

## **Excerpt of New Discussion from the Public Review Draft EA/RIR Pacific Cod CDQ Fishery Development**

February 2015

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This summary document is meant to serve as a guide to the new and revised information included in the Public Review Draft for the Pacific Cod CDQ Fishery Development package to aid in Council final action. Section 1 provides an abbreviated history of action. Section 2 provides the full and detailed description of the Council's Preliminary Preferred Alternative (PPA), including the most recently revised Sub-options of Option 3. Section 3 provides an Analysis of Impacts for the PPA, including Options and Sub-options. Finally, Section 4 provides additional elements that have been integrated into the Regulatory Impact Review of the analysis (RIR) in this version of the Public Review Draft.

### **1) History of Action**

In October 2013, CDQ group representatives submitted a proposal to the Council for regulatory changes or exemptions that they believed would encourage local development and participation in the harvest of Pacific cod CDQ allocations in both a directed Pacific cod CDQ fishery and while targeting CDQ and IFQ halibut. The Council requested a discussion paper scoping out the feasibility of the issue for February 2014.

The first examination, in February 2014 indicated that some elements of the proposal could be adapted into management should the Council wish to facilitate a management scheme to allow for the development of this small vessel fishery. The Council initiated an Initial Review Draft of the analysis.

In June 2014, the Council first reviewed this analysis. The Council chose to release the draft for public review after revising Alternative 4 to incorporate additional elements outlined in a "NMFS Recommendations" document. It was determined that with the incorporation of these elements, Alternative 4 would constitute a PPA. In initial review, the Council also added three new options for future analysis under the PPA. These three options are not considered mutually exclusive.

In October 2014, the Council redesigned Option 3 as Sub-option 3.1 and included at Sub-option 3.2 for additional analysis. Sub-option 3.2 examines one method of creating additional flexibility for a directed Pacific cod CDQ fishery for small hook-and-line vessels supported by halibut PSC. This Sub-option would allow CDQ groups to annually establish their own season dates for when their directed Pacific cod CDQ fishery would be supported by halibut CDQ/ IFQ and when it would rely on the calculation of a halibut PSC rate.

After the October 2014 Council meeting, as NMFS AK Regional Office analyzed the details of Sub-option 3.2, it became apparent that a third option for halibut PSC management was appropriate to consider. A third sub-option would complete the range of flexibility possible for the utilization of halibut PSC in a directed Pacific cod CDQ fishery. Therefore, NMFS AK Regional Office recommends the inclusion of Sub-option 3.3 that would allow the CDQ groups the flexibility to decide, on a trip-by-trip basis, whether a small hook-and-line vessel fishing for Pacific cod CDQ would retain all halibut under a halibut CDQ or IFQ allocation or would discard all legal sized halibut and accrue halibut PSC associated with that CDQ group during that fishing trip.

## 2) Full Description of the Preliminary Preferred Alternative, Options, and Sub-options (Section 2.4 in the EA/ RIR)

### Summary of Alternative 4, LLP Exemption (PPA)

LLP exemption: Vessels greater than 32 ft. LOA and less than or equal to 46 ft. LOA that are authorized by a CDQ group to fish for Pacific cod CDQ would be exempt from the requirement to obtain and carry an LLP license.

CDQ list of eligible vessels: Each CDQ group would be required to register with NMFS any vessel less than or equal to 46 ft. LOA using hook-and-line gear that is authorized to fish for Pacific cod CDQ on its behalf.

- Adding and removing vessels from the list of eligible vessels would be done through a web-based system developed by NMFS.
- For vessels greater than 32 ft LOA, the online registration system would generate a letter from NMFS documenting that the vessel is exempt from the LLP requirements while (1) on the list of eligible vessels, and (2) directed fishing for Pacific cod CDQ.
- Operators of vessels eligible for the LLP exemption (i.e., greater than 32 ft. LOA and less than or equal to 46 ft. LOA) would be required to maintain a copy of the NMFS LLP exemption letter onboard the vessel at all times while the vessel is directed fishing for Pacific cod CDQ.
- The CDQ group would be responsible to provide a copy of the NMFS LLP exemption letter to vessels fishing on its behalf. NMFS would not provide this letter to vessel operators.
- The letter would be generated the first time each year that the vessel was placed on the list of eligible vessels by a CDQ group. NMFS would not require vessel operators to surrender the LLP exemption letter if a CDQ group removes a vessel from the list of eligible vessels.
- NMFS would post the list of eligible vessels on its website. Inclusion on this list is not a substitute for having the NMFS LLP exemption letter onboard the vessel.
- If a vessel is boarded, both the LLP exemption letter and inclusion on the list of eligible vessels would be necessary to demonstrate eligibility for the LLP exemption for vessels greater than 32 ft. LOA and less than or equal to 46 ft. LOA.
- A CDQ group could add or remove a vessel from the list of eligible vessels at any time during the year. NMFS would not notify vessel operators directly of their status on the list of eligible vessels, although this information would be available on NMFS's website.

Observer coverage: Any vessel less than or equal to 46 ft. LOA using hook-and-line gear and on the CDQ group's list of eligible vessels would be in the partial observer coverage category while directed fishing for Pacific cod CDQ. Vessel operators would be required to comply with all vessel responsibilities in 50 CFR 679.51(e)(1) and would be subject to selection for observer coverage following procedures in the Annual Deployment Plan (ADP). For example, in 2015, vessels less than 40 ft. LOA would be in the no selection pool and vessels greater than or equal to 40 ft. would be in the trip selection pool. Owners or operators of vessels in the trip selection pool are required to log each fishing trip into the Observer Declare and Deploy System. If selected for observer coverage, the vessel would be required to carry an observer.

Catch Accounting Procedures: In the CAS, a landing by a catcher vessel would continue to be identified as a CDQ landing based on the CDQ group number or CDQ halibut permit number reported by the processor on the landing report (through eLandings). The list of CDQ eligible vessels created to support the LLP exemption would not be directly tied into the CAS or used for catch accounting.

For all CDQ landings:

- *Retained CDQ species*: catch of any species allocated to the CDQ Program that is landed and reported through eLandings would accrue to the CDQ allocations for these species.
- *Retained non-CDQ species*: catch of any groundfish species not allocated to the CDQ Program that is landed and reported through eLandings would accrue to the non-CDQ allocations for these species.
- *At-sea discards of groundfish*: NMFS would estimate the at-sea discards of all groundfish by these vessels including those species allocated to the CDQ Program. These estimates would be based on applying discard rates from observed vessels to the landed catch weight of the Pacific cod CDQ trips. The estimates of at-sea discards would accrue to the non-CDQ allocation of the TACs.

*If halibut is the predominant retained species and any halibut CDQ are reported in the landing*: under current CAS procedures, this trip would be assigned to the halibut target and no halibut PSC would be associated with the trip.

*If halibut is the predominant retained species, and some Pacific cod CDQ is reported in the landing*: under current CAS procedures, this trip would be assigned to the halibut target and no halibut PSC would be associated with the trip. For this trip to qualify as “halibut CDQ fishing,” the vessel operator must retain less than the MRA for any groundfish species.

*Pacific cod is the predominant retained species and this Pacific cod is identified as CDQ (by the entry of a CDQ group number on the landing report)*:

- If the Pacific cod CDQ fishing trip occurs *when the halibut fishing season is open*, the following requirements would apply:
  - The CDQ group would be required to provide adequate halibut CDQ or halibut IFQ to support the catch of halibut by the small vessels.
  - Vessel operators would be required to retain all legal sized halibut caught while directed fishing for Pacific cod as either halibut CDQ or halibut IFQ.
  - Catch of halibut CDQ or halibut IFQ accrues to the account balance of the permit holder identified by the processor in the landing report based on the permits held by the vessel operator or persons onboard the vessel.
  - NMFS would assume that all legal sized halibut were retained and properly accounted for, so the only halibut released from the fishing gear would be sub-legal sized halibut. Sub-legal halibut are accounted for as “wastage” associated with the halibut fishery and are not accrued to any halibut PSC limit. Based on these assumptions, NMFS would not accrue any estimates of halibut PSC from the small vessel Pacific cod fisheries to the CDQ group’s halibut PSQ or to any component of the BSAI halibut PSC limit.
- No provision is made under Alternative 4 without Option 3 for halibut PSC to accrue for small vessels fishing for Pacific cod CDQ. Therefore, if a Pacific cod CDQ fishing trip occurs *when the halibut fishing season is closed*, this catcher vessel would not be eligible for the allowances and exemptions under Alternative 4. For example, this vessel would not be placed in the partial observer coverage category for this fishing activity and would continue to fall under the current requirements for full observer coverage to provide individual vessel estimates of halibut PSC during this trip.

SSL and habitat protection measures: All other regulations that apply to vessels using hook-and-line gear and directed fishing for Pacific cod would apply to these vessels. These requirements include closure areas and VMS requirements.

#### **OPTIONS Under Alternative 4**

Alternative 4 includes three options which are not mutually exclusive.

Option 1: Apply the proposed management measures to all vessels less than or equal to 46 ft. LOA using hook-and-line gear while directed fishing for any groundfish species allocated to the CDQ Program, except sablefish. (*Fixed gear sablefish CDQ already is managed under regulations similar to Alternative 4, i.e., exempt from LLP, in partial coverage, no halibut PSC accrues in the fixed gear sablefish fisheries.*)

NMFS recommends this option to simplify regulations and administration of the CDQ Program, and avoid unnecessary enforcement actions for vessels that inadvertently retain more than the MRA of some other groundfish species. If the Council adopts Option 1, replace “directed fishing for Pacific cod” with “groundfish CDQ fishing” throughout the preferred alternative.

Option 2: Expand the current prohibition against discarding legal sized halibut while IFQ fishing to operators of vessels fishing for halibut CDQ while the CDQ group has remaining halibut CDQ.

Current regulations prohibit “Discard halibut or sablefish caught with fixed gear from any catcher vessel when any IFQ permit holder aboard holds unused halibut or sablefish IFQ for that vessel category and the IFQ regulatory area in which the vessel is operating, unless...” Option 2 would expand this prohibition to operators of vessels fishing for halibut CDQ while the CDQ group has remaining CDQ.

While NMFS does not recommend applying the IFQ prohibition against discarding halibut to all halibut CDQ fishing, it likely is necessary to include some halibut retention requirements in this action. A key component of the PPA is the allowance for vessels less than or equal to 46 ft. LOA using hook-and-line gear to fish for Pacific cod CDQ and use CDQ or IFQ to account for any halibut catch during that fishery. Under current regulations, no vessel using hook-and-line gear and directed fishing for Pacific cod is exempted from the halibut PSC limit even if some halibut is retained during that trip. The PPA would create such an exemption for the small CDQ vessels under the assumption that the vessel operator use halibut CDQ or IFQ to support the catch of halibut in the Pacific cod CDQ fisheries.

Option 3: Allow a small vessel Pacific cod CDQ fishery supported by halibut PSC

In Alternative 4, the development of a small vessel Pacific cod CDQ hook-and-line fishery relies on the availability of CDQ or IFQ halibut to fund the landings of incidentally caught halibut. Option 3 considers three sub-options to allow additional flexibility for the CDQ groups to conduct directed fishing for Pacific cod CDQ with small hook-and-line vessels even when halibut CDQ or IFQ is not available or if the CDQ group does not wish to use its halibut CDQ to support the cod fishery. If the Council selects any of the three sub-options, NMFS recommends that a small vessel Pacific cod CDQ fishery supported by a CDQ group’s halibut PSC should be managed with a separate component of a CDQ group’s halibut PSC allocation and in-season fishery closures issued by NMFS. More detail on the management of each CDQ group’s “small vessel halibut PSC limit” under Option 3 is included at the end of this section.

### **Option 3.1: Allow halibut PSC to accrue only when the halibut season is closed**

Due to the additional administrative complexity and cost of estimating and managing halibut PSC accrual by small, unobserved vessels, NMFS initially responded to the Council's request for halibut PSC management options with a single option for Council consideration. This option was identified as Option 3 in September 2014 and is now labeled Option 3.1. It would allow accrual of halibut PSC by small hook-and-line vessels fishing for Pacific cod CDQ only if no halibut CDQ or IFQ fishery is authorized in a particular year, or during times of the year when the halibut fishery is closed.

- (SAME AS UNDER ALT 4 WITHOUT OPTION 3) If the Pacific cod CDQ fishing trip occurs when the halibut fishing season is open, the following requirements would apply:
  - The CDQ group would be required to provide adequate halibut CDQ or halibut IFQ to support the catch of halibut by the small vessels.
  - Vessel operators would be required to retain all legal sized halibut caught while directed fishing for Pacific cod as either halibut CDQ or halibut IFQ.
  - Catch of halibut CDQ or halibut IFQ accrues to the account balance of the permit holder identified by the processor in the landing report based on the permits held by the vessel operator or persons onboard the vessel.
  - NMFS would assume that all legal sized halibut were retained and properly accounted for, so the only halibut released from the fishing gear would be sub-legal sized halibut. Sub-legal halibut are accounted for as wastage associated with the halibut fishery and are not accrued to any halibut PSC limit. Based on these assumptions, NMFS would not accrue any estimates of halibut PSC from the small vessel Pacific cod fisheries to the CDQ group's halibut PSQ or to any component of the BSAI halibut PSC limit.
  
- (THIS COMPONENT IS REVISED UNDER 3.1) If the Pacific cod CDQ fishing trip occurs when the halibut fishing season is closed, *NMFS would estimate the halibut PSC associated with the landing based on application of the halibut PSC rates generated by the CAS. The estimated halibut PSC would accrue to the CDQ group's small vessel halibut PSC limit described at the end of this section.*

### **Option 3.2: Allow halibut PSC to accrue only outside of the halibut season dates specified by each CDQ group**

This option was added by the Council at the October 2014 meeting. It would allow the CDQ groups to specify halibut fishing seasons each year that are appropriate for the CDQ group. Option 3.2 would require each CDQ group to submit to NMFS by February 15 of each year the start and end date for their halibut CDQ fisheries. At the recommendation of the U.S. Coast Guard, the season dates for each CDQ group would be included on the NMFS LLP exemption letter, and the letter would be required to be maintained onboard all eligible vessels less than or equal to 46 ft. LOA.

- If the Pacific cod CDQ fishing trip occurs *during the halibut fishing season for a CDQ group*, the following requirements would apply (NO CHANGE IN THE ELEMENTS OF THIS LIST):
  - The CDQ group would be required to provide adequate halibut CDQ or halibut IFQ to support the catch of halibut by the small vessels.
  - Vessel operators would be required to retain all legal sized halibut caught while directed fishing for Pacific cod as either halibut CDQ or halibut IFQ.
  - Catch of halibut CDQ or halibut IFQ accrues to the account balance of the permit holder identified by the processor in the landing report based on the permits held by the vessel operator or persons onboard the vessel.

- NMFS would assume that all legal sized halibut were retained and properly accounted for, so the only halibut released from the fishing gear would be sub-legal sized halibut. Sub-legal halibut are accounted for as wastage associated with the halibut fishery and are not accrued to any halibut PSC limit. Based on these assumptions, NMFS would not accrue any estimates of halibut PSC from the small vessel Pacific cod fisheries to the CDQ group's halibut PSQ or to any component of the BSAI halibut PSC limit.
- If the Pacific cod CDQ fishing trip occurs *before or after the halibut fishing season for a CDQ group*, NMFS would estimate the halibut PSC associated with the landing based on application of the halibut PSC rates generated by the CAS. The estimated halibut PSC would accrue to the CDQ group's small vessel halibut PSC limit described at the end of this section. (SAME AS OPTION 3.1, EXCEPT APPLIES OUTSIDE OF EACH CDQ GROUP'S SEASON)

### **Option 3.3: Allow halibut PSC to accrue on a trip-by-trip basis**

After initial analysis of the potential administrative costs of Option 3.2, NMFS recommended consideration of a third sub-option to allow halibut to accrue as either halibut CDQ, halibut IFQ, or halibut PSC on a trip-by-trip basis. When the halibut fishery is open, this sub-option allows the CDQ groups and vessel operators to decide if halibut CDQ or IFQ will be retained in the Pacific cod CDQ landing. The determination of whether halibut PSC will accrue for the Pacific cod landing will depend on the presence or absence of halibut in the landing.

- If the Pacific cod CDQ fishing trip occurs when the halibut fishing season is open, *and some amount of halibut CDQ or IFQ is retained and reported on the landing report*, the following requirements would apply:
  - the CDQ groups would be required to provide adequate halibut CDQ or halibut IFQ to support the catch of halibut by the small vessels;
  - If a vessel operator *retains any halibut CDQ or IFQ during the Pacific cod CDQ fishing trip*, they would be required to retain all legal sized halibut caught *during that fishing trip*.
  - Catch of halibut CDQ or halibut IFQ accrues to the account balance of the permit holder identified by the processor in the landing report based on the permits held by the vessel operator or persons onboard the vessel;
  - NMFS would assume that all legal sized halibut were retained and properly accounted for, so the only halibut released from the fishing gear would be sub-legal sized halibut. Sub-legal halibut are accounted for as wastage associated with the halibut fishery and are not accrued to any halibut PSC limit.
  - *As long as at least one halibut was included in the Pacific cod CDQ landing*, NMFS would not accrue any estimates of halibut PSC from the small vessel Pacific cod fisheries to the CDQ group's halibut PSQ or to any component of the BSAI halibut PSC limit.
  - *Even if the operator of a vessel fishing on behalf of a CDQ group intended to retain all legal sized halibut, if no halibut are included in the landing, NMFS will accrue an estimate of halibut PSC to the CDQ group's small vessel halibut PSC limit.*
- *If no halibut is included in a Pacific cod CDQ landing*, NMFS would estimate the halibut PSC associated with these Pacific cod fishing trips based on application of the halibut PSC rates generated by the CAS. The estimated halibut PSC would accrue to the CDQ group's small vessel halibut PSC limit described at the end of this section.

If the Council selects any of these sub-options, NMFS AK Regional Office recommends that a small vessel Pacific cod CDQ fishery supported by a CDQ group's halibut PSC should be managed with a separate component of a CDQ group's halibut PSQ and in-season fishery closures issued by NMFS.

The following describes how NMFS would manage the small vessel Pacific cod fishery supported by halibut PSC.

- Each year NMFS creates a halibut PSQ account balance for each CDQ group with the amount of halibut PSQ allocated to that group. This process would continue.
- NMFS would create a new quota category for each CDQ group called small vessel halibut PSC limit. Each group would be allowed to transfer halibut PSC from its primary halibut PSQ to its "small vessel halibut PSC limit" through a standard transfer action. CDQ groups that do not wish to have a small vessel Pacific cod fishery would not have to transfer any halibut PSQ into this account.
- Each CDQ group would decide the appropriate amount of halibut PSQ to transfer into the "small vessel halibut PSC limit" based on the amount of Pacific cod it wanted to allocate to a small vessel fishery and expected halibut PSC in those fisheries. NMFS managers would work with each CDQ group to estimate the amount of halibut PSC that may be needed for the amount of Pacific cod that the CDQ group wanted to harvest with small vessels.
- The halibut PSC that would accrue to the small vessel halibut PSC limit would be based on applying halibut PSC rates following the catch accounting system methods to the landed catch weight for each Pacific cod delivery.
- Once a CDQ group's small vessel halibut PSC limit is reached, NMFS would issue a notice of closure in the *Federal Register* to directed fishing for Pacific cod by catcher vessels less than or equal to 46 ft. LOA using hook-and-line gear fishing for that CDQ group.

Under this approach, NMFS would be responsible to close the small vessel Pacific cod CDQ fisheries to stay within the halibut PSC limit each CDQ group established for its fishery. NMFS would be conservative in managing these fisheries to stay within the halibut PSC amount to the best of its ability. However, it is challenging to manage fisheries with small quotas or PSC limits within established limits. In addition, if the "precedence 20" halibut PSC rate<sup>1</sup> is the best available information, this estimate is not finalized until the end of year when all observer data is available to calculate the annual average PSC rates. Therefore, estimates of halibut PSC could increase or decrease after NMFS closed the fishery. If the closure date selected by NMFS resulted in estimates of halibut PSC that exceeded the amount allocated to the fishery by the CDQ group, this would not be considered an "overage" and NMFS could not require the CDQ group to transfer in more halibut PSQ to cover this amount. However, CDQ groups could choose to transfer from their primary halibut PSQ to voluntarily cover the halibut PSC attributed to the CDQ group.

### **3) RIR Analysis of Impacts: Alternative 4, LLP Exemption; Option 3 Allow a Small Vessel Pacific Cod CDQ Fishery Supported by Halibut PSC (Section 4.12.3)**

In Alternative 4, the development of a small vessel Pacific cod CDQ hook-and-line fishery relies on the availability of CDQ or IFQ halibut to fund the landings of incidentally caught halibut. The sub-options under Option 3 would allow CDQ group participants flexibility to conduct directed fishing for Pacific cod CDQ with small hook-and-line vessels even when halibut CDQ or IFQ is not available to a participant.

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<sup>1</sup> This rate is derived from all landings year-to-date by vessels in any processing sector using hook-and-line gear in a Pacific cod target in the BSAI.

There are a number of circumstances under which no halibut CDQ or IFQ would be available to a participant of a halibut CDQ/IFQ fishery to fund the halibut caught in a small vessel Pacific cod CDQ fishery. The Pacific cod fishery for small hook-and-line vessels would generally not be restricted by the halibut season; however, vessel operators would legally be required to discard halibut of all sizes before and after the IPHC-established IFQ/CDQ season. There may also be a circumstance in which a halibut season does not open for a region due to low stock abundance. Additionally, there are differences in the way the CDQ groups manage their halibut CDQ fisheries, as well as the timeline that they make the group's quota available to participants. Therefore, even during a time of the year in which it is legal to retain halibut, an individual vessel operator may not have the quota available to allow for legal retention. CDQ group representatives requested an option that would allow them to support a small vessel Pacific cod CDQ fishery with their group's halibut PSQ.

Under any of the sub-options for Option 3, NMFS AK Regional Office recommends that a small vessel Pacific cod CDQ fishery supported by a CDQ group's halibut PSC should be managed by a separate component of a CDQ group's halibut PSC allocation and in-season closure issued by NMFS. A detailed description of this management scheme is in Section 2 of this document. Other alternatives considered by NMFS AK Regional Office are in Section 2.6 of the analysis.

Table 1 shows a qualitative comparison of the marginal expected costs for administration of each management scheme. In this table, the baseline is Alternative 4. For example, under the baseline NMFS would develop, maintain, and provide user support for the online registration system for vessels eligible for LLP exemption regardless of which, if any, sub-options are chosen. Therefore, these administrative costs are excluded from the table.

It is difficult to evaluate the relative administrative costs between Sub-option 3.2 and 3.3. In general, the more participants taking advantage of the opportunity to Pacific cod CDQ fish supported by a small vessel halibut PSC limit, the higher the administrative costs; the exception being one time management changes, such as a change to the CAS. As Sub-option 3.3 is predicted to provide the most opportunity (as explained later in this section), it is also expected to require the most joint management and communication. Additionally, the more individual participating in a program the more likely there will be occurrences of non-compliance. This is particularly the case for a program, such as this, that relies on interaction between NMFS, managers of CDQ, and participants.



**Table 1 Qualitative Costs of Sub-options Using Alternative 4 as a Baseline**

	Sub-option 3.1: Allow halibut PSC to accrue only when the halibut season is closed	Sub-option 3.2: Allow halibut PSC to accrue only outside of the halibut season dates specified by each CDQ group	Sub-option 3.3: Allow halibut PSC to accrue on a trip-by-trip basis
Additional Catch Accounting costs	<ul style="list-style-type: none"> <li>• Modify CAS to create small vessel halibut PSC limit</li> <li>• Modify CAS to estimate and accrue halibut PSC rate outside of halibut CDQ/ IFQ season</li> </ul>	<ul style="list-style-type: none"> <li>• Modify CAS to create small vessel halibut PSC limit</li> <li>• Modify CAS to estimate and accrue halibut PSC outside of CDQ group-established halibut seasons</li> <li>• Modify CAS to include formal start and end date to group-established halibut CDQ seasons</li> </ul>	<ul style="list-style-type: none"> <li>• Modify CAS to create small vessel halibut PSC limit</li> <li>• Modify CAS to estimate and accrue halibut PSC on a trip-by-trip basis</li> </ul>
Additional In-season Management costs	<ul style="list-style-type: none"> <li>• Manage the small vessel PSC limit and issue closure as necessary. Lowest potential for additional administrative costs because least potential for participants to fish under NMFS-managed small vessel halibut PSC limit.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the small vessel PSC limit and issue closure as necessary. Medium potential for additional administrative costs because more potential fishing under NMFS-managed small vessel halibut PSC limit.</li> <li>• Prepare Federal Register of formal start and end dates for halibut CDQ season each year.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage the small vessel PSC limit and issue closure as necessary. Highest potential for additional administrative costs because more potential fishing under NMFS-managed small vessel halibut PSC limit.</li> </ul>
Additional CDQ management costs	<ul style="list-style-type: none"> <li>• In the unlikely event that a participant fishes Pacific cod CDQ outside of the halibut CDQ/IFQ season, more communication with participants and with NMFS will be necessary to manage the group's small vessel halibut PSC limit.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish (if they do not currently have) a formal start and end date to their group's halibut CDQ season annually and provide to NMFS annually</li> <li>• Distribute new eligibility certificates each year that include halibut season dates. All participating vessel would need an eligibility certificate in this Sub-option.</li> <li>• Communicate with In-season management to maintain small vessel halibut PSC account</li> </ul>	<ul style="list-style-type: none"> <li>• This sub-option would require the most communication with In-season management to maintain small vessel halibut PSC account</li> <li>• More communication with their participants to inform them of the CDQ halibut and Pacific cod available for harvested versus what would be required to be discarded</li> </ul>
Additional vessel operator costs	<ul style="list-style-type: none"> <li>• In the unlikely event that a participant fishes Pacific cod CDQ outside of the CDQ/IFQ season, more communication with manger of quota will be necessary to use small vessel halibut PSC limit.</li> </ul>	<ul style="list-style-type: none"> <li>• Must be aware of the season dates the fishery switches from a directed Pacific cod CDQ fishery to a dual fishery and back to a Pacific cod CDQ only fishery</li> </ul>	<ul style="list-style-type: none"> <li>• More regulations to understand in terms of when they are required to retain halibut and when they must discard halibut</li> <li>• More communication with their managers</li> </ul>
Additional monitoring and enforcement costs	<ul style="list-style-type: none"> <li>• No additional monitoring and enforcement issues compared to Alternative 4.</li> </ul>	<ul style="list-style-type: none"> <li>• Coast Guard would need to know the halibut season dates for the vessel they were boarding. This could be detailed on the NMFS LLP exemption letter.</li> </ul>	<ul style="list-style-type: none"> <li>• Neither OLE nor Coast Guard would be responsible for verifying the type of trip; this would be done in the CAS</li> <li>• There may be non-compliance with high-grading halibut CDQ when Pacific cod CDQ fishing. Once a vessel begins retaining halibut CDQ on a Pacific cod CDQ trip, they are required to continue to retain halibut CDQ. This would be difficult to monitor and enforce.</li> </ul>

The costs associated with setting up and maintaining a management system can be compared to the additional benefits CDQ group participants may receive from the additional opportunity to directed Pacific cod CDQ fish even without the availability of halibut CDQ or IFQ.

Estimating the benefits to each group based of the different management sub-options is difficult because most groups do not have a business plan ready to be implemented simultaneously with regulation changes. Many participants will be waiting to see what regulation will allow them to participate in before they invest in any additional capital directed fishing Pacific cod may require to obtain. For the majority of the participants, it is expected that benefits will not be felt immediately after implementation of a regulatory package. Participants that have solely prosecuted a small vessel halibut CDQ fishery in the past will still need to be outfitted with a VMS, acquire a certificate of eligibility to be LLP exempt (if greater than 32 ft. LOA), be listed on the NMFS online database, and be educated on the responsibilities of being in partial observer coverage category.

However, CDQ group representatives' have spent time considering how management changes might promote small vessel fishing opportunities in their region and be integrated into their group's management. This integration will depend on many group- and region-specific factors. It will depend on the existing fleet of small vessels currently equip to harvest with hook-and-line. It will depend on weather and ocean conditions, current and potential processing availability as describe in Section 4.9.10 of the analysis, and importantly, efforts made to plan around the opening of priority fisheries. The participation in and integration of a small vessel Pacific cod CDQ fishery will also depend on the regulation package produced by this action. The possibility of benefits for each group under each Sub-option is summarized in a qualitative way in Table 2. Similar to Table 1, the benefits are considered using Alternative 4 as the baseline.

Generally, it is not expected that Sub-option 3.1 will provide any group additional benefits over the baseline. It is unlikely that any participant will want to prosecute a directed Pacific cod CDQ fishery before or after the IPHC-established halibut CDQ season (generally mid-March to early November) due to weather and ocean conditions. Therefore, it is expected that Sub-option 3.1 will only provide additional opportunity in the event that there is no halibut CDQ season. Sub-option 3.2 is expected to provide additional benefits, particularly in the spring before the start of the CDQ group-established halibut season.

Depending on the group, Sub-option 3.2 will provide minimum opportunity for participants post-halibut CDQ season as end dates will need to be established conservatively in an effort not to limit the season of a priority species (i.e. halibut, salmon, or red king crab). In the case of CVRF, with a more homogenous end date to their halibut fishery, there may be additional opportunities to fish Pacific cod CDQ after the halibut CDQ season under this sub-option.

Sub-option 3.3 is expected to provide the widest range of opportunity, by allowing trip-by-trip determination of the reliance on a small vessel halibut PSC limit versus the use of halibut CDQ/IFQ. This sub-option essentially puts the control at the CDQ group management level of whether a participant should discard halibut to be estimated toward the group's small vessel halibut PSC limit or whether they have access to Pacific cod CDQ and are expected to retain both halibut CDQ and Pacific cod CDQ. This sub-option would delay the expected lag time between the end of an individual's halibut CDQ fishery and their opportunity to directed Pacific cod CDQ fish while relying on their group's small vessel halibut PSC limit.

**Table 2 Qualitative Benefits of the Sub-options Using Alternative 4 as a Baseline**

	Sub-option 3.1: Allow halibut PSC to accrue only when the halibut season is closed	Sub-option 3.2: Allow halibut PSC to accrue only outside of the halibut season dates specified by each CDQ group	Sub-option 3.3: Allow halibut PSC to accrue on a trip-by-trip basis
APICDA	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits, except under the possibility of no halibut CDQ season</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide some Pacific cod CDQ fishing opportunities before the APICDA halibut season for St. George participants.</li> <li>Unlikely to provide additional benefits for Atka participants.</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide some Pacific cod CDQ fishing opportunities before the APICDA halibut season for St. George participants.</li> <li>Unlikely to provide additional benefits for Atka participants.</li> </ul>
BBEDC	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>
CBSFA	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits, except under the possibility of no halibut CDQ season</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide Pacific cod CDQ fishing opportunities before the CBSFA halibut season</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide Pacific cod CDQ fishing opportunities before the CBSFA halibut season</li> <li>Due to vessel caps, CBSFA participants complete their individual halibut CDQ seasons at different times. Individuals reaching their full halibut CDQ harvest more quickly than others will benefit from the opportunity to immediately transition into a Pacific cod CDQ fishery.</li> </ul>
CVRF	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits, except under the possibility of no halibut CDQ season</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide some Pacific cod CDQ fishing opportunities before the CVRF halibut season</li> <li>Because CVRF's program does not use vessel caps, participants can fish until the group's halibut quota is harvested. This creates a more homogenous end date to fishery. Participants would benefit from opportunity to transition to a Pacific cod CDQ fishery after the halibut CDQ season.</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide some Pacific cod CDQ fishing opportunities before the CVRF halibut season</li> <li>Participants would benefit from opportunity to transition to a Pacific cod CDQ fishery after the halibut CDQ season.</li> <li>Since CDQ halibut season dates would need to be established by Feb, under Sub-option 3.2, seasons would need to be established conservatively around the halibut CDQ fishery to avoid truncating the season. Therefore Sub-option 3.3 would alleviate potential lag time between seasons.</li> </ul>
NSEDC	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits, except under the possibility of no halibut CDQ season</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide Pacific cod CDQ fishing opportunities before the NSEDC halibut season.</li> </ul>	<ul style="list-style-type: none"> <li>Expected to provide Pacific cod CDQ fishing opportunities before the NSEDC halibut season.</li> <li>Based on the difference between the Nome halibut fishery, which is structured around the red king crab fishery, and Savoonga halibut fishery, additional benefits may be experienced in both fisheries from trip-by-trip flexibility.</li> <li>Individuals in both Nome and Savoonga reaching their halibut CDQ harvest at different points in the summer may benefit from the opportunity to seamlessly transition into Pacific cod CDQ fishing.</li> </ul>
YDFDA	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to provide additional benefits</li> </ul>

#### **4) Additional Elements of the RIR**

##### Cost recovery (Section 4.9.9)

A proposed rule to implement cost recovery for the CDQ Program was issued by NMFS on January 7, 2015 (80 FR 936). Under this proposed rule, NMFS would recover the costs associated with the management, data collection, and enforcement of the CDQ Program. If the CDQ cost recovery program is approved, NMFS can recover the administrative costs for the small vessel Pacific cod CDQ fisheries that are incurred after the effective date of final rule.

##### Consistency with the MSA (Section 4.12.3)

Section 305(i)(1)(B)(iv) of the MSA requires that the harvest of allocations under the CDQ Program for fisheries with individual quotas or fishing cooperatives shall be no more restrictive than for participants in the applicable sector, including with respect to the harvest of non-target species. This requirement is known as the “regulation of harvest” provision of the MSA.

None of the elements of Alternative 4 or its options and sub-options are considered to be inconsistent with this provision of the MSA. Alternative 4 would not change any significant aspect of managing the halibut CDQ fisheries.

Sub-option 3.2 does include an additional information collection that would likely require OMB approval under the PRA<sup>2</sup>; however, the submission of group-specific halibut season dates would be a component of the small vessel directed Pacific cod CDQ fishery. The non-CDQ small vessel Pacific cod hook-and-line fisheries in the BSAI are not managed under individual quotas or cooperatives, so the regulation of harvest provision of the MSA does not apply to the elements of any of the alternatives that would apply to the small vessel Pacific cod CDQ fisheries or to any groundfish CDQ fishing by these vessels under Option1.

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<sup>2</sup> An information collection request under the PRA is required even when the collection of information is voluntary.