessels (the MLOA requirements on LLP licenses assigned to an Amendment 80 vessel would not apply).
- Option 2: GOA flatfish sideboard restrictions. A replacement vessel that replaces an original qualifying Amendment 80 vessel that is allowed to directed flatfish in the GOA
 - (b) would be allowed to directed fish for flatfish.
- Option 3: Golden Fleece sideboard restrictions. A replacement vessel that replaces the Golden Fleece:
 - (c) If the replacement vessel for the *Golden Fleece* is greater than the MLOA of the license that was originally assigned to *the Golden Fleece*, then that replacement vessel will be subject to all sideboards that apply to other Amendment 80 vessels, with the catch and PSC use of the *Golden Fleece* added to the existing GOA sideboards. If the *Golden Fleece* replacement vessel is less than or equal to the MLOA of the license that was originally assigned to the *Golden Fleece*, then the *Golden Fleece* sideboards would apply.
- Option 4: Assigning QS to <u>from</u> lost vessels. Allow the owner of an Amendment 80 vessel to choose to assign a QS permit from an original qualifying Amendment 80 vessel to the replacement vessel or to the LLP license derived from the originally qualifying vessel.
 - (a) A replacement vessel cannot enter an Amendment 80 fishery without QS being assigned to that vessel or the associated permit.
 - (b) Persons holding a QS permit associated with a vessel that is permanently ineligible to re-enter US fisheries is eligible to replace the vessel associated with its OS permit.
- Option 5: Any vessel replaced under this program would be <u>prohibited from directed fishing in the non-rationalized fisheries in the Bering Sea/Aleutian Islands and the Gulf of Alaska</u>. ineligible to be designated on an FFP or an LLP

Suboption: <u>Vessels must be classed and loadlined or meet the requirements of ACSA</u> to be used to replace other Amendment 80 vessels

Replaced vessels may be used to replace other Amendment 80 vessels.

The AP recommends any Amendment 80 replacement vessel that is greater than 165 feet in registered length, of more than 750 gross registered tons, or that has an engine or engines capable of producing a total of more than 3,000 shaft horsepower be authorized for use in the EEZ under the jurisdiction of the North Pacific Fishery Management Council. This recommendation is intended to clarify that any Amendment 80 replacement vessel is eligible to receive a certificate of documentation consistent with 46 U.S.C. 12102(c) and MARAD regulations at 46 C.F.R. 356.47.

• Requirement under all alternatives: Monitoring and enforcement, permitting, recordkeeping and reporting, prohibitions, and general GOA sideboard measures that apply to original Amendment 80 vessels would continue to apply to all replacement vessels.

[Motion passed 17/1]

D-1(a) GOA B season sideboards for BSAI crab vessels

The AP recommends the Council move the analysis forward for public review following revisions suggested by Council staff during their report.

[Motion passed 17-0]

D-1(b) Adjust MRAs in BSAI Arrowtooth fishery

The AP recommends the Council move the analysis forward for public review with minor revisions to the problem statement and an additional Alternative 4 noted below.

When the MRAs for the directed BSAI arrowtooth flounder fishery were set in regulations in 1994, the Council chose to set incidental catch allowance at zero for a wide group of species, to prevent vessels from using arrowtooth flounder as a basis species for retention, since there was no market for arrowtooth flounder. Arrowtooth flounder is now a viable target fishery, and efforts to improve retention of many groundfish species utilized by the trawl sectors are constrained by MRAs in the directed BSAI arrowtooth flounder fishery. MRAs are a widely used groundfish management tool to reduce targeting on a species and slow harvest rates, as an allocation approach. However, sometimes species managed with MRAs must be discarded, even though economic incentives exist to retain that species. Thus, the MRA forces regulatory discards of some species that might otherwise be retained, without undermining the intent of the MRA as a tool to reduce overall harvest rates. In addition, the regulatory discard of these species could also potential hamper Amendment 80 vessels trying to meet the increasingly challenging groundfish retention standard. Currently, the GRS is 80 percent, but in 2011, the GRS will increase to 85 percent.

This regulatory amendment would evaluate raising the MRAs for most species in the directed GOA BSAI arrowtooth flounder fishery, to provide increased opportunity for retention of species harvested by the trawl sectors, reduce overall discards in this sector, and help improved the ability of the Amendment 80 fleet in meeting the expected 85 percent GRS that will be implemented in 2011, while not subjecting incidentally caught eatch species to increased allocation concerns.

Alternative 1: Status Quo

Alternative 2: Set the MRAs for arrowtooth fishery at the current Pacific cod levels Alternative 3: Set the MRAs for arrowtooth at the current flathead sole levels

Attendance 5. Set the MAX's for allowoods at the current flathead sole levels

Alternative 4: Set the MRAs for arrowtooth at the average bycatch rates (shown in Table 3-13)

[Motion passed 18-0]

D-2(a) Review preliminary discussion paper on GOA Halibut PSC Limits

The AP recommends the Council request an expanded discussion paper be presented at October 2010 and requests this as a priority. [Motion passed 17/0]

D-2(b) Receive briefing on Alaska MPAs and fishery overlap

The AP received an update on this item, including the status of a CIE review. No action was taken.

D-2(e) AFA preliminary report removal

The AP recommends the Council take final action to select Alternative 2 which would remove the requirement of a preliminary report for AFA Cooperatives and change the deadline for final reports to April 1. [Motion passed 17/0]