C-7 Gulf of Alaska Trawl Bycatch Management
Final Council motion 10/12/14

The Council initiates analysis of the following alternatives and options for Gulf of Alaska trawl bycatch management, with the existing objectives and purpose and need statement.

ALTERNATIVE 1. No action. Existing management of the Central and Western Gulf of Alaska trawl fisheries under the License Limitation Program.

ALTERNATIVE 2. Gulf of Alaska Trawl Bycatch Management Program for the Western Gulf, Central Gulf and West Yakutat areas. The following elements apply to the program:

1. Observer Coverage and Monitoring

All trawl vessels in the GOA will be in the 100% observer coverage category, whether they participate in the voluntary cooperative structure or the limited access fishery with trawl gear. NMFS will develop monitoring and enforcement provisions necessary to track quota, harvests, and use caps for catcher vessels and catcher processors, including those necessary for gear conversion. Full retention of allocated target species is required.

2. Sector eligibility

Inshore sector: Shoreside processors with an eligible FPP and harvesters with an eligible FFP and LLP endorsed for GOA trawl. Allocations are based on trawl landings during the qualifying years with a CV trawl LLP or a CP trawl LLP that did not process catch onboard. Any CP LLP not used to process catch offshore during the qualifying years will be converted to a CV LLP at the time of implementation.

Offshore sector: Am 80 vessels defined in Table 31 CFR Part 679 and their replacement vessels, and their current GOA trawl LLP. Allocations are based on trawl landings during the qualifying years with a CP trawl LLP that processed catch onboard.

3. Allocated species (more than one option can be selected)

Target species:

Option 1. Pollock (610/620/630/640) and Pacific cod (WG/CG)

Option 2. WGOA rockfish (northern, dusky, and Pacific ocean perch) and WY rockfish (dusky and Pacific ocean perch)

Secondary species:

Option 1. Sablefish (WG, CG, WY). Allocations of CG sablefish under the CG Rockfish Program are maintained.

Option 2. Thornyhead rockfish, shortraker rockfish, rougheye/blackspotted rockfish, other rockfish (WG, CG). Allocations of CG rockfish under the CG Rockfish Program are maintained.

Suboption: Big skates and longnose skates

Option 3. (*Mutually exclusive with Options 1 and 2*) Cooperative measures are required to manage secondary species under maximum retainable amounts (MRAs), as opposed to cooperative allocations.

PSC species: Halibut and Chinook salmon

4. Sector allocations of target and secondary species

Allocations to the trawl CV sector for WG and CG Pacific cod (Am 83), CGOA rockfish program (Am 88), and GOA pollock (Am 23) are maintained. Allocations to the trawl CP sector for the CGOA rockfish program are maintained. GOA flatfish eligibility for the trawl CP sector under Am 80 is maintained.

Pollock and Pacific cod:

Pollock and Pacific cod TACs would be allocated to the inshore sector; the offshore sector would receive an incidental catch allowance (ICA) for Pacific cod and pollock and be managed under maximum retainable amounts.

Option 1. Revise the GOA-wide pollock apportionments to 30% (A); 30% (B); 20% (C); 20% (D)

Option 2. Modify the pollock fishery to two seasons: Jan 20 to June 10 and June 10 to Nov 1. (If selected with Option 1, the seasonal split would be 60%/40%).

None of the options change the distribution of GOA pollock among Areas 610, 620, or 630 as established through the specifications process.

Other target species and secondary species: Sector allocations would be based on each sector's retained catch from:

Option 1. 2008 – 2012
Option 2. 2007 – 2012
Option 3. 2003 – 2012

In addition to the options based on catch history above, options for establishing WG and WY rockfish sector allocations include:

Option 1. Allocate based on Am 80 sideboards
Option 2. Allocate to the CP sector only. The CV sector is prohibited from directed fishing and managed under MRAs.
Option 3. Establish a CV sector allocation of WG rockfish of 2% - 5%. Any unharvested rockfish (by a specified date) is reallocated to the CP cooperatives.

5. Sector allocations of PSC

Chinook salmon:

The Chinook salmon PSC limit allocated pro rata based on pollock trawl landings is a CV allocation only of:

Option 1. 25,000 (status quo based on Am 93)
Option 2. 18,750 (25% reduction)

Chinook salmon PSC allocated pro rata based on trawl CV and CP non-pollock landings (excluding CG rockfish program for the CV sector) are based on GOA Amendment 97. Any Chinook salmon PSC caught in WY comes off the cooperative's Chinook salmon PSC limit.

Halibut:

The halibut PSC limit allocated pro rata based on CV and CP trawl landings (excluding the CG rockfish program) is:

Option 1. 1,515 (status quo under Am 95 by 2016, with full 15% reduction in place)
Option 2. 1,364 (additional 10% reduction relative to 2016, phased in over a two-year period)
Option 3. 1,288 (additional 15% reduction relative to 2016, phased in over a three-year period)

Halibut PSC apportionment between the CP and CV sectors will be based on halibut PSC use during:

Option 1. 2008 - 2012
Option 2. 2007 - 2012
Option 3. 2003 - 2012

Rockfish Program PSC:
Any Rockfish Program PSC that would roll over for use in other fisheries under the current rules (after the set aside for halibut savings) can be transferred to the Gulf program cooperatives through inter-cooperative transfer.

Gear modification. Option: gear modifications for crab protection.

6. Voluntary inshore cooperative structure

a. Annually allocate species to the cooperative, based on aggregate retained catch histories associated with member vessels' LLPs during the qualifying years:

Option 1. 2008 – 2012
Option 2. 2007 – 2012
Option 3. 2003 - 2012

b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, pollock Chinook salmon PSC cap divided by area and then based on pollock landings; non-pollock Chinook salmon cap divided by area and then based on non-pollock landings (excluding CG rockfish); halibut PSC apportioned by area and then in proportion to target landings associated with cooperative members' LLPs.] Once in the cooperative, PSC can be used to support any target fisheries within the cooperative at any time (no seasonal PSC apportionments).

Option: Each processor controls a portion of the annual PSC within a cooperative [options: 10% - 40%]. Each processor would assign the incremental PSC to vessels in the cooperative under the terms of the cooperative agreement. PSC made available by these agreements cannot be used by vessels owned by the processor (a vessel with more than 10% ownership by a processor using individual and collective rules for determining ownership).

c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. Harvesters would need to be in a cooperative with a processor by November 1 of the previous season to access a transferable allocation.

d. Initial (2 years) cooperative formation (suboption: in the first two years of each harvester's participation in a cooperative) would be based on the majority of each license's historical landings (aggregate trawl groundfish deliveries, excluding Central GOA rockfish harvested under a rockfish cooperative quota allocation) to a processor during:

Option 1. The qualifying years for determining target species allocations
Option 2. 2011 – 2012, or the two most recent qualifying years they fished

If a license has qualifying landings in both regions (WG and CG/WY), initial cooperative formation would be based on the majority of the license's historical landings to a processor in each region (the license holder would join a cooperative in each region). After the initial cooperative formation period, a license holder can choose to be in one cooperative per region on an annual basis.

e. Each cooperative would be required to have an annual cooperative contract filed with NMFS. Formation of the cooperative would require a cooperative contract signed by (options: 33%, 51%, or 80%) of the license holders eligible for the cooperative and the processor (option: and community in which the processor is located). If a license does not have any qualifying landings, it could still join a cooperative but the license holder does not count toward the cooperative formation threshold. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

   Option: A processor may be in more than one cooperative.

f. The annual cooperative contract must include:
   - Bylaws and rules for the operation of the cooperative
   - Annual fishing plan
   - Operational plan for monitoring and minimizing PSC, with vessel-level accountability, as part of the annual fishing plan
   - Clear provisions for how a harvester and processor may dissolve their contract after the cooling off period of two years. If a harvester wants to leave that cooperative and join another cooperative or the limited access sector, they could do so if they meet the requirements of the contract.
   - Specification that processor affiliated harvesters cannot participate in price-setting negotiations except as permitted by general anti-trust law.

g. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species and PSC allowances, as may be adjusted by annual inter-cooperative transfers.

h. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

i. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

7. Voluntary catcher processor cooperative structure

a. Annually allocate species to the cooperative. For an eligible CP, the CP history of the vessel in the qualifying years will be assigned to the LLP on the vessel at the time of implementation of the program. Qualifying years:

   Option 1. 2008 – 2012
   Option 2. 2007 – 2012
   Option 3. 2003 – 2012

b. Apportion halibut PSC and Chinook salmon PSC limits to each cooperative on a pro rata basis relative to target fisheries of vessels in the cooperative [such as, non-pollock Chinook salmon cap divided by area and then based on non-pollock landings (excluding CG rockfish); halibut PSC apportioned by area and then in proportion to target groundfish landings associated with cooperative members' LLPs.] Once in the cooperative, PSC can be used to support any target fisheries within the cooperative at any time (no seasonal PSC apportionments).

c. Participants can choose to either join a cooperative or operate in a limited access fishery [sector-level, non-transferable target allocations and PSC]. No later than November 1 of each year, an application must be filed with NMFS by the cooperative with a membership list for the year. In order to operate as a cooperative, membership must be comprised of:

   Option 1: at least 2 separate entities (using the 10% individual and collective rule) and/or
   Option 2: at least [2 – 4] eligible LLP licenses. An LLP must have associated catch history to count toward the threshold.

d. Cooperative members shall internally allocate and manage the cooperative's allocation per the cooperative contract. Cooperatives are intended only to conduct and coordinate harvest activities of the members and are not FCMA cooperatives.

e. The contract would require signatures of all LLP holders in the cooperative. The annual cooperative contract must include:
   - Bylaws and rules for the operation of the cooperative
   - Annual fishing plan
   - Operational plan for monitoring and minimizing PSC, with vessel level accountability, as part of the annual fishing plan

f. Cooperative members are jointly and severally responsible for cooperative vessels harvesting in the aggregate no more than their cooperative's allocation of target species, secondary species, and PSC, as may be adjusted by annual inter-cooperative transfers.

g. Cooperatives will submit a written report annually to the Council and NMFS. Specific criteria for reporting shall be developed by the Council and specified by NMFS as part of the program implementing regulations.

h. Permit post-delivery transfers of annual allocations among cooperatives. All post-delivery transfers must be completed by December 31.

i. No person may hold or use more than the following percentage of allocated target species CP cooperative quota in each region, using the individual and collective rule:
   Option 1. 30%
   Option 2. 40%

8. Fishery dependent community stability (applies to inshore cooperatives)

<u>Consolidation limits</u>

Option 1. Harvest use (ownership) caps in each region (WG and CG/WY). Harvesters that exceed these percentages are grandfathered into the program. No person may hold or use more than the following percentage of individual target species CV cooperative quota, using the individual and collective rule:

Suboption 1. 3%
Suboption 2. 5%
Suboption 3. 7%

Option 2. Vessel use caps are also applicable within the cooperatives. A vessel may not be used to harvest more than the following percentages of individual target species cooperative quota issued to the CV sector:

Suboption 1. 3%
Suboption 2. 10%
Suboption 3. 15%

Option 3. Processor use caps (facility-based) in each region (WG and CG/WY). Processors that exceed these percentages during the qualifying years are grandfathered into the program. No processor shall receive or process more than the following percentage of individual target species issued to the CV sector:

Suboption 1. 10%
Suboption 2. 20%
Suboption 3. 30%

Regionalization of target species quota

Target species cooperative quota would be required to be landed in the region in which it is designated (WG or CG/WY designation) based on historical delivery patterns during the following years:

Option 1. The qualifying years for determining target species allocations
Option 2. 2011 - 2012
Option 3. Target species CG quota that has historically been landed in Kodiak would have a port of landing requirement to be delivered to Kodiak; CG quota not historically landed in Kodiak would be regionalized (WG or WY/CG).

Active participation criteria

To be eligible to purchase a GOA trawl CV license or catch history severed from a license, a person must be eligible to document a fishing vessel in the U.S. (status quo) and must:

Option 1. Hold at least (options: 20% - 30%) ownership of a trawl vessel; or provide documentation of participation as a captain or crew in the GOA trawl groundfish fishery for 150 days (verified by a signature on a fish ticket or crew members' affidavit) for at least (options: 1, 2, or 4) fishing trips in the GOA groundfish trawl fishery in the most recent two years previous to purchase.
Option 2. Communities do not need to meet the criteria under Option 1.

Suboption (applies to Option 1 or 2):

To retain catch history, a person must be eligible to purchase catch history.

9. Transferability

a. (Annually) Full transferability of cooperative quota, including PSC separately, for annual use within the cooperative. Cooperatives can engage in inter-cooperative transfers of annual allocations to other cooperatives on an annual basis. CP annual cooperative allocations may be transferred to inshore cooperatives; inshore annual cooperative allocations cannot be transferred to CP cooperatives. Inter-cooperative transfers must be processed and approved by NMFS.

b. (Long-term) The LLP is transferable, with the associated history of the target species (which, when entered into a cooperative, brings with it a pro rata share of PSC.)

Allocated species history is severable from a CV trawl license and transferable to another eligible CV trawl license (which, when entered into a cooperative, target species history brings with it a pro rata share of PSC). Transferred history retains the regional delivery designation. PSC cannot be permanently transferred separately from the license.

Option: (Cooling off provision) License transfers (sale) and the severability provisions are prohibited for CV licenses in the first two years of the program.

10. Gear conversion

Pacific cod allocations associated with a trawl CV license may be fished with pot gear; a pot endorsement is not necessary but the license must have the appropriate area endorsement. Harvest would continue to be deducted from the vessel's annual trawl quota account and would not affect the pot gear Pacific cod sector allocations. Similar to status quo, PSC taken with pot gear does not accrue to a PSC limit or cooperative PSC allocation.

11. Limited access trawl fisheries (CV and CP)

If a license holder chooses not to join a cooperative, it may fish in the limited access fishery with an eligible FFP and LLP endorsed for GOA trawl. Under the limited access fishery, the LLP's historic share of (non-transferable) target species will be fished in a competitive fishery open to all trawl vessels in the sector who are not members of a cooperative. The catcher vessel limited access fishery will be subject to all current regulations and restrictions of the LLP and MRAs.

PSC limits in the limited access fishery will retain status quo apportionments by area, season, and/or fishery. Halibut and Chinook salmon PSC limits are annually apportioned to the limited access fishery on a pro rata basis relative to groundfish catch histories associated with LLPs that are not assigned to a cooperative, as reduced by:

Option 1. 10%
Option 2. 20%
Option 3. 30%

12. Sideboards

Sideboards that apply under the Rockfish Program for the CV and CP sectors, GOA non-exempt AFA CV sideboard limits, non-AFA crab vessel groundfish sideboards that apply to GOA trawl, and Amendment 80 groundfish and halibut PSC sideboard limits in the GOA, are removed for species allocated under the GOA trawl bycatch management program.

The Council requests further discussion of sideboards on directed fishing for Pacific cod with pot gear in the WG and CG (harvest that accrues to the Pacific cod pot sector allocations), as well as further information to consider whether CV sideboards are necessary for the BSAI Pacific cod and yellowfin sole fisheries.

13. Program review

Per the Magnuson Stevens Act, a program review would be conducted five years after implementation and every seven years thereafter.

14. Cost recovery and loan program

Per the Magnuson Stevens Act, a cost recovery program would be implemented to recover the incremental agency costs of the program related to data collection, analysis, and enforcement, up to a maximum of 3% of the ex-vessel value from landings of species allocated under the program. Up to 25% of cost recovery fees may be set aside to support a loan program for purchase of shares by fishermen who fish from small vessels and first-time purchases of shares under the program. Loan qualification criteria would need to be defined.

ALTERNATIVE 3. Gulf of Alaska Trawl Bycatch Management Program (Alternative 2) with a Community Fisheries Association allocation or Adaptive Management Program. *(Options 1 and 2 are mutually exclusive.)*

Option 1. Community Fisheries Association (CFA)

Element 1. Allocate 5% - 15% of the fishing quota for all species allocated to CVs under the program to a Community Fishing Association established under §303A(c)(3) of the MSA.

Element 2. Number of CFAs
Option 1. One GOA CFA
Option 2. One CFA for the WG and one for the CG

Element 3. Goals and objectives for a Community Fishing Association:
- Provide for the sustained participation of fishing communities and to the extent practicable minimize adverse economic impacts on such communities
- Assist entry-level and small vessel owner-operators, captains, crew and fishing communities

Element 4. Communities eligible for participation via the CFA
- Located in the WG, CG, WY
- Consist of residents who conduct commercial fishing, processing, or fishery-dependent support businesses within the GOA
- A high potential for economic and social impacts associated with a LAPP program on harvesters, captains, crew, processors, and other businesses substantially dependent upon the fishery
- Have submitted a community sustainability plan through the CFA

Element 5. The CFA must provide a community sustainability plan which includes:
a. Description of board, governance structure;
b. Description of quota allocation process;
c. Goals and objectives for the CFA, and explanation of how the CFA intends to meet those goals and objectives;
d. Description of how the CFA will meet the goals of sustaining community participation in the fishery, providing for new entry/inter-generational transfer, and encouraging active participation; and
e. Description of how the plan will address the social and economic development needs of coastal communities

Element 6. Require an annual report to the Council and communities

Element 7. CFA Cooperative Program Integration
- Annual quota allocated to the CFA may not be sold
- The CFA will operate within the cooperative structure of the main program. Quota leased from the CFA must be utilized on a license and accessed through a cooperative.
- CFA quota will be subject to the same set of rules as other quota in the program such as bycatch management, observer coverage and monitoring, sector allocations, cooperative structure, and gear conversion.
- If selected by the Council, regionalization and port of landing requirements will apply to CFA quota (option: do not apply port of landing requirements)
- Quota leased from a CFA counts toward any vessel and ownership use caps.

Option 2. Adaptive Management Program. Set-aside 5% - 15% of fishing quota for all species allocated to CVs under the program for adaptive management.

Element 1. Goals and objectives for adaptive management quota

Option 1. Same as those identified in the CFA option; and/or

Option 2. a. Community stability
b. Processor stability
c. Captain and crew entry and advancement
d. Conservation measures
e. To address other unintended outcomes

Element 2. Process for allocating adaptive management quota

- The Council shall develop criteria for eligibility, a process for adaptive management proposals to meet the goals and objectives, and a regulatory mechanism for allocating quota to program participants.
- The Council could allocate any amount up the total adaptive management set-aside to one or more proposals. Unallocated quota will pass through to the annual allocations to cooperatives.

Element 3. Program review and evaluation

- Entities receiving adaptive management quota shall provide annual reports to the Council and NMFS describing outcomes associated with the use of the quota and progress toward objectives described in their proposal.
- The Council shall periodically review its adaptive management goals and objectives.
- The five-year overall program review should evaluate the Council's effectiveness in achieving its goals and objectives through the use of the adaptive management program and identify potential improvements to the program design.

In addition, Section 3.2 of the October 2014 staff paper outlines regulations that could be removed in conjunction with the proposed GOA trawl bycatch management program. The Council generally agrees there is potential to remove the suggested regulations, and this discussion should continue to be incorporated in the analysis such that the Council can evaluate the impact of removing them under the action alternatives.

The Council directs staff to include a discussion of the effects of the GOA trawl bycatch management program alternatives on the management and implementation of the Central GOA Rockfish Program. At a minimum, this analysis should review the implications on quota allocations, sideboard management, and catch accounting under the Central GOA Rockfish Program.