

FINAL REVIEW DRAFT

Environmental Assessment/ Regulatory Impact Review/ Initial Regulatory Flexibility Analysis for a Proposed Regulatory Amendment for the Groundfish Fishery of the Gulf of Alaska

Revising Skate Maximum Retainable Amounts in the Gulf of Alaska Groundfish Fishery

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Big skate, *Raja baniculata*

For further information contact: Steve MacLean, North Pacific Fishery Management Council
605 W 4th Ave, Suite 306, Anchorage, AK 99501
(907) 271-2809

Abstract: This Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis analyzes proposed management measures that would reduce the maximum retainable amounts (MRA) for skates in directed fisheries for groundfish in the Gulf of Alaska (GOA). Current regulations allow vessels to “top off” their catch of groundfish by retaining skates in an amount up to 20 percent of the retained groundfish catch. In recent years the catch of longnose and big skates has exceeded the TAC/ABC in some areas. The purpose of this action is to slow the harvest rate of skates and decrease the incentive for vessels to top off on skates by reducing the MRA to levels that more accurately reflect the intrinsic rate of incidental catch of skates in the GOA. The analysis considers reducing the MRA for skates to 5 percent, 10 percent, 15 percent, and the no-action alternative which would maintain the MRA at 20 percent. The proposed action is not likely to have any impacts on the human environment features, including habitat, ecosystem or ecosystem components, marine mammals, or seabirds. Potential impacts are limited to skates in the GOA and groundfish in the GOA.

List of Acronyms and Abbreviations

| | |
|----------------------|--|
| AAC | Alaska Administrative Code |
| ABC | acceptable biological catch |
| ADF&G | Alaska Department of Fish and Game |
| AFSC | Alaska Fisheries Science Center |
| AKFIN | Alaska Fisheries Information Network |
| BSAI | Bering Sea and Aleutian Islands |
| CAS | Catch Accounting System |
| CEQ | Council on Environmental Quality |
| CFR | Code of Federal Regulations |
| COAR | Commercial Operators Annual Report |
| Council | North Pacific Fishery Management Council |
| CP | catcher/processor |
| CV | catcher vessel |
| E.O. | Executive Order |
| EA | Environmental Assessment |
| EEZ | Exclusive Economic Zone |
| EIS | Environmental Impact Statement |
| FMP | fishery management plan |
| FR | <i>Federal Register</i> |
| GHL | guideline harvest level |
| GOA | Gulf of Alaska |
| IRFA | Initial Regulatory Flexibility Analysis |
| m | meter or meters |
| Magnuson-Stevens Act | Magnuson-Stevens Fishery Conservation and Management Act |
| MRA | Maximum Retainable Amount |

| | |
|------------------|--|
| MSST | minimum stock size threshold |
| mt | metric ton |
| NEPA | National Environmental Policy Act |
| NMFS | National Marine Fishery Service |
| NOAA | National Oceanographic and Atmospheric Administration |
| NPFMC | North Pacific Fishery Management Council |
| Observer Program | North Pacific Groundfish Observer Program |
| OFL | Overfishing Level |
| PSC | prohibited species catch |
| PPA | Preliminary preferred alternative |
| PSEIS | Programmatic Supplemental Environmental Impact Statement |
| PWS | Prince William Sound |
| RFA | Regulatory Flexibility Act |
| RFFA | reasonably foreseeable future action |
| RIR | Regulatory Impact Review |
| SAFE | Stock Assessment and Fishery Evaluation |
| SBA | Small Business Act |
| Secretary | Secretary of Commerce |
| TAC | total allowable catch |
| U.S. | United States |
| W | West |

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Executive Summary

This document analyzes the environmental impacts of proposed action alternatives to reduce the maximum retainable amounts (MRA) of skates in the Gulf of Alaska (GOA) groundfish and halibut fisheries, the economic benefits and costs of the action alternatives, as well as their distribution, and the impacts of the action on directly regulated small entities.

Purpose and Need

During public testimony, in December 2013, the North Pacific Fishery Management Council (Council) was made aware that the incidental catch of skates (primarily big skates, *Raja binoculata*, and longnose skates, *Raja rhina*) has exceeded the intrinsic rate of skate incidental catch in GOA groundfish fisheries in some years. Testimony indicated that this is because the MRA for skates in the GOA (20 percent) allows industry to top off on skates while fishing for groundfish. Since 2010, the estimated catch of big skates has exceeded the acceptable biological catch (ABC) in the Central GOA each year, and estimated catch of longnose skates exceeded the ABC in the Western GOA in 2009, 2010 and 2013. The purpose of this action is to slow the harvest rate of skates and decrease the incentive for vessels to top off on skates by reducing the MRA to levels that more accurately reflect the intrinsic rate of the incidental skate catch in the GOA.

Alternatives

Alternative 1, the no-action alternative, would maintain the MRA for skates for all basis species at 20 percent. Vessels would be allowed to retain skates while fishing for other species up to 20 percent of the basis species catch until the ABC for skates is met.

Alternative 2 would reduce the MRA for skates for all basis species to 15 percent. Vessels would be allowed to retain skates while fishing for other species up to 15 percent of the basis species catch until the ABC for skates is met.

Alternative 3 would reduce the MRA for skates for all basis species to 10 percent. Vessels would be allowed to retain skates while fishing for other species up to 10 percent of the basis species catch until the ABC for skates is met.

Alternative 4 (Preliminary Preferred Alternative) would reduce the MRA for skates for all basis species to 5 percent. Vessels would be allowed to retain skates while fishing for other species up to 5 percent of the basis species catch until the ABC for skates is met.

In October 2014, the Council selected Alternative 4 as its Preliminary Preferred Alternative (PPA).

Environmental Assessment

The proposed action, to reduce the MRA of skates in the GOA, is limited in scope and will not likely affect all environmental components of the GOA. No effects are expected on the physical environment (habitat), ecosystem or ecosystem component species, marine mammals, or seabirds. Existing fishing regulations and protection measures for protected species would not be changed, nor would allowable harvest amounts for important prey species. Impacts to habitat and the ecosystem or ecosystem components are not expected because the proposed action could reduce the intensity of fishing (reduced number of tows) as top-off tows may be reduced or eliminated. No marine mammals or seabirds are known to feed extensively on skates. Offshore killer whales are known to feed on elasmobranchs, but it appears that offshore killer whales in the GOA feed primarily on Pacific sleeper sharks, blue sharks,

Pacific spiny dogfish, and Chinook salmon, and have not been observed to feed on skates. (J. Ford, Department of Fisheries and Oceans; C. Matkin, North Gulf Oceanic Society; P. Wade, NMFS Pers. Comm. Aug., 2014).

The proposed action to reduce skate MRAs in groundfish target fisheries are not likely to result in any significant impacts on skate stocks, as management measures designed to prevent negative effects to stocks will remain in place. It is possible that reductions in skate MRAs may result in reduced retained catch of some skate stocks; however, changes in incidental catch are expected to be minor and not affect the stocks' ability to sustain themselves above MSST.

Likewise, the management measures designed to prevent negative effects to groundfish stocks will remain in place under any alternative. The alternatives do not implement any direct changes to the groundfish target fisheries or impact ABCs. It is possible that reductions in skate MRAs may result in reduced catch of some target groundfish species; however, changes in catch are expected to be minor and not affect management of the GOA groundfish fisheries.

Regulatory Impact Review

Since 2008, the estimated catch of big skates has exceeded the ABC in the Central GOA in 2010, 2011, 2012, and 2013, and the estimated catch of longnose skates has exceeded the ABC in the Western GOA in 2009, 2010, and 2013. Big skate catches in the Eastern and Western GOA, longnose skate catches in the Eastern and Central GOA, and other skate catches throughout the GOA, have been within ABC levels.

Under the no action (or status quo) alternative, the GOA skate MRA would remain at 20 percent of the basis species. However, the MRA tool is used in conjunction with the Regional Administrator's decision about whether or not, and when, to prohibit retention, and place skates on prohibited species status. In recent years, the Regional Administrator has found it necessary to place big skates in the Central GOA on prohibited species status increasingly early in the year. In 2014, big skates in the Central GOA were placed on prohibited species status on February 5.

In 2015, and in subsequent years, if fishing conditions are found similar to those in 2014, it is likely that big skates in the Central GOA would be placed on prohibited species status and retention prohibited early in the fishing year, perhaps earlier than in 2014. A prohibition on retention might be lifted later in the year if it becomes apparent that the annual total allowable catch (TAC) would not be reached.

Reductions in the MRA will affect retained catch, but will not reduce discarded catch. ABC/TAC limits have been exceeded for big skates in the Central GOA and longnose skates in the Western GOA. A large proportion of big skates in the Central GOA are retained, while relatively more longnose skates in the Western GOA are discarded. Thus, a tightening of the MRA constraint may have more impact on the Central GOA big skate catch.

Various factors may limit the efficacy of a reduction in the MRA level: (1) retention as a percent of basis species estimates suggest that reductions in the MRA by half (to 10 percent) are likely to have relatively little impact on skate catches for operators with MRAs between the 20 percent level and the lower level to which the MRA would be changed; (2) many operators will not be constrained by MRA reductions (as they will have been operating below the new MRA), and may even be able to expand production if the reduction in harvest by operations constrained by the MRA increases prices, and the incentive to retain skates; (3) the MRA is a GOA-wide limit covering all species of skates with a single catch limit; it is not species or area specific, while the problem is a species- and area-specific problem.

The following table, reproduced from the summary section of the RIR, provides key information on the impacts of the four alternatives under consideration.

| Impact | Baseline | Alternative 1 Status quo (20 percent) | Alternatives 2 & 3 10 percent or 15 percent | Alternative 4 PPA 5 percent |
|---|---|--|---|---|
| Impact of the action on retained catch | Significant proportions of big skate catches retained; less so of longnose and other skates. | No change from the baseline. | Not likely to see any significant change from the baseline for fishing operations newly constrained by tighter limits. Moreover, the alternatives have no ability to change constraints on fishing operations not bound by new MRA limit. | May see more significant constraints imposed on retained catches by newly bound operators. However, the alternatives have no ability to change constraints on fishing operations not bound by the new MRA limit. |
| Impact on in-season management ability limit catch to designated catch limits | Recent problems limiting big skate catches to the ABC in the Central GOA, and limiting longnose catches to the ABC in the Western GOA. No current problems limiting catches of any skate species within OFL levels. Control currently requires prohibition of retention for some or all of year. Under current conditions this may allow limiting big skates in the Central GOA to the ABC, but ability to limit longnose skates to ABC in western GOA is limited by large proportion of these skates which are not retained. | No change from the baseline. | Not likely to see any significant change from the baseline. | This rate may stabilize weekly skate retention and overall catches, especially for Central GOA big skates. This may enhance the ability of managers to meet big skate ABC/TAC limits. There is less potential for improvements in Western GOA longnose skate management because relatively larger proportions of catch are discarded. |
| Impact on fishing and processing industries | Revenues from 2010 to 2013 were between \$3.2 million and \$5.1 million to shoreside processors and the vessels that deliver to them. Catcher/processor and mothership production has averaged about \$1.31 million at the first wholesale level. Most deliveries in Kodiak. Retention prohibited in parts of 2013 and 2014. May not be able to fully harvest TAC in 2014, with associated revenue loss. | No change from the baseline. | Not likely to see any significant change from the baseline. | Greater catch stability may make it possible for managers to be less conservative in closing big skate fishing in the Central GOA than they would be under the other alternatives. |
| Impact on enforcement | No significant enforcement issues. | No change from the baseline. | No significant enforcement issues; may see some short term transitional overages until industry becomes accustomed to the new MRAs. | No significant enforcement issues; may see some short term transitional overages until industry becomes accustomed to the new MRAs. |
| Net change in benefits to the nation | None. This is the baseline against which changing benefits from changing MRAs are measured. | No change from the baseline. | Not likely to see any compared to baseline. | May see some net benefit from the in-season management and industry impacts described above. |

1 Introduction

This document analyzes proposed management measures that would reduce the Maximum Retainable Amount (MRA) for skates in the Gulf of Alaska (GOA) fisheries. The purpose of the proposed regulatory change is to slow the harvest rate of skates by reducing the MRA for skates to a level that more closely approximates the natural incidental catch rate of skates in the GOA.

This document is an Environmental Assessment/Regulatory Impact Review/Initial Regulatory Flexibility Analysis (EA/RIR/IRFA) of proposed management measures that would reduce the MRA for skates in the GOA fisheries. An EA/RIR/IRFA provides assessments of the environmental impacts of an action and its reasonable alternatives (the EA), the economic benefits and costs of the action alternatives, as well as their distribution (the RIR), and the impacts of the action on directly regulated small entities (the IRFA). This EA/RIR/IRFA addresses the statutory requirements of the Magnuson Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), the National Environmental Policy Act, Presidential Executive Order 12866, and the Regulatory Flexibility Act. An EA/RIR/IRFA is a standard document produced by the North Pacific Fishery Management Council (Council) and the National Marine Fisheries Service (NMFS) Alaska Region to provide the analytical background for decision-making.

1.1 Terminology

Skate catch can either be retained or discarded. Total skate catch is the sum of retained and discarded catch and is counted against the catch limits defined in the annual groundfish specifications. Harvest is retained catch. The terms bycatch and incidental catch are defined in law and regulation, and are effectively equivalent to discarded catch and retained catch, respectively. For clarity, this analysis will describe skate catches as retained or discarded, and will minimize use of the terms harvest, bycatch, or incidental catch.

Skates may be retained when they are taken as a by-product of fishing for another species which is the real target species. However, skates can be a fishery target as well, since skates can be retained in amounts up to 20 percent of the weight of the basis species. In this case, while the fishermen are ostensibly targeting a species such as arrowtooth flounder, they are really doing so in order to create a basis for catching valuable skates. This is referred to as “topping off” fishing. The two types of sources of skate may be affected differently by changes in an MRA, and are distinguished here as opportunistic retention, and topping off retention.

MRAs are the primary tool used by NMFS to reduce or slow the catch of groundfish species when directed fishing for that species is closed. Directed fishing is defined in 50 CFR part 679 as “any fishing activity that results in the retention of an amount of a species or species group onboard a vessel that is greater than the MRA for that species or species group.”

The MRA amount is calculated as a percentage of the species closed to directed fishing (in this analysis, skates) relative to the amount of other species retained onboard the vessel that are open for directed fishing (basis species). Table 10 to 50 CFR part 679 provides GOA MRA percentages for groundfish species or species groups that are closed to directed fishing.

The intrinsic catch rate for skates is the rate that would occur if there were no market for skates, or if skate retention were prohibited by regulation. In these circumstances, there is no value to be obtained from catching skates and incurring the costs of minimal preparation on board, icing, and lost space in the hold. Because big skate retention was prohibited in the Central GOA on May 8, 2013 and on February 4, 2014, NMFS has been able to infer an intrinsic catch rates for the periods after those dates. The intrinsic

rate of skate catch will vary as the biomass of skates and target species vary, or as the relative profitability of different target species vary.

The impact of lowering the MRA may be undercut, if fishermen who had caught skates at rates that are less than the new MRA decide to increase skate retention up to the new lowered MRA. Therefore, it is important to focus attention on the impact a reduced MRA may have on two different classes of fishermen. The reduced MRA will newly bind some fishermen who once caught skates at rates in excess of those associated with the new MRA, and it will not bind fishermen who catch skates at rates below the new MRA. In this analysis the terms, “newly bound” and “unbound” will be used to provide convenient shorthand for identifying these two classes of fishing operations. These terms will be used mostly in Section 4.8 and Section 4.9, which discuss the impacts of the alternatives to reduce the MRA to 5 percent, 10 percent, or 15 percent

1.2 Background

The amounts of skates available to the commercial fisheries in the GOA are limited by relatively small ABCs and TACs that are fully needed to support incidental catch needs in other fisheries. As a result, the directed fishery for skates is typically closed at the beginning of the fishing year and skate incidental catch is limited by an aggregate skate MRA. As part of the aggregate skate MRA, the combined amounts of big, longnose, and “other species” of skates closed to directed fishing must not exceed 20 percent of retained other species that are open to directed fishing. For example, if Pacific cod is open to directed fishing (a basis species) and skates is closed to directed fishing, a vessel operator may retain skates in amounts up to 20 percent of the round weight equivalent of Pacific cod that is onboard the vessel at any point in time during a fishing trip. To calculate retained amounts for skates and Pacific cod, the vessel operator would estimate the processed weight of skates and Pacific cod for a trip, convert those processed amounts to round weight equivalents of retained catch, and compare that estimate of retained catch with the 20 percent MRA for skates. Amounts of an incidental catch species onboard a vessel that are below or equal to the specified MRA percentage for that species may be retained. Amounts that are in excess of the MRA percentage must be discarded. Such discards that are required by the regulations are known as regulatory discards.

MRA percentages serve as a management tool to slow the harvest rates of incidental catch species by limiting the amount that can be retained on board a vessel. By not placing the incidental catch species on “prohibited retention” status, thereby prohibiting all retention, MRAs also serve to minimize regulatory discard of species taken incidentally in other directed fisheries. MRA percentages reflect a balance between the need to reduce the harvest rate of incidental catch species and the desire to minimize regulatory discard of the incidental catch species. Although MRA percentages limit the incentive to target on an incidental catch species, fishermen can “top-off” their retained catch with these species up to the MRA amount by deliberately targeting them.

MRAs assist in limiting harvest of a groundfish species within its annual TAC. Once the TAC for a species is reached, retention of that species becomes prohibited and all catch of that species must be discarded. Therefore, NMFS closes a species to directed fishing before the entire TAC is taken to leave sufficient amounts of the TAC available for incidental catch. A species-specific or species group MRA is used to manage the amount of a species left for incidental catch. Nonetheless, the catch of skates may exceed the TAC and ABC and approach the specified overfishing level. If an overfishing level of skates is approached, NMFS issues closures or prohibitions designed to prevent overfishing of that species for other fisheries in which skates are taken as catch. A reduction in the skate MRA may limit the incentive for fishermen to top-off and reduce the risk of approaching the overfishing level for skates.

1.3 Purpose and Need

Public testimony to the Council, in December 2013, indicated that the incidental catch of skates (primarily big skates, *Raja binoculata*, and longnose skates, *Raja rhina*) has exceeded the intrinsic rate of skate incidental catch in GOA groundfish fisheries in some years. Testimony indicated that this is because the MRA for skates in the GOA (20 percent) allows industry to top off on skates while fishing for groundfish. Since 2010, the estimated catch of big skates has exceeded the ABC in the Central GOA each year, and estimated catch of longnose skates exceeded the ABC in the Western GOA in 2009, 2010, 2013. The purpose of this action is to slow the harvest rate of skates by decreasing the incentive for vessels to top off on skates by reducing the MRA to levels that more accurately reflect the intrinsic rate of incidental skate catch in the GOA.

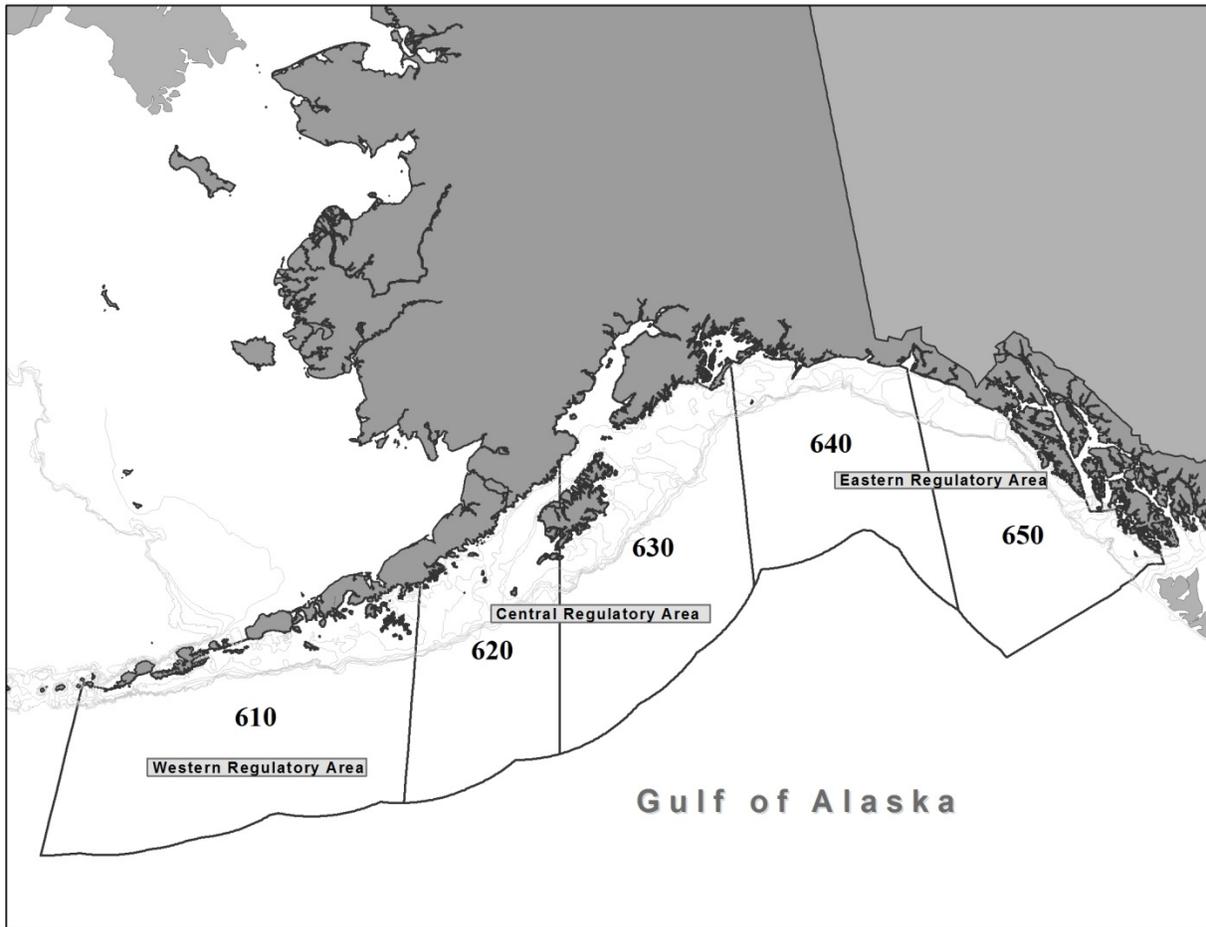
1.4 History of this Action

In June 2013, the Council requested a discussion paper on the potential for a directed octopus and skate fishery in the GOA. The discussion paper was presented to the Council in December 2013 (NPFMC 2013). Although the Council took no action in December 2013 to initiate a directed skate or octopus fishery, during public testimony the Council was informed that the incidental catch rate of skates in the groundfish fishery in the GOA exceeds the intrinsic catch rate, because some vessels are topping off on skates while targeting other species. Topping off on skates may have contributed to the exceedance of the ABC for big skates in the Central GOA in 2010, 2011, 2012, and 2013, and longnose skates in the Western GOA in 2009, 2010, and 2013. At the December 2013 meeting, the Council requested that staff initiate an analysis to consider reducing the MRA for skates for all basis species to 15 percent, 10 percent, or 5 percent. This analysis considers all three of those alternatives, along with the no-action alternative that would keep the MRA at 20 percent. In October 2014, the Council selected Alternative 4, 5% MRA for all basis species, as its Preliminary Preferred Alternative

1.5 Description of Action Area

The action area includes the entire Gulf of Alaska (Figure 1-1). Several documents, listed below in Chapter 3, have extensive information about the fishery management area, fisheries, marine resources, ecosystems, social, and economic elements of the GOA groundfish fisheries. These documents are cited in the References chapter and available on the NMFS, Alaska Region website at <http://www.alaskafisheries.noaa.gov/analyses/default.htm>. Additional information to describe specific components of the action area is included in the relevant sections below.

Figure 1-1 Regulatory and reporting areas in the GOA.



2 Description of Alternatives

The National Environmental Policy Act (NEPA) requires that an EA analyze a reasonable range of alternatives consistent with the purpose and need for the proposed action. The alternatives in this chapter were designed to accomplish the stated purpose and need for the action. All of the alternatives were designed to slow the harvest rate of skates by reducing the incentive for vessels to top off on skates.

The Council adopted the following alternatives for analysis in June, 2013.

2.1 Alternative 1, No Action, Status Quo

Alternative 1, the no-action alternative, would maintain the MRA for skates for all basis species at 20 percent. Vessels would be allowed to retain skates while fishing for other species up to 20 percent of the basis species catch until the ABC for skates is met.

2.2 Alternative 2

Alternative 2 would reduce the MRA for skates for all basis species to 15 percent. Vessels would be allowed to retain skates while fishing for other species up to 15 percent of the basis species catch until the ABC for skates is met.

2.3 Alternative 3

Alternative 3 would reduce the MRA for skates for all basis species to 10 percent. Vessels would be allowed to retain skates while fishing for other species up to 10 percent of the basis species catch until the ABC for skates is met.

2.4 Alternative 4 (Preliminary Preferred Alternative)

Alternative 4 would reduce the MRA for skates for all basis species to 5 percent. Vessels would be allowed to retain skates while fishing for other species up to 5 percent of the basis species catch until the ABC for skates is met. The Council selected Alternative 4 as its Preliminary Preferred Alternative (PPA) in October, 2014.

NMFS staff suggest the Council add the following language (**in bold**) to the beginning of the second sentence of each alternative to clarify the Regional Administrator's authority to prohibit retention of skates.

Alternative (1, 2, 3, and 4) would reduce the MRA for skates for all basis species to (20, 15, 10, and 5) percent. **Unless retention was prohibited by the Regional Administrator**, vessels would be allowed to retain skates while fishing for other species up to (20, 15, 10, and 5) percent of the basis species catch until the ABC for skates is met.

2.5 Comparison of Alternatives

Table 2-1 summarizes the alternatives, and the expected environmental and economic impacts of each alternative. Additional detail is provided in the sections below.

Table 2-1 Summary of alternatives and major impacts

| | Alternative 1 Status quo. No action. | Alternative 2 MRA for skates reduced to 15 percent for all basis species | Alternative 3 MRA for skates reduced to 10 percent for all basis species | Alternative 4 (PPA) MRA for skates reduced to 5 percent for all basis species |
|------------------------------|---|--|--|---|
| Environmental Impacts | | | | |
| Skate populations | Skate catch in GOA may continue to exceed TAC/ABC in some areas in some years | Skate catch in GOA may continue to exceed TAC/ABC in some areas in some years | Skate catch in GOA may continue to exceed TAC/ABC in some areas in some years | More stable environment for in-season management. More likely to successfully constrain skate harvest within ABC/TAC. Contributes to resource sustainability. |
| Economic Impacts | | | | |
| Fishing effort | No significant change in fishing effort. | No significant change in fishing effort. | No significant change in fishing effort. | No significant change in fishing effort. |
| Gross Revenue at Risk | No change from the baseline. | Not likely to see any significant change from the baseline. | Not likely to see any significant change from the baseline. | In-season management may be able to manage less conservatively, possibly leading to harvest of more of the ABC/TAC. |

3 Environmental Assessment

There are four required components for an environmental assessment (EA). The need for the proposal is described in Section 1, and the alternatives in Section 2. This section addresses the probable environmental impacts of the proposed action and alternatives. A list of agencies and persons consulted is included in Section 7.

This section evaluates the impacts of the alternatives on the various environmental components. The socio-economic impacts of this action are described in detail in the Regulatory Impact Review (RIR) and Initial Regulatory Flexibility Analysis (IRFA) sections of this analysis (Sections 4 and 5).

Recent and relevant information, necessary to understand the affected environment for each resource component, is summarized in the relevant subsection. For each resource component, the analysis identifies the potential impacts of each alternative, and uses criteria to evaluate the significance of these impacts. If significant impacts are likely to occur, preparation of an Environmental Impact Statement (EIS) is required. Although an EIS should evaluate economic and socioeconomic impacts that are interrelated with natural and physical environmental effects, economic and social impacts by themselves are not sufficient to require the preparation of an EIS (see 40 CFR 1508.14).

The National Environmental Policy Act also requires an analysis of the potential cumulative effects of a proposed action and its alternatives. An environmental assessment or environmental impact statement must consider cumulative effects when determining whether an action significantly affects environmental quality. The Council on Environmental Quality (CEQ) regulations for implementing NEPA define cumulative effects as:

“the impact on the environment, which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time” (40 CFR 1508.7).

The discussion of past and present cumulative effects is addressed with the analysis of direct and indirect impacts for each resource component below. The cumulative impact of reasonably foreseeable future actions is addressed in Section 3.3.

Documents incorporated by reference in this analysis

This EA relies heavily on the information and evaluation contained in previous environmental analyses, and these documents are incorporated by reference. The documents listed below contain information about the fishery management areas, fisheries, marine resources, ecosystem, social, and economic elements of the groundfish fisheries. They also include comprehensive analysis of the effects of the fisheries on the human environment, and are referenced in the analysis of impacts throughout this chapter.

Alaska Groundfish Harvest Specifications Final Environmental Impact Statement (NMFS 2007).

This EIS provides decision makers and the public an evaluation of the environmental, social, and economic effects of alternative harvest strategies for the federally managed groundfish fisheries in the GOA and the Bering Sea and Aleutian Islands (BSAI) management areas and is referenced here for an understanding of the groundfish fishery.¹ The EIS examines alternative harvest strategies that comply

¹The alternatives considered in this EA will not cause any of the potentially significant impacts addressed in the Alaska Groundfish Harvest Specifications Final EIS to recur.

with Federal regulations, the Fishery Management Plan (FMP) for Groundfish of the GOA, the Fishery Management Plan (FMP) for Groundfish of the BSAI Management Area, and the Magnuson-Stevens Act. These strategies are applied using the best available scientific information to derive the TAC estimates for the groundfish fisheries. The EIS evaluates the effects of different alternatives on target species, non-specified species, forage species, prohibited species, marine mammals, seabirds, essential fish habitat, ecosystem relationships, and economic aspects of the groundfish fisheries. This document is available from: <http://alaskafisheries.noaa.gov/analyses/specs/eis/default.htm>.

Stock Assessment and Fishery Evaluation (SAFE) Report for the Groundfish Resources of the GOA (NPFMC 2014).

Annual SAFE reports review recent research and provide estimates of the biomass of each species and other biological parameters. The SAFE report includes the acceptable biological catch (ABC) specifications used by NMFS in the annual harvest specifications. The SAFE report also summarizes available information on the ecosystems and the economic condition of the groundfish fisheries off Alaska. This document is available from: <http://www.afsc.noaa.gov/refm/stocks/assessments.htm>.

Final Programmatic Supplemental Environmental Impact Statement (PSEIS) on the Alaska Groundfish Fisheries (NMFS 2004).

The PSEIS evaluates the Alaska groundfish fisheries management program as a whole, and includes analysis of alternative management strategies for the GOA and BSAI groundfish fisheries. The EIS is a comprehensive evaluation of the status of the environmental components and the effects of these components on target species, non-specified species, forage species, prohibited species, marine mammals, seabirds, essential fish habitat, ecosystem relationships, and economic aspects of the groundfish fisheries. This document is available from: <http://alaskafisheries.noaa.gov/sustainablefisheries/seis/intro.htm>.

Table 3-1 shows the components of the human environment and whether the proposed action or its alternatives may have an impact on the component and require further analysis. Analysis is included only for skates and groundfish in the GOA, the only environmental components which the proposed action may impact.

Table 3-1 Resources potentially affected by the proposed action and alternatives

| Habitat | Ecosystem | Ecosystem Component Species | Marine Mammals | Seabirds | Skates | Groundfish |
|---------|-----------|-----------------------------|----------------|----------|--------|------------|
| N | N | N | N | N | Y | Y |

N = no impact anticipated by each alternative on the component.
Y = an impact is possible if each alternative is implemented.

The proposed action, to reduce the MRA of skates in the GOA, is limited in scope and will not likely affect all environmental components of the GOA. No effects are expected on the physical environment (habitat), ecosystem or ecosystem component species, marine mammals, or seabirds. Existing fishing regulations and protection measures for protected species would not be changed, nor would allowable harvest amounts for important prey species. Impacts to habitat and ecosystem or ecosystem components are not expected because the proposed action could reduce the intensity of fishing (reduced number of tows) as top-off tows may be reduced or eliminated. No marine mammals or seabirds are known to feed extensively on skates. Offshore killer whales are known to feed on elasmobranchs, but it appears that offshore killer whales in the GOA feed primarily on Pacific sleeper sharks, blue sharks, Pacific spiny dogfish, and Chinook salmon, and have not been observed to feed on skates. (J. Ford, Department of Fisheries and Oceans; C. Matkin, North Gulf Oceanic Society; P. Wade, NMFS Pers. Comm. Aug., 2014).

3.1 Groundfish species

3.1.1 Skates in the GOA

The following description has been summarized from the 2011 GOA skate assessment (Ormseth 2011), which is based on the last full assessment of GOA skate species in 2011². The GOA skate complex is managed as three units. Big skates (*Raja binoculata*) and longnose skates (*R. rhina*) each have separate harvest specifications, with ABC specified for each GOA regulatory area. A single gulfwide overfishing level (OFL) is specified for each stock. All remaining skate species are managed as “other skates”, with gulfwide harvest specifications. All GOA skates are managed under Tier 5, where OFL and ABC are based on survey biomass estimates and natural mortality rate.

The general range of the big skate extends from the Bering Sea to southern Baja California in depths ranging from 2 to 800 m. The longnose skate has a similar range, from the southeastern Bering Sea to Baja California in 9 to 1069 m depth (Love et al. 2005). Both skates are generally found in shallow waters in the GOA. Within the genus *Bathyraja*, at least eleven species are found in Alaska, but only three are commonly found in the GOA. The Aleutian skate (*Bathyraja aleutica*) ranges throughout the north Pacific from Japan to northern California, and has been found in waters 16 to 1602 m deep. The Alaska skate (*B. parmifera*) is restricted to higher latitudes from the Sea of Okhotsk to the eastern GOA in depths from 17 to 392 m (Stevenson et al. 2007). The Bering skate (*B. interrupta*) may actually be a complex of species, with each species occupying a different part of the general range from the western Bering Sea to southern California (Love et al. 2005, Stevenson et al. 2007).

The species within this assemblage occupy different habitats and regions within the GOA groundfish FMP area. In general, the highest biomass of skates is found in the shallowest continental shelf waters less than 100 m deep, and is dominated by the big skate. Longnose skates dominate the skate biomass on the continental shelf from 100 to 200 m, and *Bathyraja* species are dominant in the deeper waters from 200 to 1000 m.

Information on fecundity in North Pacific skate species is extremely limited. There are one to seven embryos per egg case in locally occurring *Raja* species (Eschmeyer et al. 1983), but little is known about frequency of breeding or egg deposition for any of the local species. Similarly, information is lacking for breeding or spawning habitat, egg survival, hatching success, or other early life history characteristics for GOA skates.

Adults of *Raja* species are larger than adults of *Bathyraja* species found in the area. The big skate is the largest skate in the GOA, with maximum sizes observed over 200 cm in the directed fishery in 2003. Longnose skates are somewhat smaller, with maximum sizes between 165 and 170 cm. *Bathyraja* species observed in the bottom trawl surveys in the GOA range from 86 to 154 cm. Gburski et al. (2007) reported that the maximum observed age for longnose skates in the GOA was 25 years, and 15 years for big skates in the GOA.

Skate life cycles are marked by relatively low fecundity, slow growth to large body size, and dependence of population stability on high survival rates of a few well-developed offspring (Moyle and Cech 1996). Skates in general have been classified as “equilibrium” life history strategists, with very low intrinsic rates of population increase implying that sustainable harvest is possible only at very low to moderate fishing mortality rates (King and McFarlane 2003). Smaller species have been observed to be somewhat more productive, but large skate species with late maturation (11+ years) are most vulnerable to fishing pressure (Walker and Hislop 1998, Frisk et al. 2001, Frisk et al. 2002). The most extreme cases of

² The 2013 assessment was cancelled due to the partial government shutdown in 2013.

overexploitation have been reported in the North Atlantic, where the common skate (*Dipterus batis*) has been extirpated from the Irish Sea (Brander 1981) and much of the North Sea (Walker and Hislop 1998). Because there are different life history traits between small and large skate species, there has been an apparent population stability for the aggregated “skate” group in many areas where fisheries occur, and this combined with the common practice of managing skate species within aggregate complexes has masked the decline of some skate species in European fisheries (Dulvy et al. 2000). Similarly, in the Atlantic off New England, declines in barndoor skate abundance were concurrent with an increase in the biomass of skates as a group (Sosebee 1998).

Age and size at maturity and adult size and longevity appear to be more important predictors of resilience to fishing pressure than fecundity or egg survival in the skate population studied to date (Frisk et al. 2001, Frisk et al. 2002, Walker and Hislop 1998). High fishing mortality is most often experienced in the long juvenile stage during which relatively large, but immature skates, are exposed to fishing pressure. This may also explain the mechanism for the shift in species composition to smaller skate species in heavily fished areas. There are clear implications of these results for sustainable management of skates in Alaska. After an extensive review of population information for many elasmobranch species, Frisk et al. (2001) recommended that precautionary management be implemented especially for the conservation of large species:

“(i) size based fishery limits should be implemented for species with either a large size at maturation or late maturation, (ii) large species (>100 cm) should be monitored with increased interest and conservative fishing limits implemented, (iii) adults stocks should be maintained, as has been recommended for other equilibrium strategists (Winemiller and Rose 1992).”

3.1.1.1 Survey Biomass Estimates

There are several indices of skate abundance in the GOA, including longline and trawl surveys. The NMFS summer bottom trawl surveys are the primary source of information on the biomass and distribution of major skate species. Bottom trawl surveys are generally considered reliable estimators of skate biomass for trawlable areas, and a study in the Bering Sea suggests that bottom trawl catchability is high (Kotwicki and Weinberg 2005).

The biomass estimates of skate species in the GOA, as determined from trawl surveys from 1984 through 2013 are shown in Table 3-2, along with the three year survey average biomass that is used to make harvest recommendations. The Eastern GOA was not surveyed in 2001, and those estimates are not included in Table 3-2. Survey estimates for big skates, by GOA regulatory area from 1984 through 2013 are shown in Table 3-3, and for longnose skates in Table 3-4.

Table 3-2. Biomass estimates (t) of skate species from GOA bottom trawl surveys, 1984 – 2013, and three-season average biomass from 2009-2013. CV = coefficient of variation.

| Year | Big Skate | | Longnose Skate | | Other Skates | | Total Biomass (t) |
|------------------|-------------|------|----------------|------|--------------|------|-------------------|
| | Biomass (t) | CV | Biomass (t) | CV | Biomass (t) | CV | |
| 1984 | 27,540 | 0.22 | 9,002 | 0.38 | 4,647 | 0.16 | 41,189 |
| 1987 | 28,093 | 0.16 | 6,631 | 0.36 | 3,339 | 0.21 | 38,063 |
| 1990 | 22,316 | 0.25 | 11,995 | 0.22 | 13,936 | 0.25 | 48,248 |
| 1993 | 39,708 | 0.18 | 17,803 | 0.12 | 61,91 | 0.14 | 63,702 |
| 1996 | 43,064 | 0.18 | 26,226 | 0.14 | 11,912 | 0.17 | 81,201 |
| 1999 | 54,650 | 0.15 | 39,333 | 0.14 | 18,946 | 0.11 | 112,929 |
| 2003 | 55,397 | 0.16 | 39,603 | 0.09 | 21,775 | 0.11 | 116,775 |
| 2005 | 39,320 | 0.16 | 41,449 | 0.08 | 30,063 | 0.11 | 110,832 |
| 2007 | 38,458 | 0.19 | 34,421 | 0.11 | 32,334 | 0.11 | 105,212 |
| 2009 | 44,349 | 0.16 | 36,652 | 0.09 | 27,461 | 0.12 | 108,463 |
| 2011 | 67,883 | 0.37 | 33,911 | 0.11 | 21,389 | 0.10 | 123,183 |
| 2013 | 38,234 | 0.26 | 44,484 | 0.11 | 30,705 | 0.11 | 113,423 |
| 3-Survey Average | 50,155 | | 38,319 | | 27,061 | | |

Source: Ormseth 2014.

Table 3-3. Survey biomass estimates (t) for big skates by GOA regulatory area, 1984-2013. CV = coefficient of variation.

| Year | WGOA | | CGOA | | EGOA | |
|------|---------|------|---------|------|---------|------|
| | Biomass | CV | Biomass | CV | Biomass | CV |
| 1984 | 3,339 | 0.22 | 17,635 | 0.23 | 6,566 | 0.60 |
| 1987 | 4,313 | 0.16 | 20,855 | 0.19 | 2,925 | 0.47 |
| 1990 | 1,745 | 0.25 | 9,071 | 0.35 | 11,501 | 0.35 |
| 1993 | 2,287 | 0.18 | 21,586 | 0.19 | 15,836 | 0.37 |
| 1996 | 13,130 | 0.18 | 26,544 | 0.19 | 3,391 | 0.30 |
| 1999 | 11,038 | 0.15 | 34,007 | 0.20 | 9,606 | 0.34 |
| 2001 | 8,425 | 0.19 | 30,658 | 0.22 | n/a | |
| 2003 | 9,602 | 0.16 | 33,814 | 0.22 | 11,981 | 0.38 |
| 2005 | 9,792 | 0.16 | 25,544 | 0.21 | 3,984 | 0.36 |
| 2007 | 5,872 | 0.19 | 23,249 | 0.26 | 9,337 | 0.33 |
| 2009 | 6,652 | 0.16 | 26,691 | 0.22 | 11,007 | 0.32 |
| 2011 | 6,251 | 0.37 | 21,761 | 0.17 | 39,840 | 0.61 |
| 2013 | 10,669 | 0.26 | 12,810 | 0.21 | 14,755 | 0.56 |

Source: Ormseth 2014.

n/a = not available

Table 3-4. Survey biomass estimates (t) for longnose skates by GOA regulatory area, 1984-2013. CV = coefficient of variation.

| Year | WGOA | | CGOA | | EGOA | |
|------|---------|-----|---------|-----|---------|-----|
| | Biomass | CV | Biomass | CV | Biomass | CV |
| 1984 | 0 | | 2,280 | 0.8 | 6,722 | 0.4 |
| 1987 | 41 | 0.8 | 2,667 | 0.3 | 3,923 | 0.6 |
| 1990 | 1,045 | 0.7 | 8,708 | 0.3 | 2,242 | 0.3 |
| 1993 | 105 | 0.7 | 14,158 | 0.1 | 3,539 | 0.2 |
| 1996 | 278 | 0.6 | 20,328 | 0.2 | 5,620 | 0.2 |
| 1999 | 1,747 | 0.5 | 29,872 | 0.2 | 7,714 | 0.2 |
| 2001 | 104 | 0.7 | 23,171 | 0.2 | n/a | n/a |
| 2003 | 782 | 0.4 | 25,741 | 0.4 | 13,081 | 0.2 |
| 2005 | 1,719 | 0.4 | 29,853 | 0.1 | 9,876 | 0.2 |
| 2007 | 628 | 0.5 | 26,034 | 0.1 | 7,759 | 0.2 |
| 2009 | 1,214 | 0.6 | 25,534 | 0.1 | 9,904 | 0.2 |
| 2011 | 941 | 0.4 | 23,609 | 0.1 | 9,362 | 0.2 |
| 2013 | 2,127 | 0.3 | 28,274 | 0.1 | 14,083 | 0.2 |

Source: Ormseth 2014.
n/a = not available.

3.1.1.2 Skate Management

Prior to 2003, skates were managed as part of the “Other Species” FMP category (skates, sharks, squids, sculpins, and octopuses). Harvest within this category was historically limited by a TAC calculated as 5 percent of the sum of the TACs for GOA target species. The Other Species category was established to monitor and protect species groups that are not currently economically important in North Pacific groundfish fisheries but are considered ecologically important.

In response to a developing fishery in the GOA for big and longnose skate in 2003, FMP amendments to re-define the ABC, OFL, and TAC setting process for skate species in the GOA were completed. In 2004, big and longnose skates were managed together under a single TAC in the Central GOA, and the remaining skates in the Central GOA and all skates, including big and longnose skates, in the Western and Eastern GOA were managed as an “other skates” species complex gulfwide. As identification of skate species in the fisheries improved, skate management became more specific.

Since 2005, GOA skates have been managed in three groups. Big skates and longnose skates each have separate harvest specifications, with OFLs defined gulfwide and ABCs/TACs specified for Western, Central, and Eastern regulatory areas according to the estimated biomass in each area (Table 3-3, Table 3-4). TACs have been set equal to ABCs in all years since 2005. All remaining skate species are managed as an “Other Skates” species group with gulfwide harvest specifications due to difficulty in identification of these species.

Before 2013, data on the incidental catch of skate species from fisheries that were largely unobserved was limited or not available. These largely unobserved fisheries included IFQ halibut and small catcher vessel

hook-and-line Pacific cod fisheries. Both of these fisheries were expected to have large amounts of incidental catch of skates, based on overlap of the fisheries with skate habitat and anecdotal reports. The North Pacific observer program was restructured in 2013, allowing deployment of observers in the IFQ halibut fishery and on smaller vessels. As expected, the reported skate harvest increased in IFQ fisheries, due to the inclusion of the new observer data and halibut landings being included in NMFS catch accounting system. These data should be used with caution since they represent only one year; however, 2014 is showing similar skate harvest increases compared to years prior to the 2013 observer program restructuring (NMFS AKRO). For that reason, skate harvest is analyzed from 2008 through 2012 and 2013/2014.

Topping off fishing behavior is a recognized and generally accepted activity associated with species on bycatch status (directed fishing is closed) such as skates. Topping off fishing involves ostensibly fishing for a target species, while also retaining an incidentally caught species that contributes to the value of the total trip catch. Recent testimony to the Council has suggested that some vessels may be using gear that specifically targets large skates during some tows. The incentive for fishermen to engage in this activity is directly related to the value of, and available market for, the incidental catch species relative to the associated operation costs of fishing for and retaining the target species. Retention of the incidental catch species is allowed up to the MRA. From a management perspective, MRA percentages are a tool used to slow down the harvest rate of a species. MRAs do not necessarily reflect an “intrinsic” incidental catch rate, but reflect a balance between the recognized need to slow harvest rates, minimize the potential for discards, and, in some cases, provide an increased opportunity to harvest available TAC through limited topping off fishing behavior.

3.1.1.3 Big Skate

Table 3-5 shows the 2008 through July 1, 2014 OFL, ABC/TAC, and catch of big skate in the GOA. The TAC is set equal to the ABC for skates. In the Western and Eastern GOA, catch of big skate has not exceeded the ABC/TAC. However in the Central GOA, in four out of the past six years (2008 through 2013), the catch has exceeded the ABC/TAC and in 2013, catch exceeded the ABC/TAC by 28 percent. Big skates are a common incidental catch species in non-pelagic trawl gear fisheries and hook-and-line gear fisheries.

Table 3-5. GOA big skate OFL, ABC/TAC, and catch 2008-2014. % = catch as percentage of ABC/TAC

| Year | OFL | Western GOA | | | Central GOA | | | Eastern GOA | | |
|-------|-------|-------------|-------|-----|-------------|-------|------|-------------|-------|-----|
| | | ABC/TAC | Catch | % | ABC/TAC | Catch | % | ABC/TAC | Catch | % |
| 2008 | 4,439 | 632 | 133 | 21% | 2,065 | 1,241 | 60% | 633 | 46 | 7% |
| 2009 | 4,439 | 632 | 79 | 13% | 2,065 | 1,903 | 92% | 633 | 100 | 16% |
| 2010 | 4,438 | 598 | 148 | 25% | 2,049 | 2,215 | 108% | 591 | 149 | 25% |
| 2011 | 4,438 | 598 | 111 | 19% | 2,049 | 2,105 | 103% | 681 | 90 | 13% |
| 2012 | 5,023 | 469 | 66 | 14% | 1,793 | 1,894 | 106% | 1,505 | 38 | 3% |
| 2013 | 5,023 | 469 | 122 | 26% | 1,793 | 2,302 | 128% | 1,505 | 79 | 5% |
| 2014* | 5,016 | 589 | 70 | 12% | 1,532 | 946 | 62% | 1,641 | 63 | 4% |

Source: Harvest Specifications for groundfish of the GOA and NMFS Catch Accounting System

*2014 catch through July 1, 2014.

Table 3-6 shows the percent of big skate catch by gear and target fishery in the GOA. From 2008 through 2012, an average of 32 percent of the big skate catch was harvested by hook-and-line gear and 67 percent by non-pelagic trawl gear. Less than one percent of the big skate catch was harvested using the other gear types combined: pelagic trawl gear, pot gear, and jig gear. Averaging the 2013 and 2104 data indicates that 46 percent of the big skate catch is harvested by hook-and-line gear and 54 percent by non-pelagic trawl gear.

Table 3-6. Percentage of Big Skate Catch by Gear and Target Fishery in the GOA.

| | Hook-and-line gear | | | Non-pelagic trawl gear | | | | | Other gears and targets** |
|-------|--------------------|-------------|-------|------------------------|------------------------|---------|------------------------------------|-------|---------------------------|
| | Pacific cod | IFQ species | Total | Pacific cod | Shallow-water flatfish | Pollock | Arrowtooth and deep-water flatfish | Total | |
| 2008 | 28% | 3% | 31% | 13% | 34% | 1% | 20% | 68% | 1% |
| 2009 | 24% | 8% | 32% | 3% | 28% | 1% | 33% | 66% | 2% |
| 2010 | 29% | 2% | 31% | 8% | 32% | 2% | 26% | 67% | 2% |
| 2011 | 31% | 6% | 37% | 9% | 10% | 4% | 39% | 62% | 1% |
| 2012 | 24% | 2% | 26% | 12% | 17% | 2% | 41% | 73% | 1% |
| 2013 | 17% | 17% | 34% | 8% | 6% | 8% | 44% | 65% | 1% |
| 2014* | 41% | 18% | 59% | 8% | 0% | 16% | 18% | 41% | < 1% |

Source: NMFS Catch Accounting System

*2014 catch through July 1, 2014.

Area includes the Western, Central, and Eastern GOA regulatory areas. It does not include areas 649 and 659.

**Other gear and targets include pot, jig, and pelagic trawl gear and also include rockfish fisheries with non-pelagic trawl gear.

Catcher vessel operators participating in Central GOA fisheries indicate that big skates congregate in specific areas in the spring months. These big skate congregations enable catcher vessels using trawl gear to engage in top-off fishing when targeting arrowtooth flounder, Pacific cod, pollock, and shallow-water flatfish. Elandings retention data on big skates confirm that these areas have higher retention of big skates by non-pelagic trawl gear when compared to other areas. Data from hook-and-line Pacific cod catcher vessels in 2013 and 2014 indicate top-off fishing behavior occurs in these same areas.

NMFS prohibited retention of big skates in the Central GOA on May 8, 2013 because of concerns that the TAC for big skates would be exceeded. Top-off fishing in the arrowtooth flounder, Pacific cod, pollock, and shallow-water flatfish fisheries, and increased incidental catch of big skates in the IFQ fisheries that was identified via new observer coverage indicated that the TAC for big skates would be exceeded. Big skate incidental catch continued to accrue while IFQ fishing was active, although big skates caught after retention was prohibited were discarded. The discarded big skate catch, combined with the previously retained big skate catch resulted in an overage of the big skate ABC/TAC in 2013.

NMFS prohibited retention of big skates in the Central GOA on February 5, 2014, based on catch of big skates in top-off fishing in non-pelagic trawl flatfish, pollock, and hook-and-line Pacific cod fisheries, and projected incidental catch in the IFQ fisheries during 2014. Weekly catch rates as of July 1, 2014, indicate that the Central GOA big skate ABC/TAC will likely be exceeded in 2014.

3.1.1.4 Longnose Skate

Table 3-7 shows the OFL, ABC/TAC, and catch of longnose skate in the GOA from 2008 through July 1, 2014. In three of those years (2009, 2010, and 2013), the catch of longnose skates has exceeded the

ABC/TAC in the Western GOA. The longnose skate catch in the Central and Eastern GOA has not exceeded ABC/TAC in recent years.

Table 3-7. Longnose skate OFL, ABC/TAC, catch, and catch as percentage of ABC in the Gulf of Alaska, 2008-2014.

| Year | OFL | Western GOA | | | Central GOA | | | Eastern GOA | | |
|-------|-------|-------------|-------|------|-------------|-------|-----|-------------|-------|-----|
| | | ABC/TAC | Catch | % | ABC/TAC | Catch | % | ABC/TAC | Catch | % |
| 2008 | 3,849 | 78 | 34 | 44% | 2,041 | 966 | 47% | 768 | 114 | 15% |
| 2009 | 3,849 | 78 | 79 | 101% | 2,041 | 1,096 | 54% | 768 | 244 | 32% |
| 2010 | 3,803 | 81 | 106 | 131% | 2,009 | 851 | 42% | 762 | 132 | 17% |
| 2011 | 3,803 | 81 | 71 | 88% | 2,009 | 892 | 44% | 762 | 69 | 9% |
| 2012 | 3,500 | 70 | 39 | 56% | 1,879 | 793 | 42% | 676 | 93 | 14% |
| 2013 | 3,500 | 70 | 90 | 129% | 1,879 | 1,260 | 67% | 676 | 426 | 63% |
| 2014* | 3,835 | 107 | 13 | 12% | 1,935 | 695 | 36% | 834 | 262 | 31% |

Source: Harvest Specifications for groundfish of the GOA and NMFS Catch Accounting System

*2014 catch through July 1, 2014.

Longnose skates are a common incidental catch species in non-pelagic trawl gear and hook-and-line gear fisheries. Table 3-8 shows the percentage of longnose skate catch in the GOA for each gear type and target fishery from 2008 through July 1, 2014. From 2008 through 2012, the reported longnose skate catch by hook-and-line gear ranged from 48 percent to 57 percent of the total longnose skate catch, and the reported catch from non-pelagic trawl gear ranged from 38 percent to 50 percent of the total longnose skate catch. After 2012, when observer coverage was increased in the hook-and-line fisheries, the reported longnose skate catch by hook-and-line gear was 75 percent of the total in 2013, and 59 percent of the total in 2014 (up to July 1, 2014). The reported longnose skate catch in non-pelagic trawl gear was 23 percent in 2013 and 39 percent in 2014 (up to July 1, 2014).

Longnose skates have not been found to congregate like big skates; therefore, there is not currently a distinct top-off fishery for longnose skates. However, longnose skates that are caught incidentally are valuable and are retained. The ABC/TAC for longnose skates was exceeded in 2009, 2010 and 2013 (Table 3-7). Should fisherman identify areas where top-off fishing could occur, a top-off fishery for longnose skates may develop which could exasperate overage of the ABC.

Table 3-8. Percentage of Longnose Skate Catch by Gear and Target Fishery

| | Hook-and-line gear | | | Non-pelagic trawl gear | | | | | Other gears and targets |
|-------|--------------------|-----|---------------------|------------------------|------------------------|---------|------------------------------------|-------------------------|-------------------------|
| | Pacific cod | IFQ | Hook-and-line Total | Pacific cod | Shallow-water Flatfish | Pollock | Arrowtooth and deep-water flatfish | Non-pelagic trawl Total | |
| 2008 | 28% | 20% | 48% | 5% | 21% | 2% | 22% | 50% | 2% |
| 2009 | 22% | 35% | 57% | 2% | 19% | 1% | 16% | 38% | 4% |
| 2010 | 32% | 20% | 52% | 6% | 19% | 1% | 20% | 46% | 3% |
| 2011 | 28% | 25% | 53% | 5% | 9% | 3% | 27% | 44 | 3% |
| 2012 | 29% | 25% | 54% | 4% | 13% | 1% | 25% | 43% | 3% |
| 2013 | 17% | 58% | 75% | 2% | 4% | 1% | 16% | 23% | 2% |
| 2014* | 19% | 40% | 59% | 1% | 1% | 9% | 28% | 39% | 1% |

Source: NMFS Catch Accounting System

*2014 catch through July 1, 2014.

Area includes the Western, Central, and Eastern GOA regulatory areas. It does not include areas 649 and 659.

Other gear and targets include pot, jig and pelagic trawl gear and also include rockfish fisheries with non-pelagic trawl gear.

3.1.1.5 “Other Skates”

Table 3-9 shows the OFL, ABC/TAC, and catch of “other skates” in the GOA from 2008 through July 1, 2014. As mentioned above “other skates” are managed gulfwide, rather than by GOA regulatory area as is done for big and longnose skates. Catch has not exceeded the ABC/TAC in any year since 2004 when the skate complex was separated from the “other species” group; however, in 2013, the “other skates” catch was 93 percent of the ABC/TAC.

Table 3-9. OFL, ABC/TAC, and Catch of “Other Skates” in the GOA, 2008-2014

| Year | OFL | ABC/TAC | Catch |
|-------|-------|---------|-------|
| 2008 | 2,806 | 2,104 | 1,395 |
| 2009 | 2,806 | 2,104 | 1,552 |
| 2010 | 2,791 | 2,093 | 1,499 |
| 2011 | 2,791 | 2,093 | 1,351 |
| 2012 | 2,706 | 2,030 | 1,201 |
| 2013 | 2,706 | 2,030 | 1,879 |
| 2014* | 2,652 | 1,989 | 1,162 |

Source: Harvest Specifications for groundfish of the GOA and NMFS Catch Accounting System

*2014 catch through July 1, 2014.

“Other skates” are a common incidental catch species in non-pelagic trawl gear fisheries and hook-and-line gear fisheries. Table 3-10 shows the percentage of “other skate” catch by gear and target fishery in the GOA from 2008 through July 1, 2014. From 2008 through 2012, catch of “other skates” in hook-and-line fisheries ranged from 73 percent to 81 percent of the total “other skates” catch, and in non-pelagic trawl fisheries the catch of “other skates” ranged from 17 percent to 25 percent. After 2012 and the increase in observer coverage, catch of “other skates” by hook-and-line gear was 89 percent, and 91 percent of the total in 2013 and 2014 (through July 1, 2014), respectively.

There has not been a top-off fishery for “other skates” as these skate species tend to inhabit deeper water and do not congregate like big skate. Habitat overlaps with several fisheries, particularly early season Pacific cod and sablefish, result in higher catch rates of “other skates”.

Table 3-10. Percentage of “other skates” catch by gear and target fishery

| | Hook-and-line gear | | | Non-pelagic trawl gear | | | | | Other gears and targets |
|-------|--------------------|-----|---------------------|------------------------|------------------------|---------|----------------------------------|-------------------------|-------------------------|
| | Pacific cod | IFQ | Hook-and-line Total | Pacific cod | Shallow-water Flatfish | Pollock | Arrowtooth & deep-water flatfish | Non-pelagic trawl Total | |
| 2008 | 66% | 14% | 80% | 2% | 8% | 0% | 8% | 18% | 2% |
| 2009 | 57% | 22% | 79% | 0% | 7% | 0% | 10% | 17% | 3% |
| 2010 | 69% | 12% | 81% | 1% | 4% | 0% | 12% | 17% | 2% |
| 2011 | 54% | 19% | 73% | 3% | 2% | 0% | 20% | 25% | 2% |
| 2012 | 55% | 20% | 75% | 2% | 4% | 0% | 16% | 23% | 2% |
| 2013 | 42% | 47% | 89% | 1% | 3% | 1% | 5% | 10% | 1% |
| 2014* | 48% | 43% | 91% | 1% | 1% | 1% | 6% | 9% | 0% |

Source: NMFS Catch Accounting System

*2014 catch through July 1, 2014.

3.1.2 State-managed Fisheries

Changes to federal skate MRAs in the GOA may impact some state-managed fisheries. In state waters (0-3 nm), the Alaska Department of Fish and Game manages groundfish as either parallel fisheries or Guideline Harvest Level (GHL) fisheries. The state tracks bycatch of skates annually by gear type and fishery. Skates are caught as bycatch in parallel fisheries, where targeted catches accrue to the federal TAC. Parallel fisheries open and close concurrent with the federal fisheries and most management measures, such as MRAs, are identical to those in the federal fisheries. Skates are also caught as bycatch in a number of GHL fisheries that use hook-and-line or trawl gear; most state waters are closed to bottom trawl gear. Big or longnose skate bycatch in parallel and GHL fisheries is generally counted against the federal TAC via the Catch Accounting System.

In the Central and Westward regions³, when a GOA area federal-ABC/TAC is reached for skates (big or longnose) and retention of skates in federal fisheries is subsequently prohibited, the retention of skates is concurrently prohibited in parallel and GHL fisheries. Thus, if skate MRAs are reduced in the GOA, and that results in a reduction of skate catch, retention of skates could be prohibited later in the season for both federal and parallel/GHL fisheries in the Central and Westward regions.

In the Southeast region⁴, state MRA regulations for GHL fisheries do not mirror federal MRAs, and retention of skates may be allowed beyond permissible skate retention dates in GOA federal fisheries. Therefore, state water fisheries in Southeast would not be impacted by changes to federal GOA skate MRAs.

The state does not manage any directed GHL fisheries for skates in the GOA. A directed fishery for big and longnose skates occurred in Prince William Sound in 2009 and 2010 under a Commissioner’s permit

³The Central (PWS, Cook Inlet) region annually sets a bycatch allowance percentage (amount that may be legally landed) of 15 percent for “skates” in aggregate. The Westward (Kodiak, Chignik, Alaska Peninsula) region sets a bycatch allowance percentage of 20 percent for all “other groundfish” as an aggregate, which includes skates.

⁴ Skate bycatch in Southeast GHL fisheries is managed as part of an aggregate “other groundfish” category, and the allowable bycatch percentage per trip is 20 percent for GHL Pacific cod and sablefish fisheries in Southeast waters.

(per 5 AAC 28.083). The fishery did not resume in 2011 due to the lack of comprehensive stock assessment data and issues associated with managing separate allocations for big and longnose skates.

3.1.3 Effects of the Alternatives

The status of GOA skate stocks are assessed annually in the GOA SAFE report (e.g., Ormseth 2013). Although catch of some skates have exceeded the TAC/ABC in recent years, no skate stock in the GOA is overfished, nor subject to overfishing. Table 3-11 describes the criteria used to determine whether the impacts of the alternatives are likely to be significant.

The FMP for groundfish in the GOA specifies conservation and management measures that regulate the groundfish fisheries. These measures are designed to prevent negative effects to groundfish stocks. Additional measures, including prohibiting retention (PSC) and MRAs are used to manage incidental catch of non-target species to avoid regularly exceeding the ABC for those species. The alternatives considered in this action, including the PPA, reduce skate MRAs in groundfish target fisheries, and as such are not likely to have any significant impacts on skate stocks. It is possible that reductions in skate MRAs may result in reduced catch of some skate stocks; however, changes in catch are expected to be minor and not affect the stocks' ability to sustain itself above its' minimum stock size threshold (MSST).

Table 3-11 Criteria used to determine significance of effects on skates and target groundfish stocks.

| Effect | Criteria | | | |
|----------------------------------|--|--|--|---|
| | Significantly Negative | Insignificant | Significantly Positive | Unknown |
| Stock Biomass | Changes in fishing mortality are expected to jeopardize the ability of the stock to sustain itself at or above its MSST (minimum stock size threshold) | Changes in fishing mortality are expected to maintain the stock's ability to sustain itself above MSST | Changes in fishing mortality are expected to enhance the stock's ability to sustain itself at or above its MSST | Magnitude and/or direction of effects are unknown |
| Fishing mortality | Reasonably expected to jeopardize the capacity of the stock to yield sustainable biomass on a continuing basis. | Reasonably expected not to jeopardize the capacity of the stock to yield sustainable biomass on a continuing basis. | Action allows the stock to yield sustainable biomass on a continuing basis. | Magnitude and/or direction of effects are unknown |
| Spatial or temporal distribution | Reasonably expected to adversely affect the distribution of harvested stocks either spatially or temporally such that it jeopardizes the ability of the stock to sustain itself. | Unlikely to affect the distribution of harvested stocks either spatially or temporally such that it has an effect on the ability of the stock to sustain itself. | Reasonably expected to positively affect the harvested stocks through spatial or temporal increases in abundance such that it enhances the ability of the stock to sustain itself. | Magnitude and/or direction of effects are unknown |
| Change in prey availability | Evidence that the action may lead to changed prey availability such that it jeopardizes the ability of the stock to sustain itself. | Evidence that the action will not lead to a change in prey availability such that it jeopardizes the ability of the stock to sustain itself. | Evidence that the action may result in a change in prey availability such that it enhances the ability of the stock to sustain itself. | Magnitude and/or direction of effects are unknown |

3.2 Other fish species

Skates are caught as bycatch in a number of fisheries in the GOA. The primary fisheries that land big skates as bycatch are the halibut IFQ, Pacific cod longline, arrowtooth flounder trawl, Pacific cod trawl, and Rex sole trawl fisheries. Longnose skates are primarily caught in the halibut IFQ, sablefish, and

Pacific cod longline fisheries, and the arrowtooth flounder, rex sole, and shallow-water flatfish trawl fisheries. Other skates are caught primarily in the halibut IFQ, and Pacific cod longline, and arrowtooth flounder and rex sole trawl fisheries.

3.2.1 Effects of the Alternatives

The FMP for groundfish of the GOA specifies conservation and management measures that regulate the groundfish fisheries. These measures are designed to prevent negative effects to groundfish stocks. Total catch of targeted groundfish is managed to prevent exceeding the ABC. The alternatives considered in this action, including the PPA, reduce skate MRAs in groundfish target fisheries. The alternatives do not implement any direct changes to the groundfish target fisheries or impact ABCs. It is possible that reductions in skate MRAs may result in reduced catch of some target groundfish species if the skate MRA value of basis species declines; however, changes in catch are expected to be minor and not affect management of the GOA groundfish fisheries.

3.3 Cumulative Effects

NEPA requires an analysis of the potential cumulative effects of a proposed federal action and its alternatives. Cumulative effects are those combined effects on the quality of the human environment that result from the incremental impact of the proposed action when added to other past, present, and reasonably foreseeable future actions (RFFA), regardless of which federal or non-federal agency or person undertakes such other actions (40 CFR 1508.7, 1508.25(a) and 1508.25(c)). Cumulative impacts can result from individually minor, but collectively significant, actions taking place over a period of time. The concept behind cumulative effects analysis is to capture the total effects of many actions over time that would be missed if evaluating each action individually. Concurrently, the Council on Environmental Quality (CEQ) guidelines recognizes that it is most practical to focus cumulative effects analysis on only those effects that are truly meaningful.

At this time no cumulative effects are expected from the proposed action.

4 Regulatory Impact Review

This Regulatory Impact Review (RIR) examines the benefits and costs of a proposed regulatory amendment to change the maximum retainable amount (MRA) of skates in the Gulf of Alaska (GOA) groundfish trawl and fixed gear fisheries for groundfish and halibut.

The preparation of an RIR is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735: October 4, 1993)⁵. The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following Statement from the E.O.:

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

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

- Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, local or tribal governments or communities;
- Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or
- Raise novel legal or policy issues arising out of legal mandates, the President’s priorities, or the principles set forth in this Executive Order.

4.1 Statutory Authority

Under the Magnuson-Stevens Act (16 USC 1801, *et seq.*), the United States has exclusive fishery management authority over all marine fishery resources found within the exclusive economic zone (EEZ). The management of these marine resources is vested in the Secretary of Commerce (Secretary) and in the regional fishery management councils. In the Alaska Region, the North Pacific Fishery Management Council (Council) has the responsibility for preparing fishery management plans (FMPs) and FMP amendments for the marine fisheries that require conservation and management, and for submitting its recommendations to the Secretary. Upon approval by the Secretary, NMFS is charged with carrying out the federal mandates of the Department of Commerce with regard to marine and anadromous fish.

The groundfish fishery in the GOA EEZ off Alaska is managed under the FMP for Groundfish of the GOA. The proposed action under consideration would amend Federal regulations at 50 CFR 679. Actions

⁵ National Marine Fisheries Service (2007) provides current NMFS guidance for preparation of an RIR; Queirolo (2013) provides a more accessible overview.

taken to amend FMPs or implement other regulations governing these fisheries must meet the requirements of Federal law and regulations.

4.2 Purpose and Need for Action

Public testimony to the Council in December, 2013 indicated that the incidental catch of skates (primarily big skates, and longnose skates,) has exceeded the ABC in some areas in some years. Testimony indicated that this is because the MRA for skates in the GOA allows industry to top off on skates while fishing for groundfish. The estimated catch of big skates has exceeded the ABC in the Central GOA each year since 2010, and the estimated catch of longnose skates exceeded the ABC in the Western GOA in 2009, 2010, 2013. The purpose of this action is to slow the harvest rate of skates by decreasing the incentive for vessels to top off on skates by reducing the MRA to levels that more accurately reflect the intrinsic rate of incidental skate catch in the GOA.

4.3 Alternatives

The Council adopted the following alternatives for analysis in December, 2013.

Alternative 1: No Action, Status Quo: Alternative 1, the no-action alternative, would maintain the MRA for skates for all basis species at 20 percent. Vessels would be allowed to retain skates while fishing for other species up to 20 percent of the basis species catch until the ABC for skates is met.

Alternative 2: Alternative 2 would reduce the MRA for skates for all basis species to 15 percent. Vessels would be allowed to retain skates while fishing for other species up to 15 percent of the basis species catch until the ABC for skates is met.

Alternative 3: Alternative 3 would reduce the MRA for skates for all basis species to 10 percent. Vessels would be allowed to retain skates while fishing for other species up to 10 percent of the basis species catch until the ABC for skates is met.

Alternative 4 – Preliminary Preferred Alternative: Alternative 4 would reduce the MRA for skates for all basis species to 5 percent. Vessels would be allowed to retain skates while fishing for other species up to 5 percent of the basis species catch until the ABC for skates is met. The Council selected Alternative 4 as its Preliminary Preferred Alternative in October, 2014.

NMFS staff suggest the Council add the following language (**in bold**) to the beginning of the second sentence of each alternative to clarify the Regional Administrator's authority to prohibit retention of skates.

Alternative (1, 2, 3, and 4) would reduce the MRA for skates for all basis species to (20, 15, 10, and 5) percent. **Unless retention was prohibited by the Regional Administrator**, vessels would be allowed to retain skates while fishing for other species up to (20, 15, 10, and 5) percent of the basis species catch until the ABC for skates is met.

4.4 Methods for analysis of impacts

4.4.1 E.O. 12866

The evaluation of impacts in this analysis is designed to meet the requirement of E.O. 12866, which dictates that an RIR evaluate the costs and benefits of the alternatives, to include both quantifiable and

qualitative considerations. Additionally, the analysis should provide information for decision makers “to maximize net benefits to the Nation (including potential economic, environment, public health and safety, and other advantages; distributive impacts; and equity), unless a statute requires another regulatory approach.”

4.4.2 Period chosen for analysis

The most recent landings data in this analysis are from October, 2014. The most recent price and revenue data are from 2013. The year 2008 was chosen as the earliest for examination because it was believed to provide a reasonable compromise between “recency” of the data and a number of years of activity sufficient to show the variability in the fisheries. Discard data on skates may be problematic for years prior to the effective date of the observer program restructuring in 2013. The annual GOA skate assessments raise this concern (see, for example, NPFMC, 2013, pages 1037-1038).

The baseline, no action alternative, and status quo alternative in an analysis have different definitions. The baseline is a set of conditions against which the impacts of the different alternatives are measured; the no action alternative is the alternative that involves no action by the decision maker; the status quo alternative is the alternative in which no management change takes place. In the simplest instance, these definitions align. Then the no action and status quo alternatives are equivalent, and describe the baseline against which the impacts of a set of action alternatives will be measured. However, in some instances, the no action and status quo alternatives can diverge, making it necessary to describe a set of baseline conditions for the analysis.

The period, from 2008 to mid-2014 has been treated as the baseline for this analysis, against which the possible impacts of the no action alternative will be measured. These are the dates for which data are available. The summary table in Section 4.11 measures the impacts of the alternatives against the fishery as it was in 2008 through 2014.

4.4.3 Catch data

This analysis was prepared using data from the NMFS catch accounting system, which are the best available data to estimate total catch in the groundfish fisheries off Alaska. Total catch estimates are generated from information provided through a variety of required industry reports of harvest and at-sea discard, and data collected through an extensive fishery observer program.

Before 2013, data on the incidental catch of skate species from fisheries that were largely unobserved were limited or not available. These largely unobserved fisheries included IFQ halibut and small catcher vessel hook-and-line Pacific cod. Both of these fisheries were expected to have large amounts of incidental catch of skates, based on overlap of the fisheries with skate habitat and anecdotal reports.

The North Pacific observer program was restructured in 2013, allowing deployment of observers in the IFQ halibut fishery and on smaller vessels. As expected, the reported skate harvest increased in IFQ fisheries, due to observer data and halibut landings being included in the catch accounting system. Caution should be used as these data are based on one year, however 2014, is showing similar skate harvest increases compared to years prior to the 2013 program observer restructuring (NMFS AKRO in-season managers, pers. comm.). For that reason, skate harvest is analyzed from 2008 through 2012 and 2013/2014.

4.4.3.1 Estimating retention rates from catch accounting system data

Data shortcomings raise two issues the reader should keep in mind. Some catcher vessels split their delivery from one trip between two processors, and generate two fish ticket records. These two records would appear as two separate trips in the data base. However, in these instances, the allocation of skates and basis species from one real trip between the two tickets, and thus the two apparent trips, is unknown to NMFS. This problem does not affect catcher/processors.

Second, it is very difficult from multi-species landings records to identify the volume of basis species with precision. Basis species only include species open to directed fishing. Separating fish taken in an open fishery from fish taken under an MRA in a closed fishery is a complex problem. In this analysis, fish from both sources are treated as basis species. Because of this, some of the estimates of the volumes of basis species used in the MRA calculations for this analysis are higher than actual basis species, and this leads to a tendency to understate the actual skate retention rate for trips.

For example, a non-pelagic trawl catcher vessel may make a delivery of the following species:

| | |
|----------------------|-----------------------|
| Arrowtooth flounder: | 50 metric tons |
| Pacific cod: | 10 metric tons |
| <u>Skates:</u> | <u>10 metric tons</u> |
| Total | 70 metric tons |

Assume, for this example, that Pacific cod is closed to directed fishing, and the 10 metric tons is to be applied to the vessel's Pacific cod MRA. Because it is not possible with available resources to discriminate, for each species, between catch from an open fishery and catch from a closed fishery, we would have estimated a skate retention rate for this vessel that was equal to 10/60 or about 17 percent. However, the actual skate retention rate, disallowing the catch of Pacific cod as part of the basis species, would have been 10/50, or 20 percent.

This problem is believed to affect a large proportion of deliveries, and affects both catcher vessels and catcher/processors. It is not possible to know the size of the downward bias this gives to estimated retention rates. In the example given, while there is a 3 percent difference between the estimated rate and the actual rates, the estimated rate is 85 percent of the actual rate.

An estimated rate of zero skates per metric ton of basis species would not be subject to this bias, since the bias is dependent on our inability to accurately measure the basis species, and in this limiting case, the estimated rate does not depend on the measured basis species.

4.4.4 Price and revenue data

Historical revenue data are available at both the ex-vessel and the first wholesale level. Ex-vessel price estimates are generally provided by CFEC from fish tickets. Wholesale revenues are collected from commercial operators' annual reports (COAR) at the individual processing plant level.

For the analysis of changes in revenues flowing from actions that may affect retained catch, ex-vessel and wholesale revenue estimates are often converted into ex-vessel revenues per round metric ton retained, or wholesale revenues per round metric ton retained, by dividing aggregate revenue estimates by estimates of the round tonnage used to generate those revenues. In order to estimate specific values that may be affected by the action stepwise algorithms are employed. These processes append ex-vessel and wholesale price to catch accounting system data from either fish tickets or COAR. The resulting ex-vessel or wholesale "values per metric ton round retained catch" can then be multiplied by estimated catch changes

to estimate revenue changes. While this may be appropriate for evaluating relatively small changes in retained catch, it will be less accurate for large changes, since it does not account for price changes that may be caused by retained catch changes.

Wholesale value is an appropriate measure of value for catcher/processor vessels, motherships, floating processors, and shoreside processors, but ex-vessel value is a more relevant measure for catcher vessels. Wholesale revenues reported by processors cannot be added to ex-vessel revenues they paid to harvesters in order to gauge total economic production. To do so would lead to overestimates of economic impact. Ex-vessel payments to catcher vessels are, in fact, a cost to processors; the amount of the ex-vessel payment is only one of several factors that determine shoreside wholesale values.

4.4.5 Related ongoing research

The Alaska Sea Grant program is sponsoring research at the University of Alaska to develop a bioeconomic model for skates that could be useful for the evaluation of management alternatives. As described on the Sea Grant web page, the research objectives are to:

1. Develop a stock assessment for big and longnose skates in the Gulf of Alaska.
2. Describe the potential market for big and longnose skates from Alaska and their place in the global market.
3. Build a bioeconomic model that will produce revenue estimates from skates under a variety of harvest scenarios.
4. Propose the most viable management structure for a big and longnose skate fishery in the Gulf of Alaska.

This research was initiated on February 1, 2014, and has a completion date of January 31, 2016 (Alaska Sea Grant).

The Pollock Conservation Cooperative Research Consortium (PCCRC) is funding a study at the University of Alaska School of Fisheries and Ocean Sciences to determine the discard mortality of skates, specifically those caught by longline vessels in the Bering Sea (Quinn and Michrowski, in prep.). Now in its second year, the project is testing the hypothesis that careful handling techniques could reduce mortality of skates caught in longline fisheries below the precautionary 100% mortality estimates currently used by managers.

Skates will be caught via longline gear, their injuries and conditions will be codified, and the skates will be held in live-wells before being transported to research facilities for up to 30 days of observation. Two different handling regimes will be examined, one employing minimally invasive methods (treatment group), and the other employing standard commercial techniques (control group). The skates will be transported to the Auke Bay Laboratory in Juneau, AK. There, the short- and medium-term mortality will be determined by holding the skates for one to three months. Recorded injuries will be examined and photographed at regular intervals.

4.4.6 A note on terms

Skate catch can be retained or discarded. Total skate catch is the sum of retained and discarded catch, and is counted against the catch limits defined in the annual groundfish specifications. Harvest is retained catch. The terms by-catch and incidental catch are defined in law and regulation, and as defined there they are effectively equivalent to discarded catch and retained catch, respectively. In everyday use these terms

are not as precisely defined. For clarity, this analysis will describe skate catches as retained or discarded, and will minimize use of the terms harvest, by-catch, or incidental catch.

Skates may be retained when they are taken as a by-product of fishing for another species which is the real target species. However, skates can be a fishery target as well, since skates can be retained in amounts up to 20 percent of the weight of the basis species. In this case, while the fishermen are ostensibly targeting a species such as arrowtooth flounder, they are really doing so in order to create a basis for catching valuable skates. This is referred to as “topping off” fishing. The two types of sources of skate may be affected differently by changes in an MRA, and are distinguished here as opportunistic retention, and topping off retention.⁶

The intrinsic catch rate for skates is the rate that would occur if there were no market for skates, or, alternatively, if skate retention were prohibited by regulation. In these circumstances, there is no value to be obtained from catching skates and incurring the costs of minimal preparation on board, icing, and lost space in the hold. Since big skate retention was prohibited in the Central GOA on May 8 in 2013, and on February 4 in 2014, each of these years provides periods when big skate retention was prohibited, and it was possible to observe an intrinsic catch rate. The intrinsic rate of skate catch is not a constant. It will vary from year to year as the biomass of skates and target species vary, or as the relative profitability of different target species vary.

The impact of lowering the MRA may be undercut, if fishermen who had caught skates at rates that are under the new MRA increase skate retention up to it. It is thus important to focus attention on the impact a reduced MRA may have on two different classes of fishermen. The reduced MRA will newly bind some fishermen who once caught skates at rates in excess of those associated with the new MRA, and it will not bind fishermen who catch skates at rates below the new MRA. In this analysis the terms, “newly bound” and “unbound” will be used to provide convenient shorthand for identifying these two classes of fishing operations. These terms will be used mostly in Section 4.8 and Section 4.9, which discuss the impacts of the alternatives to reduce the skate MRA to 5 percent, 10 percent, or 15 percent.

4.5 Description of Fisheries

4.5.1 Catch

4.5.1.1 Big Skate Catch History

Catch histories for skates (including both retained and discarded skates), are summarized and compared to OFLs and ABCs/TACs in the EA. This information is summarized for big, longnose, and other skates in the RIR in Figure 4-1, Figure 4-3, and Figure 4-6.

In Figure 4-1, big skate catches are reported by management area, and compared to area ABCs/TACs and the GOA OFL. Big skate catches have been below the ABC in both the Western and the Eastern GOA management areas in all years, and have been below the GOA-wide OFL in all years.

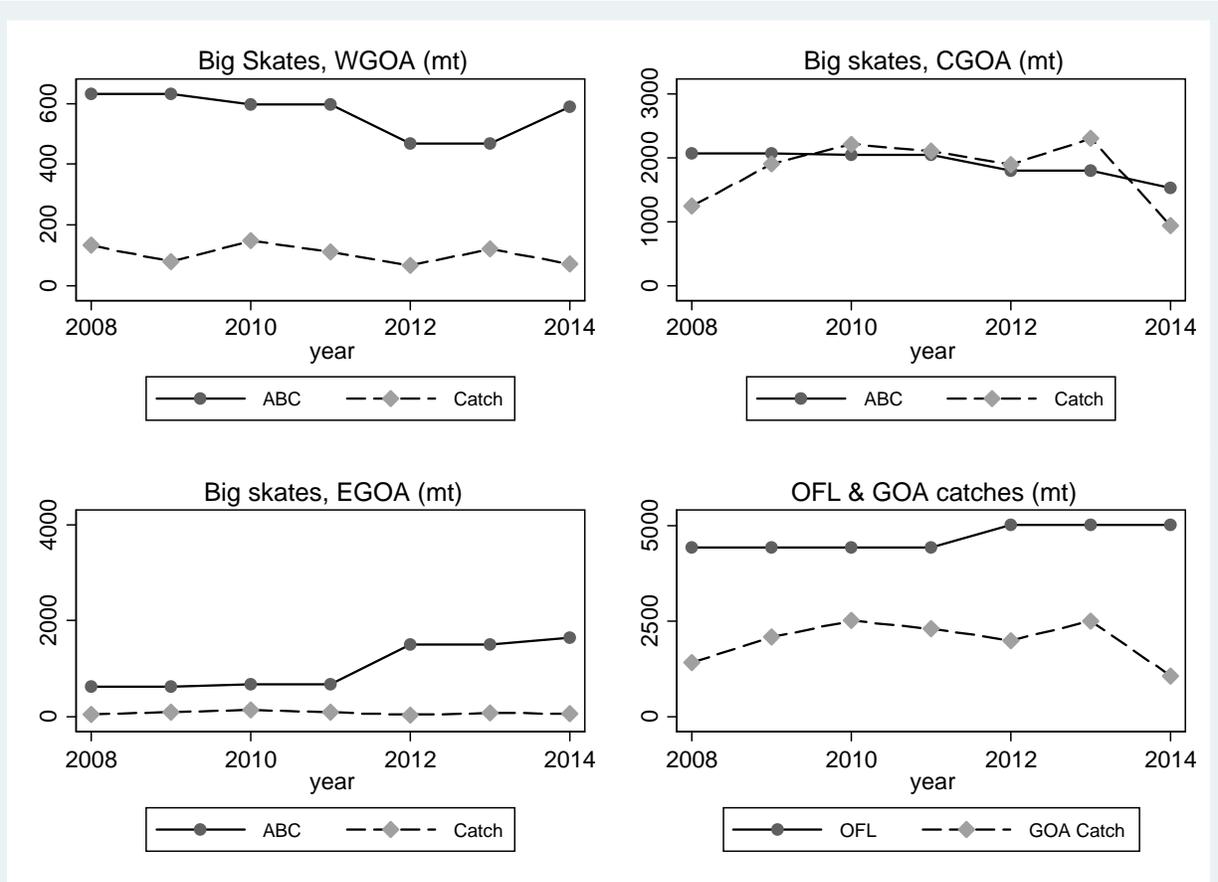
However, in the years 2010 to 2013, big skate catches exceeded the ABC in the Central GOA management area. As of November 3, 2014, NMFS staff does not expect that big skate catches will exceed the Central GOA ABC in 2014 (NMFS In-season management staff, pers. comm.). The comparability of the estimated catches across years may be affected by the changes to observer coverage

⁶ “Opportunistic” is used to refer to retention because an opportunity has arisen while targeting another species. It does not imply anything improper about the retention.

which became effective in 2013. Catch estimates prior to 2013 are less likely to fully capture unobserved discarded catches.

Big skate catches in the Central GOA exceeded the ABC from 2010 through 2013 despite increasingly tight management restrictions applied to skate catches. In 2011, the retention of big skates was not prohibited, but in 2012 retention was prohibited on December 17. More significantly, retention was prohibited on May 8 in 2013, and on February 5 in 2014. (NMFS AKRO Information Bulletins; retrieved from http://alaskafisheries.noaa.gov/cm/info_bulletins/ on July 8, 2014.)

Figure 4-1 Catch of big skates, ABC, and OFL, by management area from 2008 through mid-2014



Source: NMFS catch accounting system and Harvest Specifications for groundfish of the Gulf of Alaska

The extent to which catch is discarded or retained in a fishery has implications for the efficacy of an MRA. If almost all catch for an MRA species is normally discarded, tightening an MRA will have little impact on overall catch. Discard rates are not an exogenously given parameter to a fishery, but depend on decisions made by fishermen after taking account of the price for the species, and the various costs associated with caring for it and storing it until it can be delivered (and in the case of catcher/processors, processing it).

Big skate discard rates vary by management area.⁷ Over the period from 2008 to 2014 (through August 3), 32 percent of the big skates caught in the Eastern GOA by all gear types combined were discarded. The relatively low percentages rose to over 80 percent in 2013 through 2014, likely as a result of improved discard estimates associated with the observer restructuring that became effective at the start of 2013. These discard rates were also associated with very low catches and discarded catches, compared to the Central GOA. Discard rates in the Central GOA for all gear types combined were 26 percent over the period, but also showed increases to 33 percent and then 59 percent in 2013 and 2014.⁸ Discard rates in the Western GOA for all gear types combined were relatively high in all years, averaging 79 percent during the period. Catches in the Western GOA were also small in comparison to catches in the Eastern GOA (NMFS Catch accounting system).

Figure 4-1 shows that big skate overages are an issue in the Central GOA, but not yet in the Western or Eastern GOA. Figure 4-2 shows that almost all of the big skates in the Central GOA are being caught by non-pelagic trawl (NPT) and hook-and-line (HAL) fishing operations. Most of these fish are taken by catcher vessels, rather than catcher/processors. In all fishing years except for 2014, for which the data are incomplete, non-pelagic trawl catches of big skates were substantially (by hundreds of metric tons) greater than those by hook-and-line fishing operations.

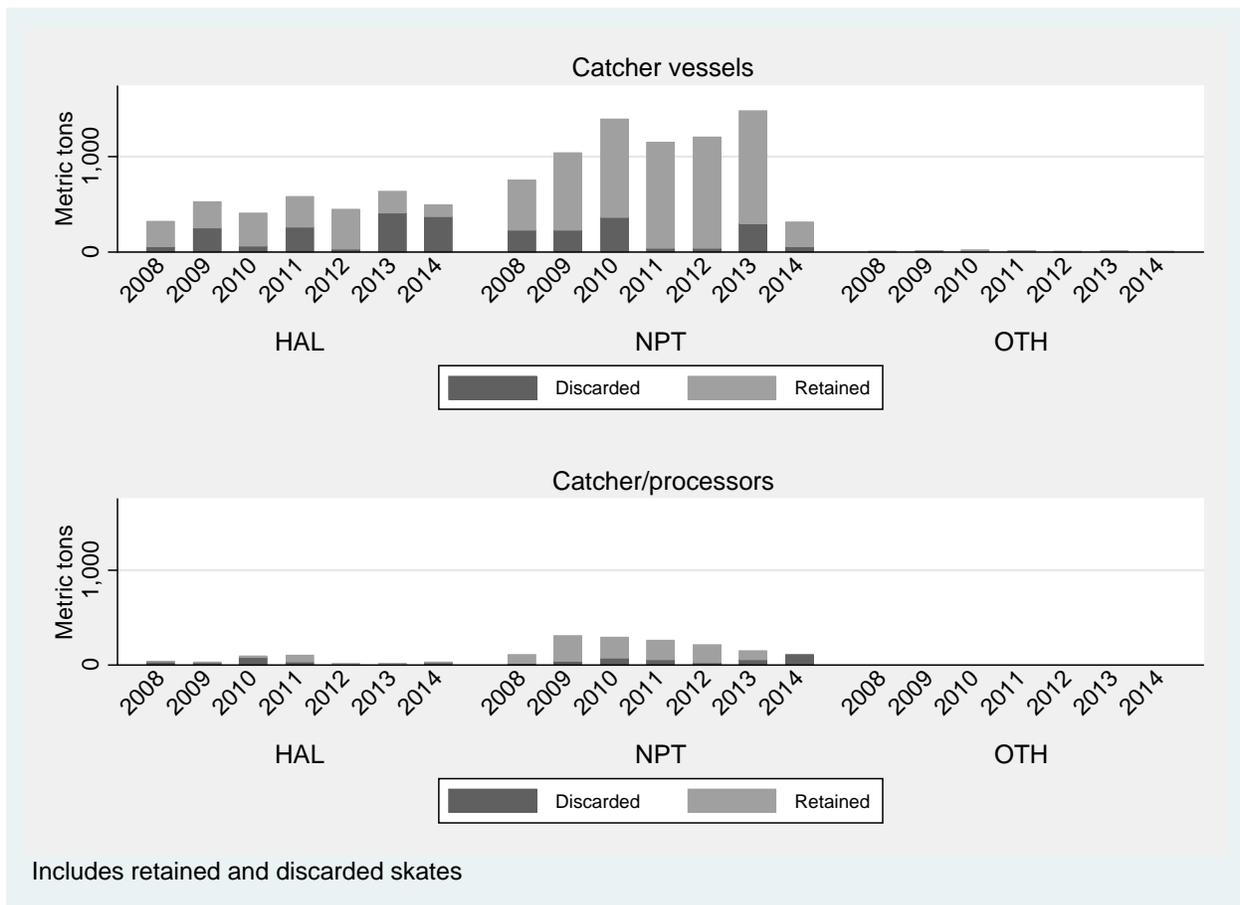
Figure 4-2 makes a second point about big skate catches in the Central GOA: retained catches are a relatively large part of the overall catch, particularly for non-pelagic trawlers. Since an MRA works by placing limits on the fishing vessel's ability to target and retain skates in a top-off fishery, the relatively high levels of retention in the Central GOA big skate fishery suggest that MRA restrictions could have a meaningful impact on big skate catch in that management area compared to other areas.

Catcher vessel operators participating in Central GOA fisheries indicate that big skates congregate in specific areas in the spring. This big skate congregation enables catcher vessels using non-pelagic trawl gear to engage in top off fishing when targeting arrowtooth flounder, Pacific cod, pollock, and shallow-water flatfish. Retention data on big skates confirm that these areas have higher retention of big skates by non-pelagic trawl gear when compared to other areas. Anecdotal information presented at the October Council meeting suggests that some trawlers have begun using gear specifically designed to target skates. Data from hook-and-line Pacific cod catcher vessels in 2013 and 2014 indicate topping off behavior in these same areas. (NMFS In-season management, pers. comm.)

⁷ The bias identified in Section 4.4 should not apply to the rates discussed in this paragraph. These are rates of skate discards to skate catches. The rates discussed in Section 4.4 are rates of skate retention to basis species retention, and estimates of basis species retention tend to be upwardly biased.

⁸ These Central GOA big skate rates are illustrated with gear breakouts in Figure 4-2.

Figure 4-2 Retained and discarded catch of big skates in the Central GOA, by gear and sector, 2008 through mid-2014



Source: NMFS catch accounting system

Table 4-1 provides the hook-and-line and non-pelagic trawl big skate total catches on which Figure 4-2 is based, and includes catches by target fishery. Hook-and-line catches are made predominately in the Pacific cod and halibut target fisheries. The evaluation of these estimates, especially those for the halibut fishery, is complicated by the lack of observer coverage prior to 2013, and as a consequence, big skate catches are likely underestimated. Non-pelagic trawl gear big skate catches are greatest in the arrowtooth and shallow water flatfish target fisheries, although shallow water flatfish catches may have declined in recent years, while arrowtooth flounder catches appear to have increased. Other important sources of non-pelagic trawl skate catches are the Pacific cod, flathead sole, and rex sole fisheries.

Table 4-1 Hook-and-line and non-pelagic trawl catches of big skates in the Central GOA, 2008 through mid-2014

| Year | Hook-and-line | | | | Non-pelagic trawl | | | | | | | |
|-------|---------------|---------|---------------|-------|-------------------|-------------|---------------|----------|------------|----------|---------------|-------|
| | Pacific cod | Halibut | Other species | Total | Pollock (bottom) | Pacific cod | Shallow flats | Flathead | Arrowtooth | Rex sole | Other species | Total |
| 2008 | 335 | 27 | 1 | 363 | 21 | 108 | 413 | 62 | 203 | 64 | 4 | 874 |
| 2009 | 384 | 137 | 32 | 553 | 30 | 51 | 535 | 47 | 416 | 264 | 4 | 1,346 |
| 2010 | 461 | 39 | 5 | 505 | 41 | 201 | 688 | 104 | 469 | 170 | 15 | 1,689 |
| 2011 | 550 | 128 | 1 | 679 | 89 | 193 | 190 | 28 | 795 | 106 | 10 | 1,410 |
| 2012 | 431 | 33 | 2 | 465 | 46 | 218 | 288 | 50 | 672 | 140 | 11 | 1,425 |
| 2013 | 364 | 291 | 2 | 657 | 197 | 192 | 139 | 8 | 949 | 145 | 5 | 1,635 |
| 2014* | 350 | 159 | 1 | 511 | 167 | 73 | 4 | - | 157 | 25 | - | 426 |

*2014 through July 14 only.

Source: NMFS catch accounting system

Table 4-2 shows the percentages of big skates taken by catcher vessels and catcher/processors in different target species fisheries by non-pelagic trawlers operating in the Central GOA. Pacific cod, shallow water flats, and arrowtooth flounder are important sources of big skates for catcher vessels, while arrowtooth flounder and rex sole are important sources for catcher/processors. Recall, however, that catcher/processors account for smaller big skate catches than catcher vessels.

Table 4-2 Sectoral proportions of Central GOA non-pelagic trawl big skate catch (discarded and retained) by target species fishery and year

| Year | Catcher vessels | | | | | Catcher/processors | | | | |
|------|------------------|-------------|---------------|------------|---------------|--------------------|----------|------------|----------|---------------|
| | Pollock (bottom) | Pacific cod | Shallow flats | Arrowtooth | Other species | Shallow flats | Flathead | Arrowtooth | Rex sole | Other species |
| 2008 | 3% | 14% | 54% | 22% | 7% | 0% | 12% | 32% | 56% | 0% |
| 2009 | 3% | 4% | 49% | 39% | 4% | 8% | 11% | 2% | 76% | 2% |
| 2010 | 3% | 14% | 48% | 30% | 5% | 4% | 17% | 18% | 58% | 2% |
| 2011 | 8% | 17% | 14% | 58% | 3% | 10% | 4% | 49% | 35% | 1% |
| 2012 | 4% | 18% | 22% | 52% | 4% | 9% | 20% | 18% | 50% | 2% |
| 2013 | 13% | 13% | 9% | 61% | 3% | 2% | 5% | 26% | 66% | 1% |
| 2014 | 53% | 23% | 0% | 23% | 1% | 4% | 0% | 76% | 20% | 0% |

Source: NMFS catch accounting system

The action under consideration would reduce the skate MRA in the GOA to reduce the incentive for, and opportunity to pursue, a skate top-off fishery. To estimate the impacts of the alternatives under consideration, it would be helpful to have an estimate of an “intrinsic” catch rate for skates. As discussed in the methodology section (Section 4.4), the intrinsic rate is the rate (compared to basis species) at which skates would be caught in the absence of a market for them, or if their retention had been prohibited by regulation. A fishing operation catching skates at the intrinsic rate would not be engaging in top off fishing for skates, or opportunistically retaining skates if the gear happened to intercept them while targeting another species.

Table 4-3 shows, for the years 2012 through mid-2014, the big skate catch (retained and discarded) as a percentage of groundfish catches (retained and discarded), and includes skates in the Central GOA before and after the dates of PSC closures that occurred on May 8 in 2013 and on February 4 in 2014. Highlighted cells indicate periods when big skate retention was prohibited because of the PSC closure. Data are provided for hook-and-line gear targeting Pacific cod, hook-and-line gear targeting IFQ species, non-pelagic trawl gear targeting deep-water flatfish (this category includes arrowtooth flounder), and non-pelagic gear targeting shallow-water flatfish.

It is difficult to infer a specific big skate intrinsic catch rate from the information on hook-and-line Pacific cod fishing; however the rate does appear to be greater than zero. When big skate retention was not prohibited, the retention rate after February 5 varied from 2.8 percent to 7.0 percent, depending on how the time period was defined (in some time periods and years, there was no catch; this was especially true for the period from May 8 to August 3). When big skate retention was prohibited after February 5, catch rates were 3.0 percent and 5.9 percent, depending on the year and period. As noted above, lack of observer coverage for this fleet may have resulted in an underestimate of the skate catch in 2012, because at-sea discard data were not available.

The intrinsic rates for the hook-and-line IFQ operations also appear to be greater than zero. The rates ranged between 1.5 percent and 6.3 percent during the years and periods when skate retention was prohibited. Rates appear to have increased between 2012 and 2013, and again between 2013 and 2014. The increase between 2012 and 2013 may be associated with the restructuring of the observer program that became effective in 2013. The increases from 2013 to 2014 suggest that year to year variation may be important.

The table suggests that the intrinsic retention rate for big skates in the non-pelagic trawl fisheries for arrowtooth flounder and deep-water flatfish after February 5 is close to zero. The information in the table is not sufficient to say that it is zero before February 5, but that can't be ruled out. When big skate retention was not prohibited, the retention rate after February 5 varied from 0.5 percent to 8.0 percent, depending on the year and time period. However, in all of these time periods when retention was prohibited in 2013 and 2014, the catch rate dropped to less than one percent. Since the catch rate is based on discards as well as retained skates, this indicates that these operations could largely avoid intercepting big skates in their gear while pursuing these target species. In 2014, in the period before February 5, the retention rate dropped off considerably. This may be a random fluctuation, however, it could also be a result of restraint by the fleet, which was aware during this period that top off fishing could result in a prohibited species closure on big skates.

The intrinsic retention rate for skates in the non-pelagic shallow water flatfish fishery appears to be lower than rates often observed, however, the data do not point to a zero intrinsic rate as strongly as they do for arrowtooth flounder and deep-water flatfish. When big skate retention was not prohibited, the retention rate after February 5 varied from 2.2 percent to 7.0 percent, depending on the year and time period. When retention was prohibited in these time periods, the retention rate dropped. In 2013, it was 0.9 percent or 3.0 percent, depending on the time period. However, in 2014 it dropped close to zero in each time period. Intrinsic rates prior to February 5 were close to zero in all three years. These results are indicative of a top-off fishery after February 5.

Table 4-3 Estimated rate of big skate catch (retained and discarded) in relation to groundfish catch (retained and discarded) before and after (shaded cells) PSC closures

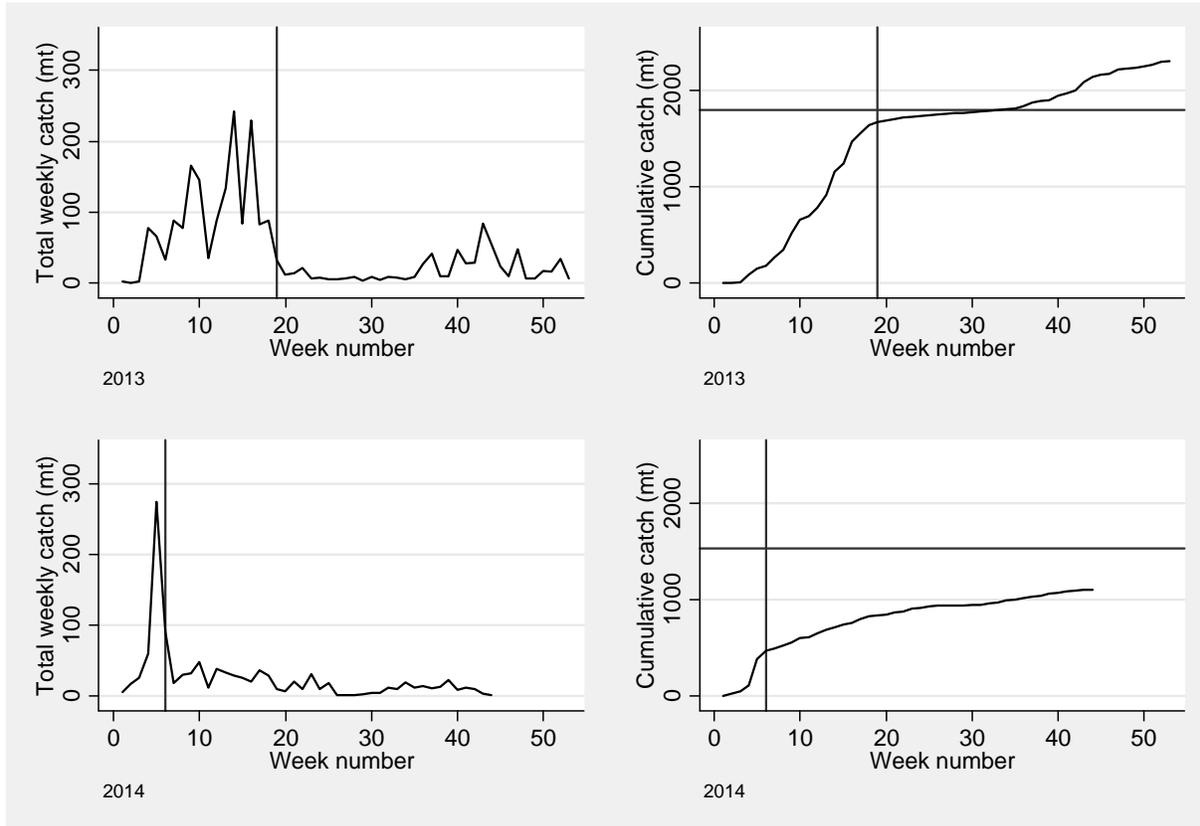
| | Before Feb 5 | Feb 5 to May 8 | May 8 to August 3 | August 3 to December 31 |
|--|--------------|----------------|-------------------|-------------------------|
| <i>Hook-and-line cod</i> | | | | |
| 2012 | 3.3% | 3.1% | No catch | 7.0% |
| 2013 | 5.7% | 2.8% | No catch | 3.0% |
| 2014 | 6.9% | 5.9% | No Catch | NA |
| <i>Hook-and-line IFQ</i> | | | | |
| 2012 | No Catch | 0.5% | 0.4% | 1.4% |
| 2013 | No Catch | 1.1% | 1.5% | 6.3% |
| 2014 | No Catch | 2.6% | 3.3% | NA |
| <i>Non-Pelagic Trawl Arrowtooth flounder and deep-water flatfish</i> | | | | |
| 2012 | 10.3% | 8.0% | 0.5% | 3.5% |
| 2013 | 8.6% | 7.9% | 0.8% | 0.5% |
| 2014 | 4.8% | 0.0% | 0.1% | NA |
| <i>Non-Pelagic Trawl Shallow-water flatfish</i> | | | | |
| 2012 | 0.0% | 5.2% | 6.19% | 7.0% |
| 2013 | 0.4% | 2.2% | 0.9% | 3.0% |
| 2014 | 0.0% | 0.0% | 0.2% | NA |

Source: NMFS catch accounting system.

Note: August 3 was chosen as the closing date for one of the periods since 2014 data end on that date. Use of the same closing date across years facilitates comparison. These rates are not comparable to MRA rates since they include discards and skates are included into total groundfish.

Error! Reference source not found. shows weekly big skate total catches, and weekly cumulative total catches, in the Central GOA in 2013 and 2014.

Figure 4-3 Weekly and cumulative weekly total catch of big skates in the Central GOA in 2013 and 2014.



Vertical lines show week retention prohibited; Horizontal lines show ABC/TAC.

The top of Figure 4-3 shows weekly and cumulative weekly Central GOA big skate total catches for 2013. Catches were relatively high but volatile early in the year, and cumulative catches grew rapidly to almost 1,700 metric tons. The ABC/TAC in 2013 was 1,793 metric tons, thus the Regional Administrator prohibited retention of big skates in the 19th week of the year and retention remained prohibited for the remainder of the year. After retention was prohibited, catches dropped off sharply until about Week 36, when catch grew to moderate size, peaking in Week 43. By Week 36, when catches picked up, the ABC/TAC was already exceeded.

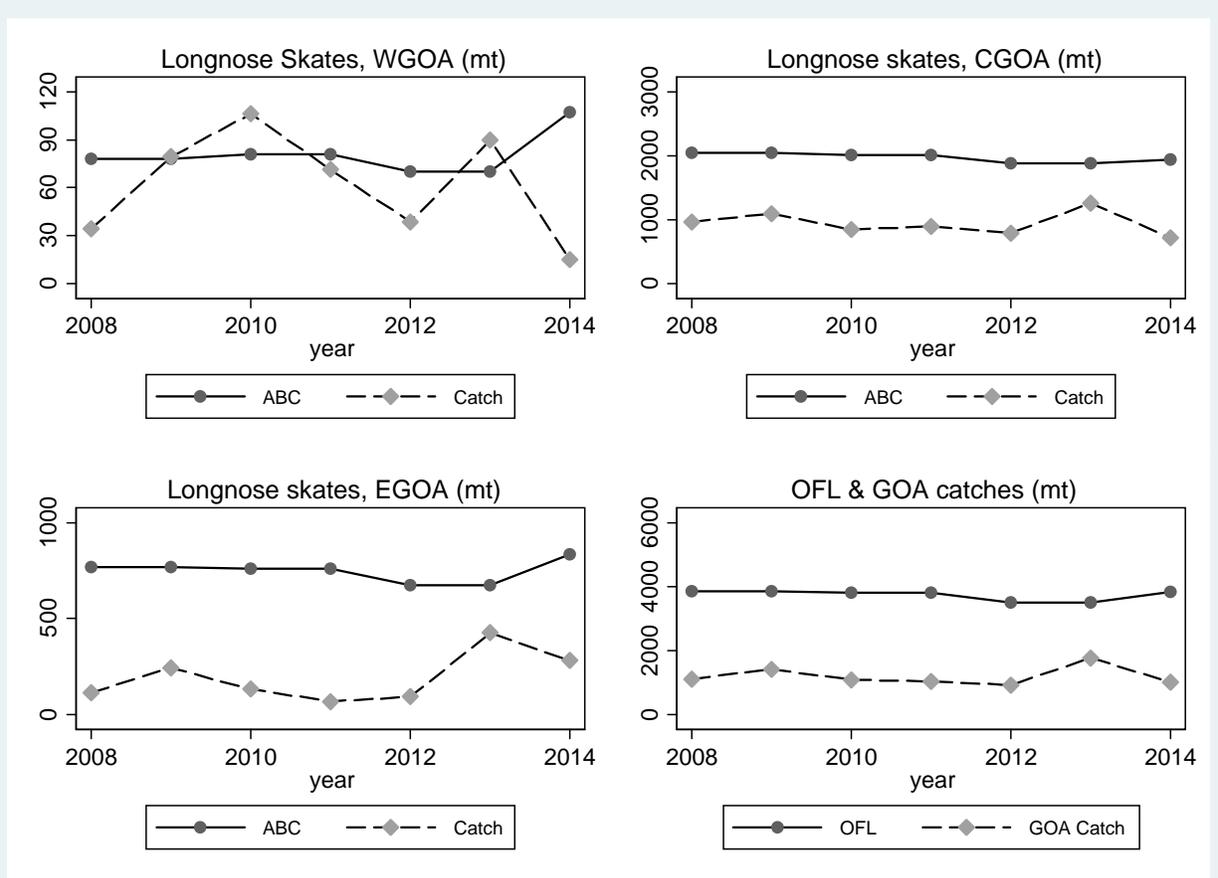
Catches increased rapidly in 2014, and the Week 5 catch exceeded catch in any week in 2013. The Regional Administrator prohibited retention of big skates during Week 6. This prohibition had not been lifted at the time this draft was completed in early November, 2014. At that time, it did not appear that catches would exceed the ABC/TAC in 2014. The last weekly catch data for 2014 in Figure 4-3 is for Week 44. In 2013, catches from Week 45 through Week 53 totaled less than 170 metric tons. Approximately 430 mt remained of the ABC/TAC at the start of November. Had the Regional Administrator delayed prohibiting retention by even a week in 2014, given the rate at which harvest occurred in Week 5, the fishery might well have exceeded the big skate ABC/TAC in the Central GOA in 2014. Given the uncertainties associated with harvests, the Regional Administrator may not decide to lift the prohibition on retention of big skate in the remainder of 2014.

If the Regional Administrator does not lift the prohibition in 2014, and if the industry catches and discards skates at the weekly rates observed in 2013, 260 metric tons, or about 17 percent of the 2014 ABC/TAC for this species in this area, may go unharvested. This reflects the more conservative in-season management based on lessons learned in 2013.

4.5.1.2 Longnose Skate Catch History

Longnose skate catches are reported by management area, and compared to area ABCs/TACs and the GOA OFL in Figure 4-4. Longnose skate catches have exceeded the ABC in the Western GOA in three years, 2009, 2010, and 2013. From 2008 through mid-2014, catches have not exceeded the ABC in the Central or Eastern GOA, or the GOA-wide OFL.

Figure 4-4 Catch of longnose skates, ABC, and OFL, by management area from 2008 through mid-2014



Source: NMFS catch accounting system and Harvest Specifications for groundfish of the Gulf of Alaska

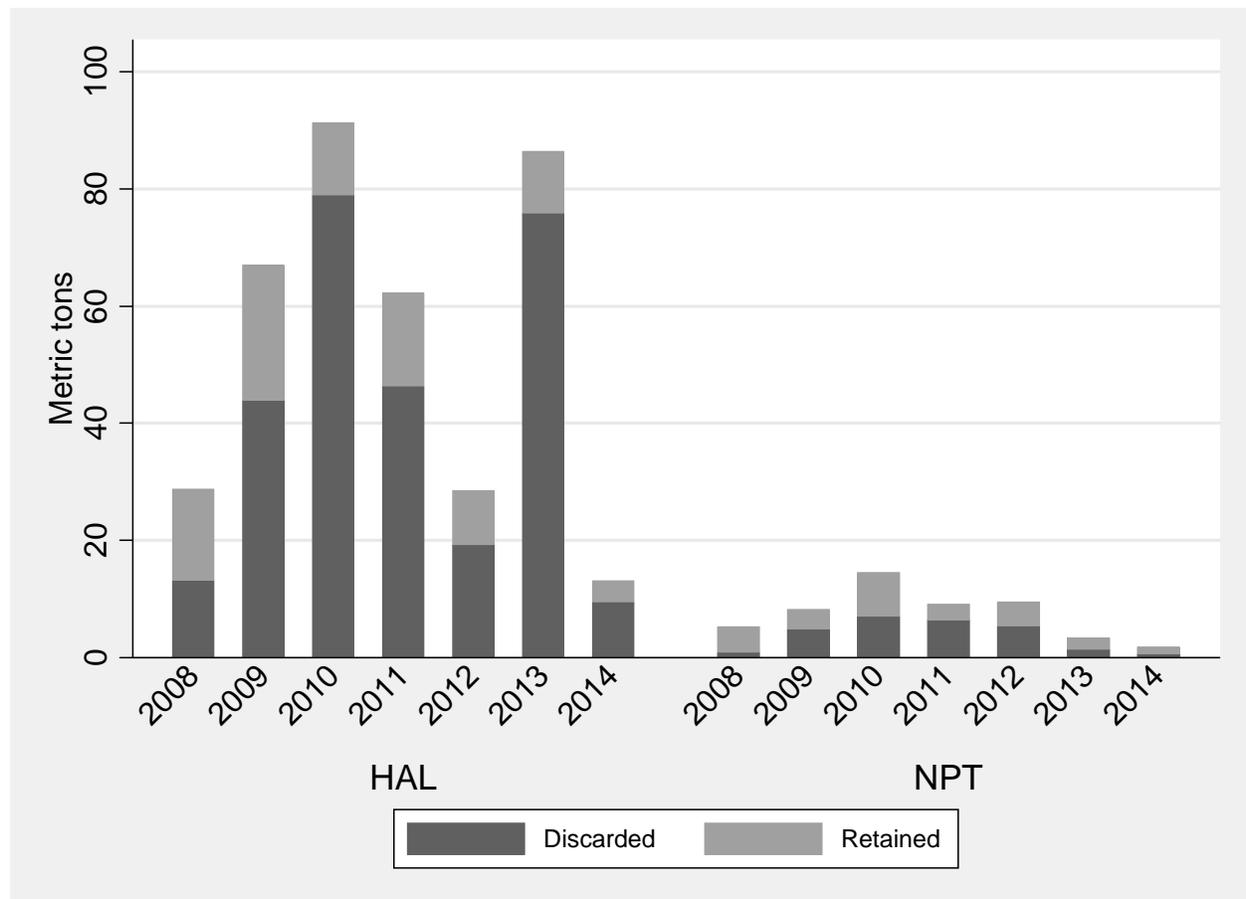
Discard rates for longnose skates vary by management area.⁹ Rates are relatively high in the Eastern and Western GOA areas. In the Eastern GOA, the rate averaged 89 percent from 2008 through the first half of 2014, while in the Western GOA, the rate averaged 73 percent. Rates were considerably lower in the Central GOA where discards averaged 36 percent of total longnose skate catch (NMFS catch accounting system).

⁹ The bias identified in Section 4.4 should not apply to the rates discussed in this paragraph.

Figure 4-5 shows retained and discarded longnose skate catch by gear type and sector in the Western GOA where skate catch has exceeded the ABC. Most catches are taken by hook-and-line gear. Significant proportions of the hook-and-line catch come from both hook-and-line catcher vessels and catcher/processors. Some additional catch comes from non-pelagic trawl catcher/processors, but this is relatively small in proportion to hook-and-line catches by either sector. Catches by non-pelagic trawl catcher vessels were *de minimus*.

Figure 4-5 demonstrates that retained catches of longnose skate in the Western GOA make up a relatively small part of the overall longnose skate catch. Since an MRA works by placing limits on the fishing operation's ability to retain skates in a non-target fishery, the relatively limited retention of longnose skates in the Western GOA suggests that MRA restrictions may have a relatively limited impact on longnose skate catch in that management area.

Figure 4-5 Retained and discarded catch of longnose skates in the Western GOA, by gear and sector, 2008 through mid-2014



Source: NMFS catch accounting system. (Separate catcher vessel and catcher/processor data not reported to protect confidential data; other gear not reported to protect confidential data)

Table 4-4 summarizes information on longnose catch in target fisheries for the hook-and-line gear and non-pelagic trawl gear fishing operations. Hook-and-line longnose catches are concentrated in Pacific cod target fisheries. The much smaller non-pelagic trawl catches are from the flathead sole, arrowtooth flounder, rex sole, and rockfish target fishery categories.

Table 4-4 Hook-and-line and non-pelagic trawl catches of longnose skates in the Western GOA, 2008 through mid-2014

| Year | Hook-and-line | | | Total | Non-pelagic trawl |
|-------|---------------|---------|-----------|-------|-------------------|
| | Pacific cod | Halibut | Sablefish | | Total |
| 2008 | 19 | 3 | 6 | 29 | 5 |
| 2009 | 50 | 8 | 9 | 67 | 8 |
| 2010 | 65 | 10 | 16 | 91 | 14 |
| 2011 | 52 | 5 | 6 | 62 | 9 |
| 2012 | 16 | 7 | 6 | 28 | 9 |
| 2013 | 18 | 61 | 7 | 86 | 2 |
| 2014* | 8 | 3 | 2 | 13 | 2 |

*2014 through August 3 only.
Source: NMFS catch accounting system

Table 4-5 shows the percentages of longnose skates taken in different target species fisheries by hook-and-line operators. Pacific cod, halibut, and sablefish target fisheries provide most catcher vessel longnose catches. The much smaller trawl catches are not detailed in the table, but they are primarily Pacific cod and sablefish.

Table 4-5 Sectoral proportions of Western GOA hook-and-line longnose skate catch (discarded and retained) by target species fishery and year

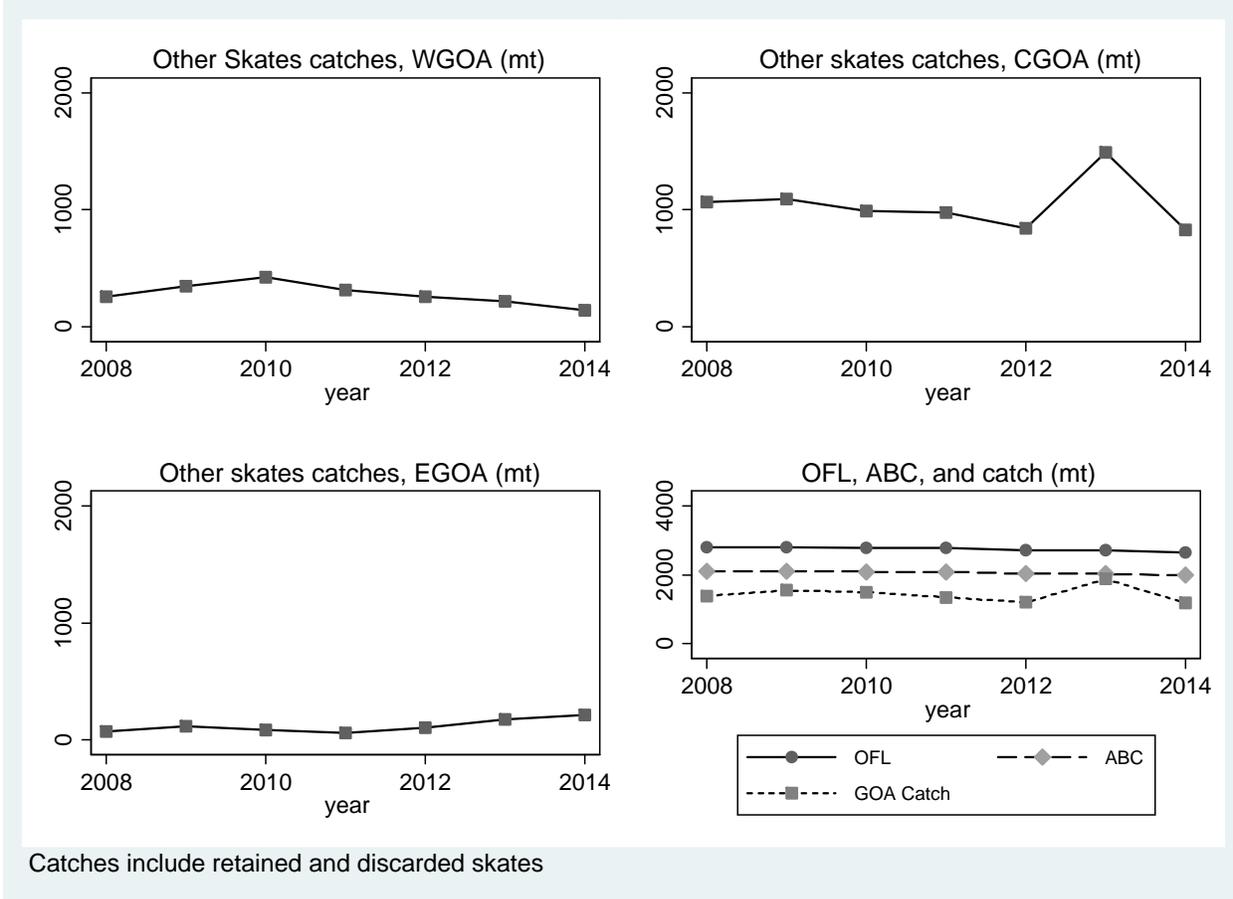
| Year | Hook-and-line | | | All trawl gear |
|-------|---------------|---------|-----------|----------------|
| | Pacific cod | Halibut | Sablefish | |
| 2008 | 57% | 8% | 19% | 16% |
| 2009 | 63% | 10% | 12% | 15% |
| 2010 | 62% | 9% | 15% | 14% |
| 2011 | 73% | 6% | 8% | 13% |
| 2012 | 41% | 17% | 15% | 26% |
| 2013 | 20% | 68% | 8% | 4% |
| 2014* | 51% | 22% | 14% | 13% |

*2014 through August 3 only.
Source: NMFS catch accounting system

4.5.1.3 Other Skate Catch History

Figure 4-6 summarizes other skate catches from 2008 through mid-2014, and compares them to the GOA OFL and ABC for other skates (there are no specific Eastern, Central, or Western GOA other skate ABCs/TACs). Most other skate catches are made in the Central GOA. The GOA-wide OFL and ABC have not been exceeded in any year.

Figure 4-6 Catch of other skates OFL, ABC/TAC and OFL by and management area from 2008 through mid-2014



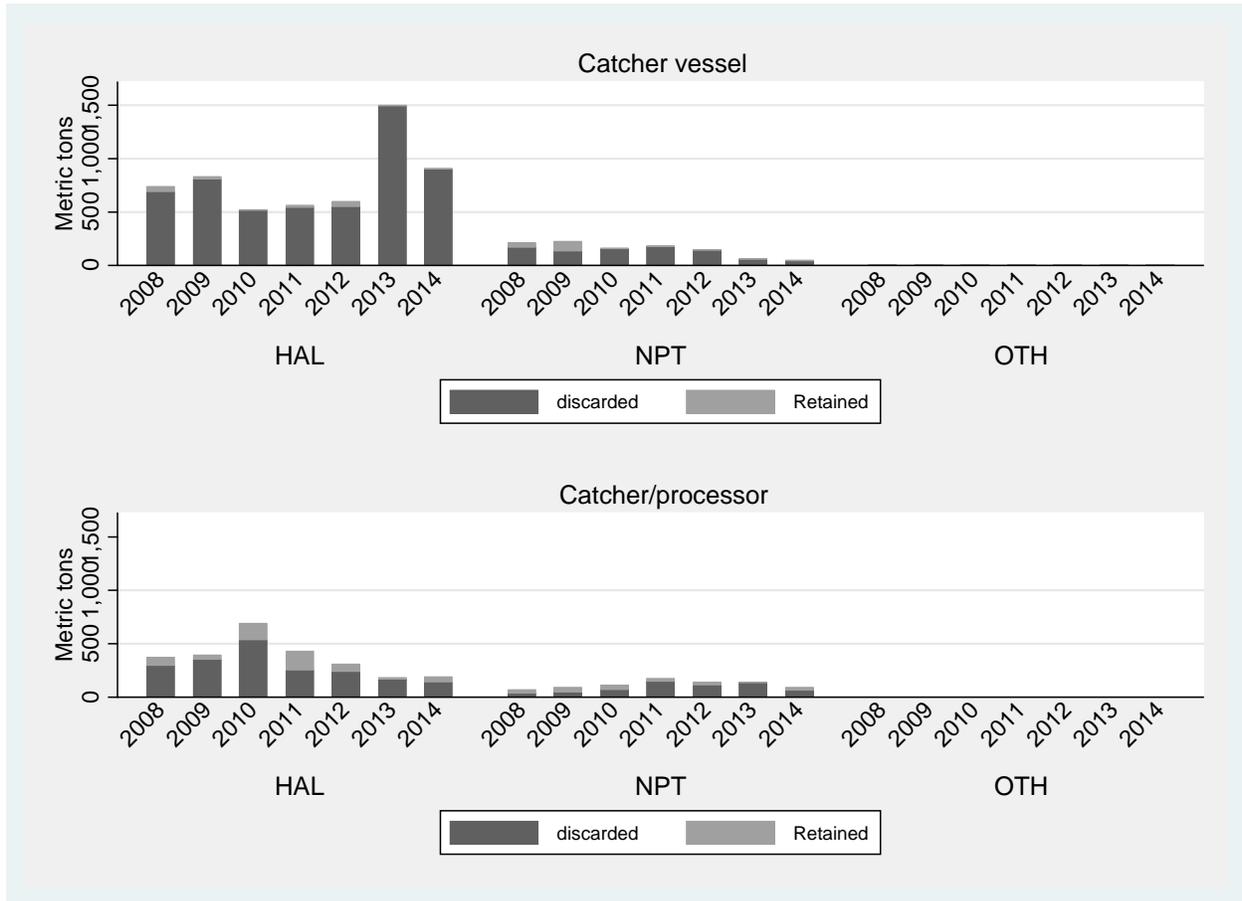
Source: NMFS catch accounting system and harvest specifications for groundfish of the Gulf of Alaska

Discard rates for other skates, as a proportion of the other skate catch, were high in all management areas¹⁰. They averaged 98 percent of catch in the Eastern GOA, 90 percent of the catch in the Central GOA, and 81 percent of the catch in the Western GOA (NMFS catch accounting system).

Figure 4-7 shows the GOA-wide retained and discarded catch of other skates, by gear type and sector from 2008 through mid-2014. Other skate catches are mostly made with hook-and-line gear. Catcher vessel catch is larger than catcher/processor catch. Most catches, and almost all of the hook-and-line catcher vessel catches, are discarded. Thus, changes in MRA levels are unlikely to have much impact on retention of other skates.

¹⁰ The bias identified in Section 4.4 should not apply to the rates discussed in this paragraph.

Figure 4-7 Retained and discarded catch of other skates by gear and sector for the entire GOA, from 2008 through mid-2014



Source: AKRO catch accounting system

4.5.1.4 Retention rates

The discussion so far has focused on the retained and discarded catches of specific species by specific gears in specific management areas. This is necessary since management area catches of skate species that are retained and discarded are counted against species and area specific TAC and ABC limits, and GOA-wide, but species-specific, OFL limits. However, catch, defined this way, is not what is directly regulated by the MRA limits under consideration.

The changes to the MRA under consideration limit catcher vessel trip or catcher/processor weekly retained catches of all GOA skates, without differentiating among species. The same MRA applies to all skate species, all management areas of the GOA, and all gear types.

Figure 4-8, which follows, was created by specifying a series of hypothetical MRA rates, and examining separately, at each MRA rate, the trips with retention equal to or below that rate, and the trips with retention above that rate. Retention was assumed to be unchanged for trips with skate retention below the specified rate (these were described as operations left unbound by a given MRA). Retention was assumed to be truncated to the rate for trips with skate retention above the rate (described as newly bound operations). The hypothetical reduced catch on trips that were truncated in this way may have involved a mixture of opportunistic catches or topping off catches. Topping off retention would have been

eliminated; opportunistic catches could have continued, but they would now be discarded. The efficacy of the rule is associated with the elimination of topping-off fishing.

Figure 4-8(a) provides information about the metric tonnage of retained skate catch in the GOA for all gear types in 2013 under different hypothetical MRA rates. This figure includes all skate species, all Federal GOA management areas, and all groundfish gear types. As explained above, Figure 4-8 was prepared by identifying, for each catcher vessel trip, or each catcher/processor fishing week, the amount (kg) of skates retained for hypothetical MRA rates ranging from one percent of basis species to 20 percent of basis species. Clearly, these amounts get smaller as the MRA becomes more restrictive. Figure 4-8(a) shows that, over a large range, reductions in the MRA have relatively little impact on skate retention. The amount of skates retained starts to change more rapidly once the MRA is reduced to 10 percent or lower. This would be the case if many fishing operations currently retaining skates are not retaining the maximum amount they are allowed under the 20 percent MRA.

It is important to remember the distinction between the newly bound and unbound operators while examining this figure. Amounts in this figure decline as the MRA becomes more restrictive because operations with a retention rate between the old MRA and the new MRA are assumed to reduce their skate retention to comply with the new MRA. As the MRA becomes more restrictive, the incentive for vessels to engage in topping off is reduced, and skate catch (retained and discarded) may be reduced as vessels do not actively seek areas where skates are encountered. Most operations are operating below any given MRA and are not constrained by the tighter restrictions. These unbound operators could even expand skate retention within the MRA limits if there were incentives to do so. Neither the reduced incentive to top off nor the opportunities to expand retention are accounted for in the figure.

The change in retained catch shown in Figure 4-8 may also tend to overstate the reduction in total catch, because some formerly retained catch might have been opportunistic catch that would now be discarded. Discarded catch still counts against the ABC/TAC. This is likely to be a more important consideration at low MRA rates, such as 5 percent, and a less important consideration at higher MRA rates, such as 15 percent, since a larger proportion of the catch that is affected at the higher MRA rates is likely to be top-off catch.

Alternatively, behavioral responses by vessel operators may tend to enhance the impact of changes to the MRA. Consider the example of a vessel with 1,000 metric tons of basis species and 200 metric tons of skates. This vessel complies with the current 20 percent MRA. If the MRA is reduced to 10 percent, the vessel could reduce skate catch in two ways: (1) harvest the same volume of basis species and reduce skate catch to 100 metric tons; (2) reduce basis species catch since it is less valuable in terms of MRA. The analysis takes account of factor (1), but not of factor (2). This could lead to an underestimate of the effect of the MRAs on overall catch since, as the MRA becomes more restrictive, the incentive for vessels to engage in topping off is reduced and skate catch may be reduced as vessels do not actively seek areas where skates are encountered.

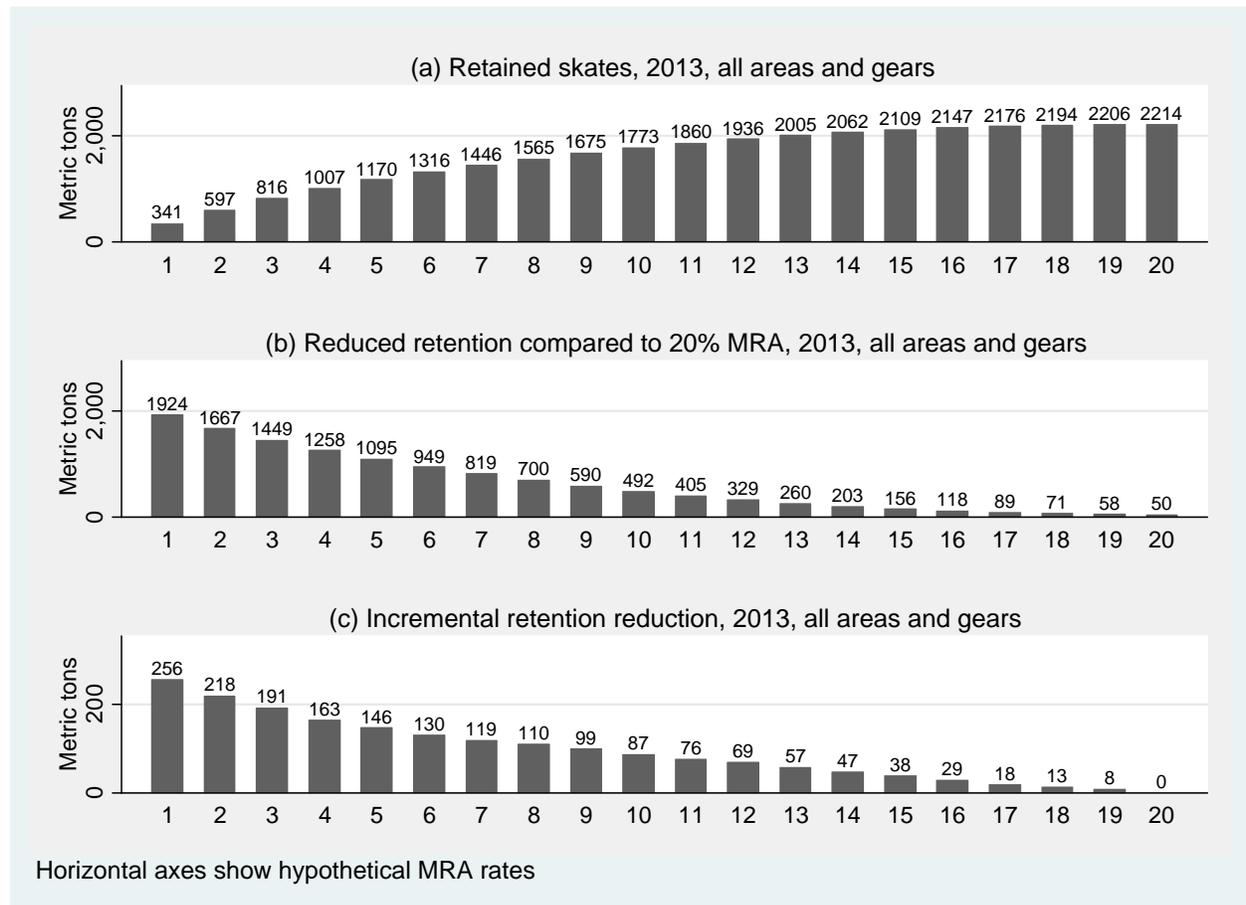
Because of these factors, some of which would lead the model to overstate, some to understate the impact of an MRA reduction, the absolute numbers reported in Figure 4-8 should not be considered precise measures of reductions from the 20% MRA. Rather they show the direction and rough magnitude of the effect of reducing MRAs. There is uncertainty about the exact reduction in catch associated with any MRA.

Figure 4-8(b) shows the reduction in retained skates, for the reasons described above, as the MRA is reduced from the 20 percent level. The amount for the MRA of 19 percent (58 metric tons) shows the difference between the amount of skates retained at the 20 percent MRA and the amount retained at the 19 percent MRA. Note that the MRA level of 20 percent shows a reduced reduction of 50 metric tons.

This indicates that at an MRA of 20 percent, 50 metric tons of skates were delivered by operations delivering skates in excess of the 20 percent MRA.¹¹

Figure 4-8(c) shows the incremental reduction in skate retention associated with a move from one MRA percentage to the next lower MRA percentage. For example, a shift to an MRA of 19 percent reduces retained skate by 58 tons compared to 50 tons for an MRA of 20 percent. Figure 4-8(c) captures the difference between these, (i.e., 8 metric tons).¹²

Figure 4-8 GOA Skate retention (based on 2013 catch of all skate species, in all GOA areas, by all gears) by hypothetical MRA rate



Source: AKRO Calculations based on NMFS catch accounting system

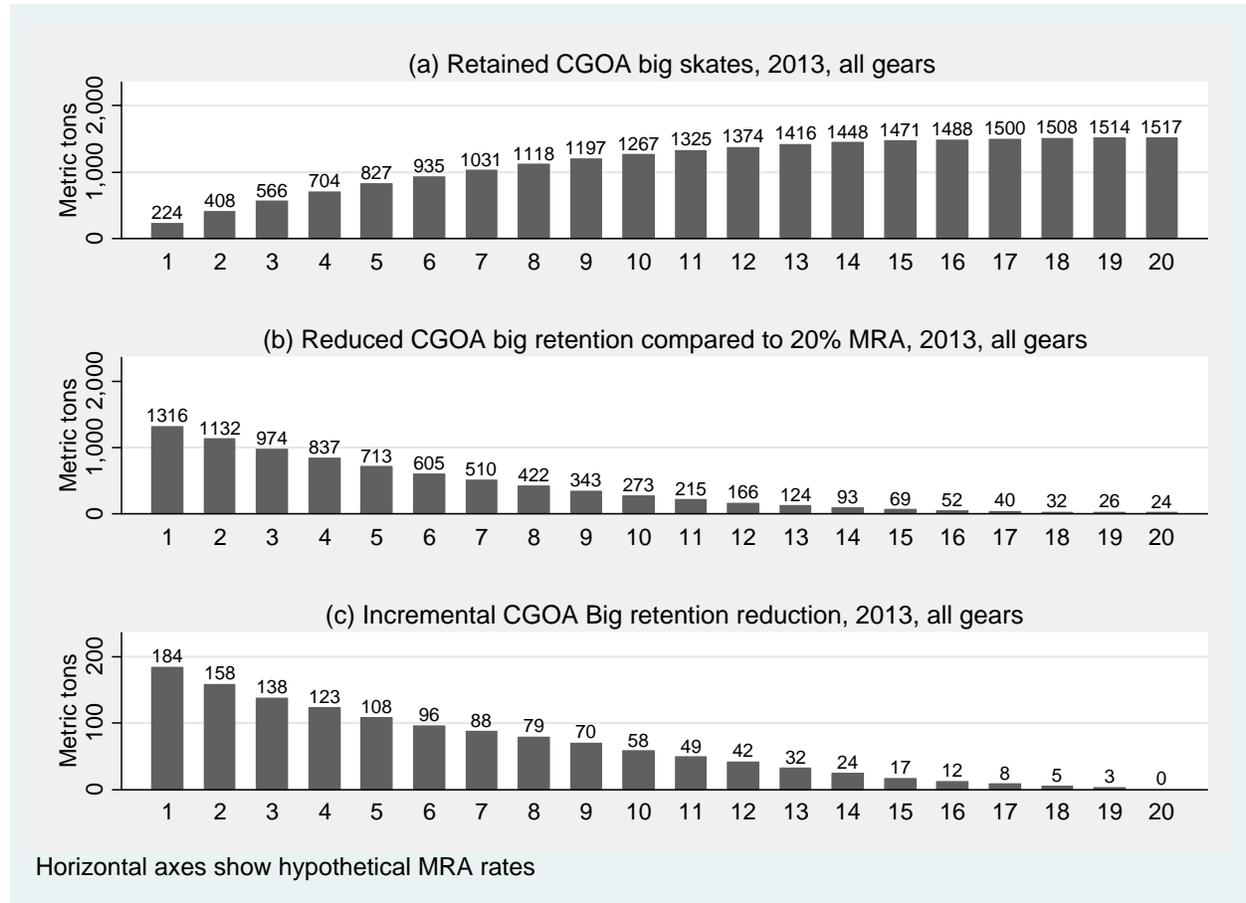
Figure 4-9 duplicates the calculations in Figure 4-8 for big skates in the Central GOA. Again, this figure suggests that MRA reductions from 20 percent to 10 percent would have relatively limited impacts on

¹¹ The figure shows “retention” at the 20 percent level. This would occur if fishing operations accidentally returned with skates in excess of the MRA and were required to surrender income earned from the sale of those skates. At the current 20 percent MRA, some fishermen retain skates in excess of 20 percent of the basis species. Unless a violation is egregious, these fishermen are only required to surrender the value of the excess skates. Part (b) of Figure 4.9 shows about 50 metric tons of fish landed in this way. Part (a) only shows the volume retained below a given MRA rate. Total retention at the 20 percent level is the sum of the volumes show in Parts (a) and (b).

¹² This may be thought of as the incremental reduction in retention from a one percent change in the MRA.

retained catches of Central GOA big skates by operators newly bound by the MRA change. Beyond 10 percent, the potential impacts are larger.

Figure 4-9 Central GOA Big Skate retention (based on 2013 data for all gears) by hypothetical MRA rate



Source: AKRO calculations based on NMFS catch accounting system

4.6 Description of management

Federal skate management in the GOA

Prior to 2003, skates in the GOA were managed as part of the “Other Species” FMP category (skates, sharks, squids, sculpins, and octopuses). Harvest within this category was historically limited by TAC calculated as 5 percent of the sum of the TACs for GOA target species. The Other Species category was established to monitor and protect species groups that are not currently economically important in North Pacific groundfish fisheries but are considered ecologically important.

In response to a developing fishery in the GOA for big and longnose skates in 2003, FMP amendments to re-define the ABC, OFL, and TAC setting process for skate species in the GOA were completed. In 2004, big and longnose skates were managed together under a single TAC in the Central GOA, and the remaining skates in the Central GOA and all skates, including big and longnose skates, in the Western and Eastern GOA were managed as an “other skates” species complex GOA-wide. As identification of skate species in the fisheries improved, skate management became more specific.

Since 2005, GOA skates have been managed in three groups. Big skates and longnose skates each have separate harvest specifications, with OFLs defined GOA-wide and ABCs/TACs specified for Western, Central, and Eastern regulatory areas. All remaining skate species are managed as an “Other Skates” species group with GOA-wide harvest specifications due to difficulty in identification of these species. TACs for all skate species have been set equal to ABCs in all years since 2005.

Before 2013, data on the incidental catch of skate species from fisheries that were largely unobserved were limited or not available. These largely unobserved fisheries included IFQ halibut and small catcher vessel hook-and-line Pacific cod. Both of these fisheries were expected to have large amounts of incidental catch of skates, based on overlap of the fisheries with skate habitat and anecdotal reports.

The North Pacific observer program was restructured in 2013, allowing deployment of observers in the IFQ halibut fishery and on smaller vessels. As expected, the reported skate harvest increased in IFQ fisheries, due to observer data and halibut landings being included in the catch accounting system. Caution should be used as these data are based on one year, however 2014, is showing similar skate harvest increases compared to years prior to the 2013 program observer restructuring (NMFS AKRO in-season managers, pers. comm.). For that reason, skate harvest is analyzed from 2008 through 2012 and 2013/2014.

Topping off fishing behavior is a recognized and generally accepted activity associated with species harvested under an MRA. Topping off fishing involves ostensibly fishing for a target species, while also retaining a species that contributes to the value of the total trip catch. The incentive for fishermen to engage in this activity is directly related to the value of, and available market for, the incidental catch species relative to the associated operation costs of fishing for and retaining the target species. Retention of the bycatch species is allowed up to the MRA, a percentage of total weight of the incidental catch species relative to the target species catch. From a management perspective, MRA percentages are a tool used to slow down the harvest rate of a species. These rates do not necessarily reflect an “intrinsic” incidental catch rate, but reflect a balance between the recognized need to slow harvest rates, minimize the potential for discards, and, in some cases, provide an increased opportunity to harvest available TAC through limited topping off fishing behavior.

State skate management in the GOA

The 2012 GOA SAFE chapter for skates provides the following information:

Prior to 2006, directed fishing for skates in state waters was allowed by [ADF&G] Commissioner’s Permit; in 2006 skates were placed on bycatch status only. In 2008, the Alaska state legislature appropriated funds for developing the data collection necessary to open a state-waters directed fishery [for skates]. In 2009 and 2010, the state conducted a limited skate fishery in the eastern portions of the Prince William Sound (PWS) Inside and Outside Districts. In 2009, the guideline harvest level (GHL) was based on skate exploitation rates in federal groundfish fisheries and NMFS survey estimates of skate biomass. This was changed for 2010, when GHLs were based on ADF&G trawl survey results

The big skate GHL was exceeded by a substantial amount in 2009. In 2010, trip limits for big skates were imposed to reduce the potential for exceeding the GHL. The improved management resulted in a much smaller overage in the Inside District and no overage in the Outside District. The state-waters skate fishery was discontinued in 2011.

Currently fishermen in state waters are not allowed to target skate species. Allowable skate retention levels vary in different parts of the GOA. In Southeast Alaska, in 2014, skates were limited by a 20 percent MRA that applies to groups of species, including species other than skates. In Prince William Sound, in 2014, skates were subject to a 15 percent MRA. In Kodiak and in the Western GOA, in 2014, the state applied a 20 percent MRA, consistent with the Federal rate.

State skate catches are not counted against Federal GOA skate harvest limits and are not included in the Federal stock assessment or ABC determination. However, a 2013 Council discussion paper on skates and octopus directed fishing in the GOA notes that, had 2013 catches from state waters in Prince William Sound and Southeast Alaska been counted against the Federal catch limits, the ABC for longnose skates in the Eastern GOA would have been exceeded (NPFMC 2013, page 11).

4.6.1 Vessels

Table 4-6 shows the numbers of vessels by gear type and catcher/processor or catcher vessel configuration, with retained skate catch of any species for each of the three management areas. A review of the table shows that catcher/processor and trawl vessel information in the Eastern GOA will be confidential, and that other area-gear-sector information may be confidential for certain years.

Table 4-6 Vessels with retained skate catch by sector and gear type, 2008 through mid-2014 (in number of vessels)

| Year | Catcher/processor | | Catcher vessel | | |
|-------------|-------------------|-----|----------------|-----|-----|
| | HAL | TRW | HAL | OTH | TRW |
| Central GOA | | | | | |
| 2008 | 7 | 6 | 141 | 8 | 39 |
| 2009 | 3 | 6 | 122 | 5 | 36 |
| 2010 | 4 | 6 | 126 | 10 | 37 |
| 2011 | 6 | 5 | 124 | 6 | 42 |
| 2012 | 3 | 5 | 139 | 5 | 49 |
| 2013 | 3 | 3 | 111 | 1 | 53 |
| 2014 | 2 | 2 | 81 | 3 | 44 |
| Eastern GOA | | | | | |
| 2008 | 1 | | 51 | | 1 |
| 2009 | 1 | 1 | 29 | | |
| 2010 | 2 | | 24 | | 1 |
| 2011 | | | 23 | | 1 |
| 2012 | | | 25 | | |
| 2013 | | | 18 | | |
| 2014 | | | 17 | | |
| Western GOA | | | | | |
| 2008 | 10 | 3 | 8 | 2 | 19 |
| 2009 | 6 | 3 | 23 | 3 | 17 |
| 2010 | 8 | 5 | 12 | | 25 |
| 2011 | 8 | 3 | 5 | | 18 |
| 2012 | 3 | 3 | 6 | | 25 |
| 2013 | 5 | 2 | 6 | | 19 |
| 2014 | 3 | 2 | 3 | 2 | 12 |

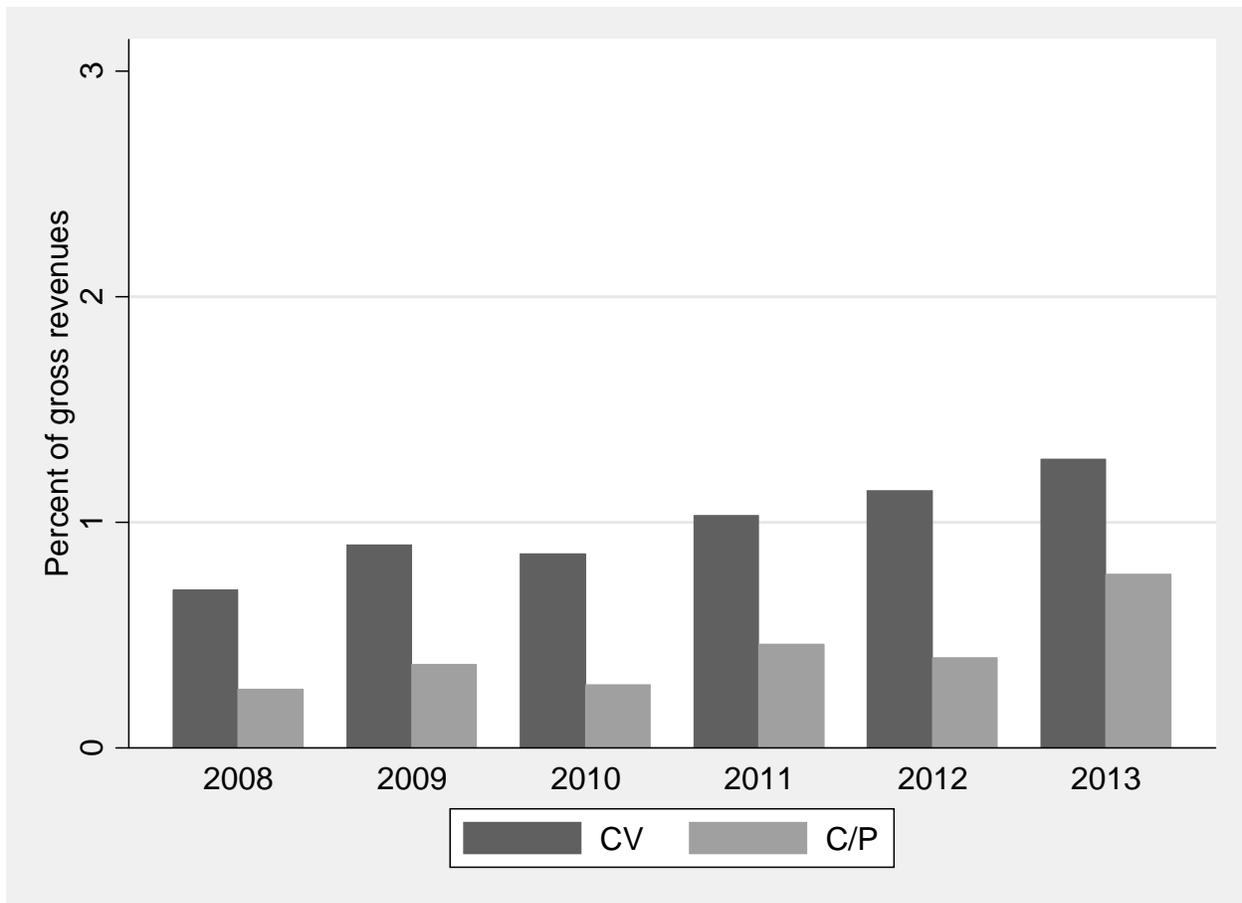
Source: NMFS Catch accounting system

4.6.1.1 Vessel Dependency

During the years 2008 through 2013, skate revenues to GOA catcher vessels (ex-vessel revenues) averaged about \$1.8 million a year, while average revenues to GOA catcher/processors (wholesale revenues) were about \$0.63 million. Average revenues to both categories of fishing operations were about \$2.4 million (AKFIN revenue estimates evaluated by AKRO).

In general, vessels show relatively little dependence on GOA skates for their gross revenues. Figure 4-10 shows the share of gross revenues from GOA skates for vessels in the GOA with retained skates in the years 2008 through 2013, broken out separately for catcher vessels and catcher/processors. The shares ranged between 0.7 percent and 1.28 percent of all gross revenues for catcher vessels, and between 0.26 percent and 0.77 percent for catcher/processors. The figure also shows that the proportion of gross revenues from this source was rising during this period for both groups of vessels, but especially for the catcher vessels.

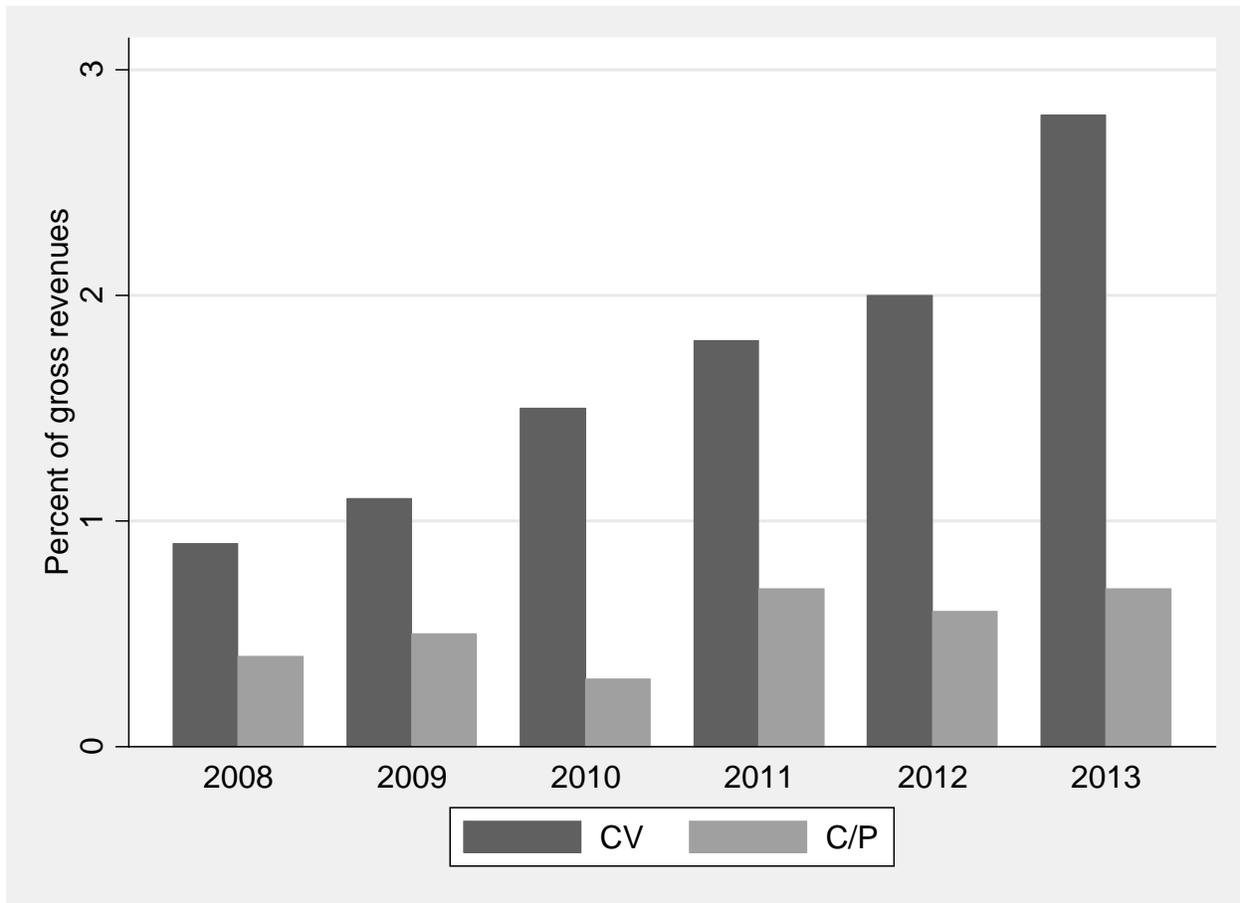
Figure 4-10 Percent of gross revenues from skates for CVs and C/Ps with retained skates, 2008 through 2013



Source: AKFIN revenue estimates.

As discussed in earlier sections, non-pelagic trawlers operations in the Central GOA that retain big skates may have the most interest in the top-off fishery for skates. Figure 4-11 shows that the relative importance of big skate revenues increased in the Central GOA for each year from 2009 through 2013, rising from almost 1 percent of gross revenues in 2008 to almost 3 percent in 2013.

Figure 4-11 Percent of gross revenues from CGOA big skates for CVs and C/Ps with retained CGOA big skates, 2008 through 2013



Source: AKFIN revenue estimates

4.6.2 Communities

Most skates retained by catcher vessels are delivered at Kodiak. The percentage delivered at Kodiak ranged between 87 percent and 93 percent (in 2008) for the years 2008 through 2014 (through August 3, 2014). The remaining skates were delivered at 13 other places during those years, but only in small amounts. Only recent deliveries to Seward and Cordova have amounted to more than one or two percent of the total skate catch (AKRO catch accounting system)¹³.

Shoreside processing of GOA skates is concentrated in Kodiak, but is done by processors from Petersburg to Unalaska. Kodiak is the only shoreside community with enough processors to make it possible to report the value of skate production. Data for other communities are confidential. Over the years 2010 through 2013, the first wholesale value of shoreside skate processing in Alaska ranged between about \$3.2 million and about \$5.1 million, the value in Kodiak ranged between \$2.7 and \$4.6 million. Kodiak accounted for between 84 percent and 91 percent of the value of shoreside skate production.¹⁴ Skates

¹³Based on ADF&G disposition codes 60, 61, 62, 63, and 95, but not including codes 41 (for fish meal production) or 99 (discard onshore after delivery but before processing – not sold).

¹⁴This does not include processing by catcher/processors or motherships at sea.

accounted for between 0.98 percent and 1.38 percent of the first wholesale value of production at Kodiak. This percentage rose in each year from 2011 through 2013 (AKFIN data evaluated by AKRO).¹⁵

As noted in the previous section on fishing vessels, catcher/processors averaged about \$630,000 in wholesale revenues during these years. During this period, motherships grossed an average wholesale value of \$680,000 in addition.

As noted in the previous section, average annual aggregate skate gross revenues received by fishing vessels during the years 2008 through 2013, were \$2.4 million (\$1.8 million gross ex-vessel revenues received by catcher vessels, and \$600,000 wholesale gross revenues received by catcher/processors). This suggests the magnitude of the potential revenue at risk for fishing operations under the status quo.

In the years from 2010 to 2013, shoreside processors buying skates retained by catcher vessels realized from about \$3.2 million to about \$5.1 million in gross wholesale revenues. Average revenues were about \$4.0 million. After deducting the cost of their purchases of skates from catcher vessels (\$1.3 million and \$2.0 million in the relevant years), they were left with from \$2.2 million to \$3.3 million for processing labor, and other expenses. (AKFIN data evaluated by AKRO)

Community profiles for Kodiak, Seward, and Cordova have been prepared by the social scientists at the Alaska Fisheries Science Center, and are included here by reference. The profile for Kodiak starts on page 64 of Himes-Cornell et. al. (2013a), the profile for Seward is on page 411 of Himes-Cornell et. al. (2013b), and the profile for Cordova is on page 35 of Himes-Cornell et. al. (2013c). They may be accessed from the following Internet URLs:

Kodiak: http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Kodiak_Island_Archipelago.pdf

Seward: http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Kenai_Cook_Inlet.pdf

Cordova: http://www.afsc.noaa.gov/REFM/Socioeconomics/Projects/communityprofiles/Regional_Prince_William_Sound.pdf

The State of Alaska imposes a Fisheries Business Tax of 3 percent of the gross ex-vessel value on groundfish delivered within its boundaries. This tax is divided in half between the State of Alaska and the communities within which the fish are landed. Given the ex-vessel value of \$1.8 million provided above in Section 4.6.1.1, the estimated value of the Fisheries Business Tax revenues accruing to the State of Alaska and its communities is \$54,000, of which \$27,000 would be retained for the State, and \$27,000 would be distributed to the communities of landing record, predominately Kodiak.

The State of Alaska also imposes a Fishery Resource Landing Tax of 3 percent of the inferred ex-vessel value of processed fishery resources landed within the State. Again, half of this tax is retained by the State of Alaska, and half is distributed to the communities in which the processed products were landed. The first wholesale value of skates purchased and processed at sea ranged from about \$700,000 to about \$1.9 million (AKFIN data evaluated by AKRO). This value peaked in 2011, and declined in 2012 and 2013. The average value was about \$1.3 million. The value of the Fishery Resource Landings Tax, and its allocation among communities, is difficult to estimate because of limited information about the locations where processed products are landed. If these were all landed in Alaska, the tax revenues would have ranged from about \$10,000 to about \$29,000, and averaged about \$20,000. As with the Fisheries Business Tax, these revenues would have been divided equally between the state and the communities in which the processed skates were landed.

¹⁵ Ex-vessel revenues, and the wholesale value of the processor production to which they give rise, are not additive for the purposes of cost-benefit or distributional analysis. The two revenue estimates are estimates of the value of a single flow of product at two levels. Ex-vessel values are implicit in the wholesale value estimates. Adding the estimates would lead to “double-counting” the value of the product.

From a national cost-benefit analysis accounting stance, taxes are transfer payments from one party to another. They impose no benefits or costs in this context, since the cost to one party is offset by the benefit to another. Nevertheless, they need to be accounted for in examining the distributional impacts of a program, and the community impacts, since they do provide a benefit to the recipient communities.

4.7 Analysis of Impacts: Alternative 1, No Action

In-season management under the no action alternative

Under the no action (or status quo) alternative, the GOA skate MRA would remain at 20 percent of the basis species. However, the MRA tool is used in conjunction with the Regional Administrator's decision about whether and when to prohibit skate retention. As explained earlier, in recent years the Regional Administrator has found it necessary to prohibit skate retention in the Central GOA increasingly early in the year. In 2014, big skates retention was prohibited in the Central GOA on February 5.

In 2015, and in subsequent years, if fishing conditions are found similar to those in 2014, it is likely that big skates in the Central GOA big skate retention would be prohibited early in the fishing year, perhaps earlier than in 2014. A prohibition on retention might be lifted later in the year if it becomes apparent that the annual TAC would not be reached (NMFS AKRO in-season managers, pers. comm.).

In-season decisions about whether or not to prohibit retention of skates early in the year depend on many factors, including: total catches in relation to the TACs for skate species in the preceding year, stock size estimates of skate species, and the expected stock size of GOA target species in which skates are caught (e.g., Pacific cod and IFQ halibut). Additionally any expected change in effort or change in incentives to top off on skates could influence this decision (NMFS AKRO in-season managers, pers. comm.).

Controlling catches within OFLs and ABCs

As discussed in Section 4.4, the baseline for this analysis is the state of the groundfish fishery from 2008 through the first half of 2014. The no action alternative involves conditions similar to those in the baseline years. Note that during 2008 through 2012, there were no significant prohibitions on retention of Central GOA big skates; there was a prohibition very late in 2012, but in 2013 and 2014, retention was prohibited for significant parts of the year.

Under the no action alternative, as described, and if conditions remain similar to those in the baseline years, it is unlikely that the GOA-wide skate OFLs would be exceeded¹⁶. Figure 4-1, Figure 4-3, and Figure 4-6 compare skate species and species-group OFLs and ABCs/TACs to species catches from 2008 through 2014 (as of August 3, 2014). In no case did skate catches approach OFL levels. If skate retention were prohibited for most, or all of a year during that period, catches would have fallen even further below the OFL levels. To the extent that experience in these years provides some guidance about what might happen in the future, OFLs are unlikely to be exceeded. It is more difficult to say whether or not catches would exceed area-species specific ABCs/TACs.

Big skate ABCs/TACs in the Eastern or Western GOA are unlikely to be exceeded under the no action alternative, assuming conditions similar to those in the baseline years. They were not exceeded in any

¹⁶ Conditions could change from those in the baseline years in ways that reduce their relevance for evaluation of the alternatives. For example, a large increase in skate biomass, and a large increase in fishing for a target species, could lead to increased skate discards and, possibly, to catch levels that would exceed TACs more often. It would be unlikely to see an OFL exceeded because of the additional precautionary measures that would be taken in the harvest specifications and accountability measures.

year from 2008 through 2013 (2014 is not yet complete) and, since retention is a relatively large part of the catch for this species, a retention prohibition may have some impact on catches in these areas, further reducing catches below ABCs/TACs.

Big skate ABCs/TACs are more likely to be exceeded in the Central GOA. In 2013, big skate retention was prohibited after May 8, yet the Central GOA ABC/TAC was still exceeded that year. NMFS remains concerned at this writing (November 2014) that the Central GOA ABC/TAC might be exceeded in 2014, even though retention was prohibited after February 5. Prohibition of retention may reduce the likelihood of exceeding the Central GOA ABC/TAC in any given year, however, this likelihood, and the change in it, cannot be estimated with available information. The possibility that the ABC/TAC might be exceeded cannot be ruled out.

Longnose skate catches raise issues in the Western GOA, and in this area they are largely discarded, so a prohibition on retention may have a relatively limited impact on Western GOA catches. Experience in the years 2008 through 2014 suggests that there would be little chance of exceeding longnose skate ABCs/TACs in the Eastern and Central GOA. However, the longnose skate ABC/TAC has been exceeded three times during those years in the Western GOA. In 2013, the only year with relatively complete information about discards (because of the implementation of the observer program restructuring in 2013), the catch in the Western GOA was almost entirely discarded, yet the ABC/TAC was exceeded. Since a prohibition on retention for all or part of the year under Alternative 1 would not affect discards, the likelihood of exceeding the longnose skate ABC/TAC in the Western GOA may not be affected by the no action alternative. Note that if it is not affected by the no action alternative, under which retention might be prohibited all year, it might not be affected by any alternative with a lower MRA.

As shown in Figure 4-6, the only ABC/TAC for the other skates species group is GOA-wide. This has not been exceeded in any year. As shown in Figure 4-7, most other skate catches are discarded. Based on experience during 2008 through 2014, it is unlikely that the other skates ABC/TAC will be exceeded GOA-wide, although it is also unlikely that a prohibition of retention will have a large impact on catch. As noted above, if prohibition of retention is unlikely to have a significant effect on catch, more limited measures, such as a 15 percent, 10 percent, or 5 percent MRA will not have a significant effect either.

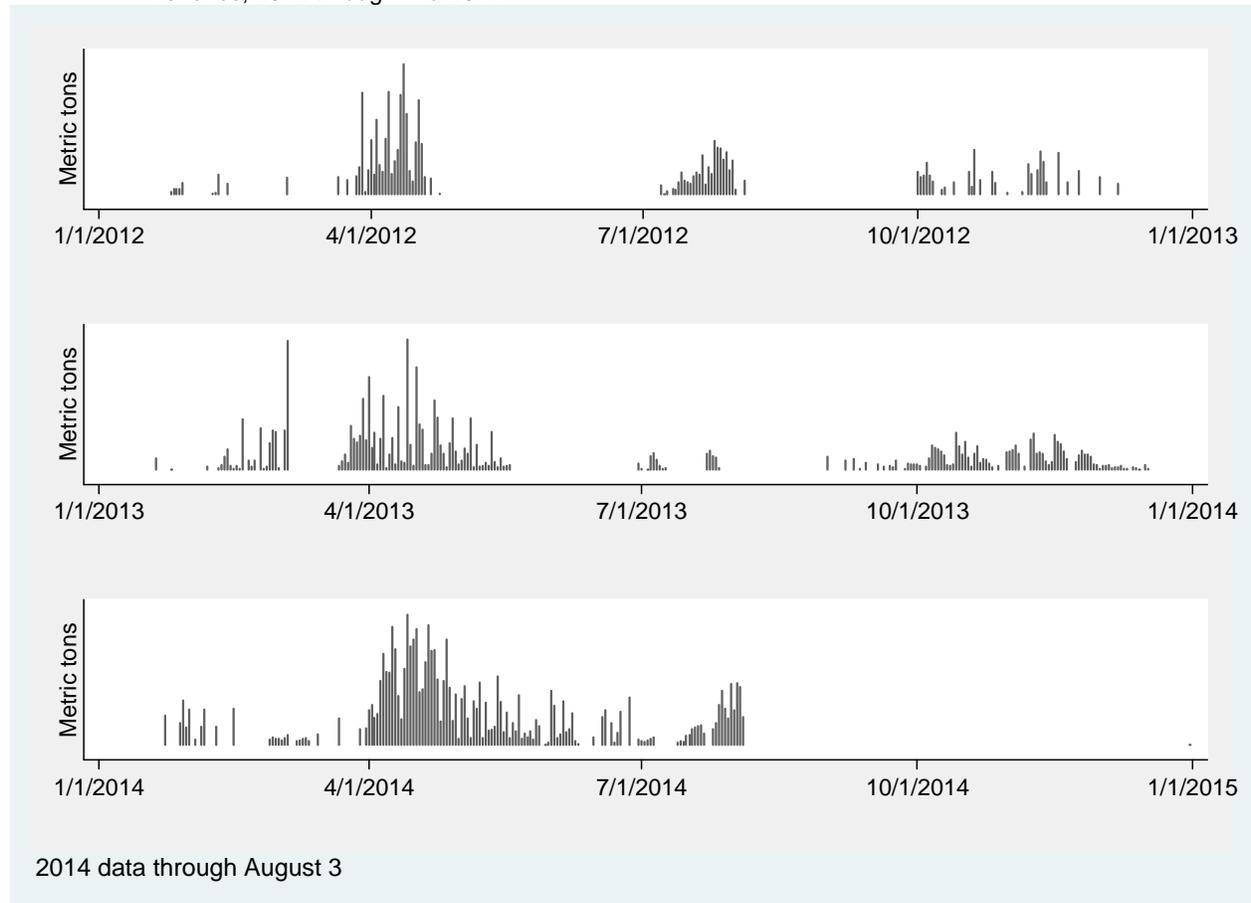
Response of fishing operations to changed incentives

In a top-off fishery for skates, a prohibition on retention of skates will change the incentives for fishing operations. Revenues from a day spent fishing for the MRA incidental catch species targeted in the top-off fishery would be reduced compared to those in other activities; fishing vessel operators may respond by changing their pattern of fishing activities away from those whose relative return has gotten smaller, and towards those whose relative return is now higher.

In particular, non-pelagic trawl catcher vessels in the Central GOA spring arrowtooth flounder target have taken big skates in top off fisheries while they were using arrowtooth flounder as the MRA basis species. Under a prohibition on retention of skates these vessels would no longer earn revenues from big skates. Some vessels may continue to find the arrowtooth flounder fishery viable without the big skate top off retention; these vessels may continue to fish for arrowtooth flounder. Other vessel operators may withdraw from these fisheries in the absence of big skate revenues. Vessels that no longer find the spring arrowtooth fishery viable without the big skate top off retention have relatively limited alternative fishing opportunities. These vessels may target shallow-water flatfish, but this has not been a valuable fishery, and has relatively high halibut PSC. Vessels may want to reserve halibut PSC limits for fall fishing for Pacific cod and, possibly, shallow-water flatfish. Alternatively, vessels may remain in port. Opportunities for fishing in the BSAI are likely to be relatively limited by overlap in time between important BSAI and GOA fisheries. There is limited information on potential changes in target fisheries in response to

changing big skate retention levels; however the available information on arrowtooth flounder does not suggest the fishery would no longer be viable if big skates could not be retained in top-off fishing. The years 2012 through 2014 have seen Central GOA retention prohibited for big skates on December 17, May 8, and February 5, respectively. Figure 4-12 shows big skate retention in the arrowtooth, deep-water flatfish, and rex sole targets (without regard to area of gear type) in 2012, 2013, and 2014. Big skate retention was prohibited on December 17 in 2012. It is difficult to discern any clear impact of big skate retention prohibitions in any of these years. Even in 2014, when big skate retention was prohibited on February 5, there is no obvious impact on the volume of groundfish retained in arrowtooth targets.

Figure 4-12 Seasonal patterns of groundfish retention in GOA arrowtooth, deep water flatfish, and rex sole target fisheries, 2012 through mid-2014



2014 data through August 3

Source: NMFS catch accounting system (vertical scale not shown to preserve confidentiality)
Fishing operation and shoreside plant revenues

As discussed in Sections 4.6.1 and 4.6.2, average annual aggregate gross revenues received by fishing vessels during the years 2008 through 2013, were \$2.4 million (\$1.8 million gross ex-vessel revenues received by catcher vessels, and \$600,000 wholesale gross revenues received by catcher/processors). This suggests the magnitude of the potential revenue at risk for fishing operations under the status quo. In the years from 2010 to 2013, processors buying skates retained by catcher vessels realized from \$3.5 million

to \$5.3 million in gross wholesale revenues. After deducting the cost of their purchases of skates from catcher vessels (\$1.3 million and \$2.0 million in the relevant years), that left them \$2.2 million to \$3.3 million for processing labor, and other expenses.

This suggests both the overall level of revenue impact faced by the fishing and processing sectors together (the wholesale value received by processors) and the potential impact on the processing sector alone (the wholesale value net of the cost of ex-vessel purchases). Actual revenue impacts may vary quite a bit and depend on the assessment of skate biomass and harvest specifications; market conditions and price; the currently unknown elasticity of demand for skates at the ex-vessel and wholesale levels; and the actions taken by in-season managers. If retention of skate species is prohibited at the start of the fishing year, then skate gross revenues would be zero.

Value of ecosystem impacts

The industry has historically had difficulty developing lucrative markets for arrowtooth flounder. Arrowtooth flounder may compete with more valuable species for ecosystem resources or may prey on more valuable species (Spies and Turnock, 2013: Appendix B). If this is so, arrowtooth flounder retention associated with skate top-off fisheries may have created value for fishermen targeting other species. However, potential value from this source is speculative and unknown.

Community impacts

In the past, most skates taken by catcher vessels have been delivered at Kodiak. Small amounts have been delivered in other ports. Prohibition of skate retention is likely to have the greatest adverse impact at Kodiak. As discussed in Section 4.6.2, during the years from 2010 to 2013, the gross wholesale value of skates processed by Kodiak firms ranged from \$2.7 million to \$4.6 million (rising each year from 2011 to 2013). During these years, skates provided from about 1.0 percent to about 1.4 percent of the Kodiak gross wholesale revenues from fish processing. This suggests the magnitude of the impact that would be faced at Kodiak.

4.8 Analysis of Impacts: Alternatives 2 and 3 (15 and 10 Percent MRAs)

Reducing the MRA for skates to 15 percent, or to 10 percent, would not have a large impact on skate retention among operators newly bound by the restriction. Figure 4-8(a) showed the volumes of skates retained by vessels that retained fewer skates than a set of designated MRA levels (ranging from 1 percent to 20 percent) in 2013. The figure shows a relatively gradual reduction in aggregate skate retention from the 20 percent MRA level to the 10 percent level. In fact, this is misleading, since only retained skates are shown in the figure. If the figure were revised to include discarded skates, as well as retained skates, in the columns, the impact would appear to be even less.

The actual retained tonnage in 2013 would have decreased from about 2,214 metric tons at a 20 percent MRA, to about 2,109 metric tons at 15 percent MRA; a decline of 105 metric tons. A change in the MRA from 20 percent to 10 percent would have decreased retention to an estimated 1,773 metric tons, or by about 441 metric tons. In 2013, the big skate retained and discarded catches in the Central GOA exceeded the ABC/TAC by about 497 metric tons.¹⁷ Therefore, even if the entire impact of the Alternative 3, a reduction to a 10 percent MRA, had been used for 2013, it would not have kept the total catch within the ABC/TAC for big skates in the Central GOA.

¹⁷ The big skate retained and discarded catch was 2,290 metric tons in 2013, and the ABC/TAC was 1,793 metric tons (see the EA).

Given the relatively small impact of the MRA constraints on skate retention by operators newly bound by the smaller MRA, it seems likely that, under conditions similar to those prevailing in 2013, the Regional Administrator would find it necessary to prohibit retention of big skates in the Central GOA under Alternatives 2 and 3. Much of the analysis of Alternative 1, the status quo, is applicable to Alternatives 2 and 3.

The actual reduction in the MRA may affect fishing incentives for operators unbound by the MRA. While this consideration probably is not too important for 10 percent and 15 percent MRAs, because of the relatively small amounts of skates taken by vessels in excess of 10 percent and 15 percent of their basis species, it may be more important for lower MRAs which could constrain more fishing operations (NMFS catch accounting system).

It is fairly common for groundfish vessels to catch skates, less common for them to retain them. Of 1,647 vessels active from 2008 through mid-2014, 66 percent caught skates on at least one trip during the period, but only 27 percent retained skates on at least one trip. Of the trips taken (for catcher vessels) or weeks fished (for catcher/processors) during that period, 56 percent resulted in a catch of skates, while only 21 percent resulted in the retention of skates. Vessels retaining skates tended to retain small amounts in relation to their potential 20 percent MRA. On 11,302 trips and weeks fished during this period, in which the vessel retained less than the 20 percent of basis species worth of skates which it was permitted to retain, the average retention rate was 6 percent. Focusing more tightly on the 9,505 trips and weeks in the Central GOA, the percentage is 6 percent. Focusing even more tightly on the non-pelagic trawlers in the Central GOA, the number of trips is 4,716, and the retention rate is 4 percent. These are average retention rates; significant numbers of vessels have rates below these (NMFS catch accounting system).

Suppose a 10 percent MRA limited production of skates by vessels formerly retaining in excess of 10 percent. If this reduction in marketable skates led to increases in skate prices, the vessel capacity would exist for an expansion of retained skate catches, which would offset the reduction in catch by newly bound operators to an unknown extent. Vessels could start to retain skates on trips, they could increase their retention on individual trips, they could take additional trips, in part, to harvest more skates. The magnitude of this potential behavioral response cannot be predicted, but it is likely to increase with the reduction in the skate MRA.

The point of this is not that this action would fail. This is a rough analysis, and Alternatives 2 and 3, in combination with in-season management changes in the retention status of skate catches, may achieve the objective of constraining skate catches within ABC/TAC levels. However, even a 10 percent MRA may not be enough to guarantee keeping catches within ABC/TAC levels.

4.9 Analysis of Impacts: Alternative 4, PPA (5 Percent MRA)

As noted, Figure 4-8 shows that a change from an MRA of 20 percent to an MRA of 10 percent (a 50 percent cut) only reduces retained skate catch by newly bound operators by about 20 percent. However, the reduction in the amount of retained skates increases more rapidly with reductions in the MRA beyond 10 percent, and when the MRA reaches 1 percent, the retained catch by newly bound operators has been reduced to 15 percent of its original total.

The difference between the 2013 big skate ABC/TAC and the big skate 2013 catch (retained and discarded) was about 500 metric tons. This tonnage is not reached in Figure 4-8 until the MRA is reduced

to 0 between 9 percent and 10 percent of the basis species (see Figure 4-8(b)).¹⁸ However, some of these reductions would apply to longnose and other skates, as well as to big skates. This analysis suggests that, to reduce the big skate catch by newly bound operators below the ABC/TAC in the Central GOA, the MRA may have to be lower than 10 percent. Figure 4-9 provides similar information for big skates in the Central GOA. Given the uncertainties associated with this analysis, as discussed in 4.5.1.4, and the year-to-year fluctuations that occur in a fishery, this method of comparing the estimated reduction in catch by newly bound operators with the excess of catch over the ABC/TAC can only be indicative of general tendencies.

Moreover, as noted above, reductions in the MRA only directly impact fishing operations with retention rates between the current MRA, and a new MRA. They would not affect retention by vessels with skate retention rates below a new MRA. Following the discussion of terms, these vessels are described as those of unbound operators. Figure 4-8 only reflects impacts on newly bound operators. Vessels with retention rates below a new MRA have room to expand production if there is incentive to retain more skates. This may tend to lead the analysis to overstate the impact on skate catch. Many operations retain skates at rates less than 5 percent of their basis species. GOA-wide, during trips in which this was the case, the average rate was 1.6 percent; in the Central GOA this average was 1.7 percent, for non-pelagic trawl gear in the Central GOA the average rate was 1.6 percent (NMFS catch accounting system). These operations have the capacity to expand their skate retention within the 5 percent MRA limit. On the other hand, as pointed out in Section 4.5.1.4, behavioral changes by the vessels, associated with a reduced MRA value of basis species, could also tend to lead the analysis to understate the impact.

Nevertheless, recognizing the uncertainties inherent in this analysis, a shift from a 20 percent MRA to a 5 percent MRA may produce net benefits. By limiting the incentive for top-off fishing, a 5 percent MRA will create a more stable environment within which in-season managers can control skate harvests. This should have two results. On one hand, it should reduce the likelihood that fishing operations will be allowed to exceed the TAC and ABC levels for skates. This will contribute to the long-run sustainability of the skate resource. On the other hand, to the extent that a 5 percent MRA constrains more aggressive top-off fishing for skates, and reduces weekly harvest uncertainty, it may allow the Regional Administrator to adopt a less conservative approach to in-season management. This may allow the industry to harvest larger proportions of the ABC/TAC, without threatening biological management objectives. If so, this should have positive implications for fishing industry revenue.

The potential to exceed, or to fall short, of the ABC/TAC is illustrated by events in 2013 and 2014. As shown in Figure 4-3, skate catches were high in the first months of 2013, and the Regional Administrator prohibited retention of skates during the 19th week of the year. Weekly catches dropped immediately, rising again in the last months of the year (although the prohibition on retention was never withdrawn). The large catches early in the year, combined with discarded catches during the remainder of the year, resulted in total annual Central GOA big skate catches that exceeded the Central GOA ABC/TAC. In 2014, in response to events in 2013 and to a lower ABC/TAC, the Regional Administrator managed more conservatively, prohibiting retention in the 5th week of the year, after a short period of large catches. While the season is not over as this is written (early November 2014), it appears unlikely that the ABC/TAC will be exceeded, and part of the annual ABC/TAC may go unfished.

The benefits described here are likely to be realized with a lag, as in-season managers would require time to familiarize themselves with the weekly fishing rates that would occur under a 5 percent MRA. These would not necessarily be the same as those under the 20 percent MRA.

¹⁸ As pointed out by the SSC, this does not take account of some additional reduction that may be caused by vessels finding that with MRA reductions a skate top-off fishery is no longer economically viable at all.

4.10 Enforcement

The alternatives proposed by the Council are changes in the aggregate skate MRA throughout the GOA from 20 percent to 5 percent, 10 percent, or 15 percent. This MRA applies to skate catch, without differentiating among the species, and it applies across areas and gear types. NOAA OLE does not foresee that these alternatives will raise significant enforcement issues. There may be transitional issues raised by a reduction in the MRA, as it may take time to inform all participants of the rate change. When a vessel lands skates in excess of the MRA, the value of the overage will be confiscated; punitive fines are only likely in the case of egregious overages (B. Pristas, pers. comm.)¹⁹.

As discussed above, the issue motivating this action is big skate overages of the TAC/ABC in the Central GOA. This is primarily a problem for catcher vessels, and non-pelagic trawlers have larger retained catches of big skates in this area than hook-and-line vessels. Other fleet sectors do not contribute significantly to the problem. A reduction in the skate MRA in the Central GOA alone is also unlikely to raise significant enforcement issues, so long as it applies to aggregate retained skate catch, and is not species-specific (B. Pristas, pers. comm.). In this case, if a vessel fishes in multiple GOA areas in a single trip, for example in both the Eastern and Central GOA, then the MRA from the area with the lowest MRA would be applicable (CFR 679.20(e)(3)(i)). As with changes in a global skate MRA, a change in an area-specific MRA would create some relatively minor transitional enforcement issues until all participants are informed of the new MRA.

More serious enforcement issues would be raised for a species-specific MRA. Fishermen and processors may have difficulty identifying skate species. Moreover, a 5 percent MRA for big skates, and a 20 percent MRA for longnose or other skates, may create incentives for fishermen or processors to misreport skate species (B. Pristas, pers. comm.).

A vessel may fish in both state and Federal waters in a single trip, and deliver skates caught in both jurisdictions. The state has not opened a directed fishery for skates in the GOA since 2010. Federal rates are currently as large as, or larger than state rates. A reduction in the Federal level below the state level could create an incentive to misreport the area of catch in some instances. However, where the Federal rate is already higher, as in Prince William Sound, this incentive may already exist in reverse. Potential impacts for enforcement would depend on whether the state reduces its allowable bycatch levels, and the extent to which it prohibits retention in reaction to Federal in-season management prohibitions.

¹⁹ Pristas, Brent. Criminal Investigator. NOAA Office of Law Enforcement, Kodiak, Alaska. August 18, 2014.

4.11 Summation of the Alternatives with Respect to Net Benefits to the Nation

Table 4-7 Summary of Alternative impacts and net benefits estimates

| Impact | Baseline | Status quo (20 percent MRA) | 10 percent or 15 percent MRA | 5 percent MRA |
|---|---|------------------------------|---|---|
| Impact of the action on retained catch | Significant proportions of big skate catches retained; less so of longnose and other skates. | No change from the baseline. | Not likely to see any significant change from the baseline for fishing operations newly constrained by tighter limits. Moreover, the alternatives have no ability to change constraints on fishing operations not bound by new MRA limit. | May see more significant constraints imposed on retained catches by newly bound operators. However, the alternatives have no ability to change constraints on fishing operations not bound by the new MRA limit. |
| Impact on in-season management ability limit catch to designated catch limits | Recent problems limiting big skate catches to the ABC in the Central GOA, and limiting longnose catches to the ABC in the Western GOA. No current problems limiting catches of any skate species within OFL levels. Control currently requires prohibition of retention for some or all of year. Under current conditions this may allow limiting big skates in the Central GOA to the ABC, but ability to limit longnose skates to ABC in western GOA is limited by large proportion of these skates which are not retained. | No change from the baseline. | Not likely to see any significant change from the baseline. | This rate may stabilize weekly skate retention and overall catches, especially for Central GOA big skates. This may enhance the ability of managers to meet big skate ABC/TAC limits. There is less potential for improvements in Western GOA longnose skate management because relatively larger proportions of catch are discarded. |
| Impact on fishing and processing industries | Revenues from 2010 to 2013 were between \$3.2 million and \$5.1 million to shoreside processors and the vessels that deliver to them. Catcher/processor and mothership production has averaged about \$1.31 million at the first wholesale level. Most deliveries in Kodiak. Retention prohibited in parts of 2013 and 2014. May not be able to fully harvest TAC in 2014, with associated revenue loss.. | No change from the baseline. | Not likely to see any significant change from the baseline. | Greater catch stability may make it possible for managers to be less conservative in closing big skate fishing in the Central GOA than they would be under the other alternatives. |
| Impact on enforcement | No significant enforcement issues. | No change from the baseline. | No significant enforcement issues; may see some short term transitional overages until industry becomes accustomed to the new MRAs. | No significant enforcement issues; may see some short term transitional overages until industry becomes accustomed to the new MRAs. |
| Net change in benefits to the nation | None. This is the baseline against which changing benefits from changing MRAs are measured. | No change from the baseline. | Not likely to see any compared to baseline. | May see some net benefit from the in-season management and industry impacts described above. |

5 Initial Regulatory Flexibility Analysis

5.1 Introduction

This Initial Regulatory Flexibility Analysis (IRFA) addresses the statutory requirements of the Regulatory Flexibility Act (RFA) of 1980, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601-612). This IRFA evaluates the potential adverse economic impacts on small entities directly regulated by the proposed action.

The RFA, first enacted in 1980, was designed to place the burden on the government to review all regulations to ensure that, while accomplishing their intended purposes, they do not unduly inhibit the ability of small entities to compete. The RFA recognizes that the size of a business, unit of government, or nonprofit organization frequently has a bearing on its ability to comply with a federal regulation. Major goals of the RFA are: (1) to increase agency awareness and understanding of the impact of their regulations on small business, (2) to require that agencies communicate and explain their findings to the public, and (3) to encourage agencies to use flexibility and to provide regulatory relief to small entities.

The RFA emphasizes predicting significant adverse economic impacts on small entities as a group distinct from other entities, and on the consideration of alternatives that may minimize adverse economic impacts, while still achieving the stated objective of the action. When an agency publishes a proposed rule, it must either ‘certify’ that the action will not have a significant adverse economic impact on a substantial number of small entities, and support that certification with the ‘factual basis’ upon which the decision is based; or it must prepare and make available for public review an IRFA. When an agency publishes a final rule, it must prepare a Final Regulatory Flexibility Analysis, unless, based on public comment, it chooses to certify the action.

In determining the scope, or ‘universe’, of the entities to be considered in an IRFA, NMFS generally includes only those entities that are directly regulated by the proposed action. If the effects of the rule fall primarily on a distinct segment, or portion thereof, of the industry (e.g., user group, gear type, geographic area), that segment would be considered the universe for the purpose of this analysis.

5.2 IRFA Requirements

Until the North Pacific Fishery Management Council (Council) makes a final decision on a preferred alternative, a definitive assessment of the proposed management alternatives cannot be conducted. In order to allow the agency to make a certification decision, or to satisfy the requirements of an IRFA of the preferred alternative, this section addresses the requirements for an IRFA. Under 5 U.S.C., section 603(b) of the RFA, each IRFA is required to contain:

- A description of the reasons why action by the agency is being considered;
- A succinct statement of the objectives of, and the legal basis for, the proposed rule;
- A description of and, where feasible, an estimate of the number of small entities to which the proposed rule will apply (including a profile of the industry divided into industry segments, if appropriate);
- A description of the projected reporting, record keeping, and other compliance requirements of the proposed rule, including an estimate of the classes of small entities that will be subject to the requirement and the type of professional skills necessary for preparation of the report or record;
- An identification, to the extent practicable, of all relevant federal rules that may duplicate, overlap, or conflict with the proposed rule;

- A description of any significant alternatives to the proposed rule that accomplish the stated objectives of the proposed action, consistent with applicable statutes, and that would minimize any significant economic impact of the proposed rule on small entities. Consistent with the stated objectives of applicable statutes, the analysis shall discuss significant alternatives, such as:
 1. The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities;
 2. The clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities;
 3. The use of performance rather than design standards;
 4. An exemption from coverage of the rule, or any part thereof, for such small entities.

In preparing an IRFA, an agency may provide either a quantifiable or numerical description of the effects of a proposed action (and alternatives to the proposed action), or more general descriptive statements, if quantification is not practicable or reliable.

5.3 Definition of a Small Entity

The RFA recognizes and defines three kinds of small entities: (1) small businesses, (2) small non-profit organizations, and (3) small government jurisdictions.

Small businesses. Section 601(3) of the RFA defines a ‘small business’ as having the same meaning as ‘small business concern’, which is defined under Section 3 of the Small Business Act (SBA). ‘Small business’ or ‘small business concern’ includes any firm that is independently owned and operated and not dominant in its field of operation. The SBA has further defined a “small business concern” as one “organized for profit, with a place of business located in the United States, and which operates primarily within the United States or which makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor...A small business concern may be in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative, except that where the firm is a joint venture there can be no more than 49 percent participation by foreign business entities in the joint venture.”

The SBA has established size criteria for all major industry sectors in the United States, including fish harvesting and fish processing businesses. Effective July 14, 2014, a business involved in *finfish harvesting* is a small business if it is independently owned and operated and not dominant in its field of operation (including its affiliates) and if it has combined annual gross receipts not in excess of \$20.5 million for all its affiliated operations worldwide. A business involved in *shellfish harvesting* is a small business if it is independently owned and operated and not dominant in its field of operation (including its affiliates) and if it has combined annual gross receipts not in excess of \$5.5 million for all its affiliated operations worldwide. (79 FR 33647; June 12, 2014) A *seafood processor* is a small business if it is independently owned and operated, not dominant in its field of operation, and employs 500 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide. A business that *both harvests and processes* fish (i.e., a catcher/processor) is a small business if it meets the criteria for the applicable fish harvesting operation (i.e., finfish or shellfish). A wholesale business servicing the fishing industry is a small business if it employs 100 or fewer persons on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide.

The SBA has established “principles of affiliation” to determine whether a business concern is “independently owned and operated.” In general, business concerns are affiliates of each other when one

concern controls or has the power to control the other, or a third party controls or has the power to control both. The SBA considers factors such as ownership, management, previous relationships with or ties to another concern, and contractual relationships, in determining whether affiliation exists. Individuals or firms that have identical or substantially identical business or economic interests, such as family members, persons with common investments, or firms that are economically dependent through contractual or other relationships, are treated as one party with such interests aggregated when measuring the size of the concern in question. The SBA counts the receipts or employees of the concern whose size is at issue and those of all its domestic and foreign affiliates, regardless of whether the affiliates are organized for profit, in determining the concern's size. However, business concerns owned and controlled by Indian Tribes, Alaska Regional or Village Corporations organized pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601), Native Hawaiian Organizations, or Community Development Corporations authorized by 42 U.S.C. 9805 are not considered affiliates of such entities, or with other concerns owned by these entities solely because of their common ownership.

Affiliation may be based on stock ownership when (1) a person is an affiliate of a concern if the person owns or controls, or has the power to control 50 percent or more of its voting stock, or a block of stock which affords control because it is large compared to other outstanding blocks of stock, or (2) if two or more persons each owns, controls or has the power to control less than 50 percent of the voting stock of a concern, with minority holdings that are equal or approximately equal in size, but the aggregate of these minority holdings is large as compared with any other stock holding, each such person is presumed to be an affiliate of the concern.

Affiliation may be based on common management or joint venture arrangements. Affiliation arises where one or more officers, directors, or general partners, controls the board of directors and/or the management of another concern. Parties to a joint venture also may be affiliates. A contractor and subcontractor are treated as joint venturers if the ostensible subcontractor will perform primary and vital requirements of a contract or if the prime contractor is unusually reliant upon the ostensible subcontractor. All requirements of the contract are considered in reviewing such relationship, including contract management, technical responsibilities, and the percentage of subcontracted work.

Small organizations. The RFA defines "small organizations" as any not-for-profit enterprise that is independently owned and operated, and is not dominant in its field.

Small governmental jurisdictions. The RFA defines "small governmental jurisdictions" as governments of cities, counties, towns, townships, villages, school districts, or special districts with populations of fewer than 50,000.

5.4 Reason for Considering the Proposed Action

During public testimony, in December 2013, on an agenda item that considered establishing a directed fishery for skates and octopus in the GOA, the Council was made aware that the catch of skates (primarily big skates (*Raja binoculata*), and longnose skates, (*Raja rhina*)) in GOA groundfish fisheries has exceeded the total allowable catch/acceptable biological catch (TAC/ABC) in some years.

Testimony indicated that this is because the maximum retainable amount (MRA) for skates in the GOA (20 percent) allows industry to top off on skates while fishing for groundfish. Since 2008, the estimated catch of big skates has exceeded the ABC in the Central GOA each year, and estimated catch of longnose skates has exceeded the ABC in the Western GOA in 2009, 2010, and 2013.

The purpose of this action is to slow the harvest rate of skates by reducing the MRA to levels that more accurately reflect the intrinsic rate of bycatch in the GOA, thereby reducing the incentive for vessels to top off on skates.

5.5 Objectives of Proposed Action and its Legal Basis

Under the authority of the Magnuson-Stevens Act, the Secretary of Commerce (NMFS Alaska Regional Office) and the Council have the responsibility to prepare fishery management plans and associated regulations for the marine resources found to require conservation and management. NMFS is charged with carrying out the Federal mandates of the Department of Commerce with regard to marine fish, including the publication of Federal regulations. The Alaska Regional Office of NMFS, and Alaska Fisheries Science Center, research, draft, and support the management actions recommended by the Council. The GOA groundfish fisheries are managed under the Fishery Management Plan for Groundfish of the GOA Management Area (FMP). The proposed action represents amendments to Federal regulations, consistent with the provisions of the GOA FMP.

The objective of this action is to reduce the opportunity for top-off fishing of skates in the GOA, thereby reducing the rate of harvest, reducing the potential for exceeding skate species TACs/ABCs, and potentially allowing the agency to use less conservative management measures.

5.6 Number and Description of Directly Regulated Small Entities

This action, a change in the MRA for skates, directly regulates all entities fishing for groundfish in the GOA which may catch any species of skate. While these are primarily vessels fishing with non-pelagic trawl gear or with hook-and-line gear, skate catches may occur in pelagic trawl, pot, and jig gear fisheries as well. Thus, the directly regulated fisheries are assumed to be those directly regulated by the GOA groundfish harvest specifications. Those specifications define the directly regulated fleet as: (a) Entities operating vessels with groundfish federal fishery permits (FFPs) catching FMP groundfish in Federal waters; (b) all entities operating vessels, regardless of whether they hold groundfish FFPs, catching FMP groundfish in the state-waters parallel fisheries; (c) all entities operating vessels fishing for halibut inside three miles of the shore (whether or not they have FFPs).²⁰ (NMFS 2014)

Table 5-1 Numbers of small entities directly regulated by this action

| Gear type | All vessels | Catcher/processors | Catcher vessels |
|-----------------------------|-------------|--------------------|-----------------|
| All Gear | 1,156 | 3 | 1,153 |
| Hook & Line (including jig) | 1,075 | 2 | 1,073 |
| Pot | 116 | 0 | 116 |
| Trawl | 33 | 1 | 32 |

Source: AFSC preliminary estimates for 2014 Groundfish Economic SAFE

Revenue data for catcher/processor gear types are confidential. However, average gross revenue data for 2013 may be reported for catcher vessels: average gross revenues were \$380,000 for small hook-and-line vessels, \$960,000 for small pot vessels, and \$2.8 million for small trawl vessels.²¹

²⁰ This definition is assumed to include all vessels directed fishing for halibut.

²¹ These vessel count and revenue estimates take account of known affiliations between entities, including corporate affiliations of individual fishing vessels, and cooperative affiliations. Gross revenues include gross revenues from all known fishing sources, including fishing in Federal waters off of Alaska, in Alaskan state waters, and in federal and state waters off of the U.S. West Coast.

5.7 Recordkeeping and Reporting Requirements

This action does not create new recordkeeping and reporting requirements, or alter existing requirements.

5.8 Federal Rules that may Duplicate, Overlap, or Conflict with Proposed Action

This analysis has not identified Federal rules that duplicate, overlap, or conflict with the preferred alternative (a 5 percent MRA).

5.9 Description of Significant Alternatives to the Proposed Action that Minimize Economic Impacts on Small Entities

An IRFA should include a description of any significant alternatives to the proposed rule that accomplish the stated objectives, are consistent with applicable statutes, and that would minimize the significant economic impact of the proposed rule on small entities.

The Council adopted Alternative 4, a 5 percent skate MRA, as its preliminary preferred alternative at its October 2014 meeting.

The significant alternatives to this action are Alternatives 1, 2, and 3, which are associated with 20 percent, 15 percent, and 10 percent MRAs. As discussed, these alternatives are expected to have minimal impacts on top-off fishing, and thus would not accomplish the objectives of this action. Because NMFS in-season management would have to be more conservative under these alternatives than under Alternative 4, they may actually impose a greater adverse burden on directly regulated small entities than the preliminary preferred alternative.

6 Magnuson-Stevens Act and FMP Considerations

6.1 Magnuson-Stevens Act National Standards

Below are the 10 National Standards as contained in the Magnuson-Stevens Act, and a brief discussion of how each alternative is consistent with the National Standards, where applicable. In recommending a preferred alternative, the Council must consider how to balance the national standards.

National Standard 1 — Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery.

The proposed alternatives would continue conservation and management of GOA skates and groundfish under the current harvest specification process and inseason management authority to prevent overfishing and achieve, on a continuing basis, the optimum yield from each fishery.

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

Information in this analysis represents the most current, comprehensive information available to the Council.

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

Nothing in this action would change the manner in which individual stocks are managed as a unit throughout their range, and interrelated stocks are managed as a unit or in close coordination.

National Standard 4 — Conservation and management measures shall not discriminate between residents of different states. If it becomes necessary to allocate or assign fishing privileges among various U.S. fishermen, such allocation shall be (A) fair and equitable to all such fishermen, (B) reasonably calculated to promote conservation, and (C) carried out in such a manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

Nothing in the alternatives considers residency as a criterion for the Council's decision, therefore the proposed alternatives treat all vessel owners the same regardless of residency. The proposed alternatives would be implemented without discrimination among participants. To the extent that reducing the MRA of skates in the GOA promotes conservation, this action may be considered as promoting conservation of the groundfish resources in the GOA; certainly, the action is not likely to negatively impact conservation. No fishing privileges are allocated under this action, and this action will not result in excessive shares.

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

The proposed alternatives to reduce the skate MRA should reduce topping-off behavior, prolong the period when skates may be retained in basis species fisheries, and thereby improve the utilization of both the skate and groundfish resources.

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

None of the proposed alternatives are expected to affect the availability of and variability in the groundfish resources in the GOA in future years. All harvest will continue to be managed under and limited by the TACs for each species.

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

All of the proposed alternatives appear to be consistent with this standard. The costs of potential foregone revenue to the GOA groundfish trawl and hook-and-line sectors that may result from the skate MRA reductions may be offset by not exceeding the skate TAC/ABC.

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

Shoreside processing of GOA skates is done by processors from Petersburg to Unalaska, but is concentrated in Kodiak where most skates retained by catcher vessels are delivered. While Kodiak has historically been home to most shoreside processors recent deliveries to Seward and Cordova have occurred. Under the proposed alternatives, this should continue.

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

Currently, the GOA skate TAC/ABC is fully subscribed to incidental catch in the GOA groundfish fisheries. Under the no action alternative, inseason managers use the MRA tool in conjunction with the Regional Administrator's decision about whether or not to prohibit retention when the incidental catch amount nears the TAC/ABC. Managers have found the current MRA percentage which allows fishermen to top-off their catch with skates can lead to exceeding the TAC/ABC and a prohibition on skate retention. When this occurs, all skate catch is discarded. The earlier in the year that skate TAC/ABC is reached and skate retention is prohibited the more discards of skates occurs since groundfish fisheries will continue to incidentally catch skates. Additionally, fishermen may avoid lower value groundfish fisheries that rely on skate top-off harvests to maximize harvest value. Alternatively, these risks may be lessened by reducing the rate of skate harvest with a lower MRA that would limit the incentive for fishermen to top-off their catch with skates. Skate harvest could reach TAC/ABC through a slower rate of retention in the fisheries and retention of skates could be extended later in the fishing year to offset some of the lowered top-off value.

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

The alternatives are consistent with this standard.

7 Preparers and Persons Consulted

Preparers

Steve A. MacLean, North Pacific Fishery Management Council

Contributors

Josh Keaton, National Marine Fisheries Service, Alaska Region
Mary Furuness, National Marine Fisheries Service, Alaska Region
Peggy Murphy, National Marine Fisheries Service, Alaska Region
Ben Muse, National Marine Fisheries Service, Alaska Region

Persons Consulted

J. Ford, Canadian Department of Fisheries and Oceans
C. Matkin, North Gulf Oceanic Society
P. Wade, NMFS, AFSC, NMML

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Appendix: SSC comments and agency responses

The SSC reviewed a preliminary draft of this analysis at the October 2014 Council meeting, and made the following comments extracted from the SSC minutes. Bold text is bold in the SSC minutes. Italicized text is inserted to summarize the responses of staff to the SSC comments.

C-5 GOA Skate MRA

A presentation on this agenda item was given by Steve MacLean (NPFMC). Public testimony was provided by Gerry Merrigan (Freezer Longline Coalition), Bob Krueger (Alaska Whitefish Trawlers Association) and Julie Bonney (Alaska Groundfish Databank).

Recent catches of longnose skate in the WGOA and big skate in CGOA have exceeded the area apportioned ABCs, leading to those species being put on prohibited retention status early in the year. This analysis evaluates the effectiveness of reducing the maximum retainable amount (MRA) in order to reduce overall skate catch. The general issue evaluated in this analysis is to balance allowing vessels to retain marketable incidental catch while discouraging topping off on skates under the MRA at the end of groundfish trips.

The analysis is cleanly and consistently written, with an easy-to-follow structure. **With the following changes and additions addressed as much as is feasible, the SSC recommends this document be released for public review.**

The SSC believes the information provided in the EA is credible and sensible, though sparse. In general, this reflects the limited biological information available regarding skates. Though referenced through the SAFE documents, additional detail on how the area apportioned ABCs are developed for big and longnose skates would be helpful for public understanding of the central issue. Specifically, survey biomass estimates with CVs for longnose skate should be included, equivalent to the information on big skates presented in Table 3-2 and Table 3-3 (pg. 19).

A table has been added to Section 3.111 with survey biomass estimates with CVs for longnose skates.

The SSC interpreted the primary policy comparison in the RIR as being summarized in Figure 4-7, which shows the incremental reduction in retained catch achieved by setting the MRA at different levels predicted with a simple simulation. The simulation predicts the effect of hypothetical MRA rates on each trip reported in 2013, and Figure 4-7 aggregates effects from all trips. The predicted retention on each trip is calculated by comparing the ratio of retained skate to basis species to the hypothetical MRA. If the retained percentage is lower than the hypothetical MRA, the model predicts the retained amount does not change; if the retained percent is higher than the hypothetical MRA, the model predicts the retained amount is equal to the hypothetical MRA.

NMFS agrees with this description of Figure 4-7 (Figure 4-7 is now Figure 4-8), and agrees that this figure plays an important part in the conclusions.

This approach does not attempt to distinguish incidental encounters from top-off retention. Therefore, it omits potential effects when lower hypothetical MRAs eliminate top-off hauls that were observed under the 20% MRA, but were initiated after the trip surpassed the hypothetical MRA. Specifically, if the model evaluates a trip that was topped-up, it will treat observed retention beyond the hypothetical MRA as discarded catch, although it may not have been caught at all had the hypothetical MRA been in place. This amount of avoided catch could lengthen the time before skates are put on prohibited retention status,

but the model here proceeds with observed behavior under the actual prohibited retention dates. This potentially results in an overestimate of retained catch and discards, and could underestimate the effect lower MRAs have on retention.

Staff interprets this SSC comment in the following way. Consider the example of a vessel with 1,000 metric tons of basis species and 200 metric tons of skates. This vessel is complying with the 20 percent MRA. If the MRA is reduced to 10 percent, the vessel could respond two ways: (1) harvest the same volume of basis species and reduce skate catch to 100 metric tons; (2) reduce basis species catch since it is less valuable in terms of MRA. The SSC is pointing out that the analysis takes account of factor (1), but not of factor (2). This could tend to an underestimate of the effect of the MRAs on overall catch since, as the MRA becomes more restrictive, the incentive for vessels to engage in topping off is reduced and skate catch may be reduced as vessels do not actively seek areas where skates are encountered. The discussion in Section 4.5.1.4 has been revised to make this point.

Nevertheless the broad conclusion of the analysis is that a relatively small portion of the catch is from trips with retention ratios approaching the current MRA, and therefore modest reductions in the MRA will affect only a small number of trips and result in only small reductions in removals. This is the key conclusion for evaluating the broad range of alternatives requested by the Council and is unlikely to change based on a more refined analysis.

Staff acknowledge the comment.

The analysis expresses the concern that vessels not currently topping up may begin doing so under lower MRAs, because an overall reduced quantity of retained skates may lead to price increases that make skate a more attractive product. This strikes the SSC as unlikely, and thus, the claim should be modified or supported with estimates of the price flexibility of skate. This claim seems to be the basis for the conclusion that a lower MRA yields increased net benefits to the nation, as seen in Table 4-7. This is counterintuitive. The table should be explicit about the assumptions of the baseline, and whether net benefits arise because more retention is expected under lower MRAs or because some retention is allowed because the fishery is not on prohibited retention status.

The discussion of the theoretical potential for increased production by vessels operating under maximum MRAs, following a reduction in that maximum, has been retained, but has been modified to remove the text discussing potential price effects, as requested. This possibility was not meant to be the basis for the conclusion that a lower MRA yields increased net benefits to the nation. The text has been revised to explain that these benefits may flow from improvements to catch control by in-season management, and possible benefits to industry from relaxation of retention prohibitions over more of the year.

Because MRA programs involve a slightly different terminology than other management programs, the SSC suggests moving definitions of terms widely used in the document to a terminology section in the introduction. Many of these are currently defined in section 4.4. In addition, the analysis sensibly distinguishes between those who are topping off and would find a reduced MRA newly binding, and those on whom the current MRA is not binding using the framework of intensive and extensive margins. In the production literature, the intensive margin refers to increasing variable inputs to use fixed capital more intensively, and the extensive margin refers to increasing fixed capital. In this application, the extensive margin would most naturally be interpreted as expanding the number of vessels. Since the number of vessels is not changing, alternative language to discuss behavior of vessels, or vessels on trips, where the MRA is or is not binding would be preferred.

A new Section 1.1 on terminology has been prepared from Section 4.4, and added to the introductory chapter. As discussed in Sections 1.1 and 4.4, the terms “bound operators” and “unbound operators” have been substituted for intensive and extensive margins.