

PUBLIC REVIEW DRAFT

Regulatory Impact Review / Initial Regulatory Flexibility Analysis for a Proposed
Amendment to the Fishery Management Plan for Bering Sea and Aleutian Islands
King and Tanner Crabs

Revising Freezer Longline Gulf of Alaska Pacific Cod Sideboards

May 2, 2013

Abstract: This action would remove Gulf of Alaska (GOA) Pacific cod sideboard limits applicable to freezer longliners that were created under the crab rationalization program. When originally implemented, the sideboard limits created by the crab program were aggregated at the inshore and offshore level, and were shared by all gear types. As part of the GOA Pacific cod sector splits (Amendment 83) implemented in 2012, these Pacific cod sideboard limits were disaggregated to create limits by gear type and operation type. Given the limited GOA Pacific cod history of the sideboarded freezer longline (FLL) vessels using hook-and-line and pot gear during the 1996 to 2000 period, the modified sideboard limits essentially eliminated the GOA Pacific cod fishery for these vessels. Removal of these GOA Pacific cod sideboard limits for the FLL vessels would allow these vessels to participate in the GOA Pacific cod fishery.

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EXECUTIVE SUMMARY

The purpose of this action is to remove Gulf of Alaska (GOA) Pacific cod sideboard limits for the freezer longline vessels restricted by these sideboard limits. These sideboard limits were established by the crab rationalization program in 2005. These sideboard limits were calculated using GOA Pacific cod catch history from 1996 to 2000. The sideboard limits were aggregated across all gear types at the inshore and offshore level. Of the 82 vessels that are restricted by GOA Pacific cod sideboard limits, six were freezer longline (FLL) vessels.

With GOA Pacific cod sideboards aggregated across all gear types, the sideboard limits provided an opportunity for sideboard restricted vessels to participate in the GOA Pacific cod fishery even if the vessel had limited history in the fishery in the past. During the 2005 to 2011 period, most of the six FLL sideboard restricted vessels participated in the GOA Pacific cod sideboard fishery. Collectively, the FLL vessels that participated in the GOA Pacific cod during the 2005 to 2011, harvested a greater share of TAC annually relative to their catch history in this fishery during the 1996 to 2000 period.

In 2012, as part of the GOA Pacific cod sector split (Amendment 83), the Pacific cod sideboard limits were disaggregated to create gear type and operation type limits. Since the six restricted FLL vessels had limited GOA Pacific cod history, the hook-and-line catcher processor (CP) and pot CP sideboard limits were very small. In 2012 and 2013, National Marine Fisheries Service (NMFS) determined that the sideboard limits were insufficient to support a direct fishery, so the fishery was closed for the entire year, thus eliminating these six sideboarded FLL vessels from the GOA Pacific cod fishery. To allow these six FLL vessels to once again participate in the GOA Pacific cod fishery, in June 2012, the Council proposed to remove the sideboard limits for these six FLL vessels.

Problem Statement

In June 2012, the Council developed the following problem statement for the proposed action:

The narrowing of the sideboard limit under Amendment 83 from a non-gear sideboard to a sector specific sideboard, significantly reduced non-American Fisheries Act (AFA) crab Gulf of Alaska Pacific cod sideboards for sideboarded freezer longline vessels active in the Gulf of Alaska Pacific cod fishery prior to the Pacific cod sector split. A recalculation of the Pacific cod sideboards resulted in the loss of fishing opportunities, future revenues, and an ability to participate in the Gulf of Alaska cooperative fishing efforts.

Under Amendment 83, the freezer longline sector has a direct allocation of Pacific cod, and due to the harvesting capacity available to participate in the Gulf of Alaska, the freezer longline sector must establish cooperative harvest control measures in order for NMFS to make the sector TAC available for directed fishing. Therefore, the need for catcher processor hook-and-line GOA Pacific cod sideboards to limit the catch of these vessels may no longer exist.

Removal of the non-AFA crab GOA Pacific cod sideboards for freezer longliners would restore to the sideboarded vessels the ability to participate in the GOA Pacific cod fishery. Removing sideboard limits for the freezer longline vessels, however, may adversely impact GOA only freezer longline vessels, and to the extent practicable, there is a need to minimize the impact.

Description of Alternatives

In June 2012, the Council proposed an action alternative to remove the GOA Pacific cod sideboard limits for the FLL vessels. In February 2013, the Council added a new option under Alternative 2 to permanently remove GOA Pacific cod sideboard limits when all GOA FLL vessels agree to the removal of the limits. The Council also included a suboption that would suspend rather than permanently remove the sideboard limits.

Provided below are the alternatives and options along with a description of the proposed action.

Alternative 1: No action

Alternative 2: Remove freezer longline non-AFA crab GOA Pacific cod sideboards

Option: Permanently remove sideboard limits on the affected License Limitation Program (LLP) permits and vessel/Federal Fisheries Permits (FFP) when all GOA FLL endorsed LLP holders notify the NMFS of an agreement to remove the sideboards. The LLP holders would have 3 years from the effective date of the rule to provide notification to NMFS.

Suboption: Sideboard limits would be suspended rather than permanently removed. If in the future, not all FLL GOA endorsed LLP license holders agree to the removal of the GOA Pacific cod FLL sideboard limits, these sideboard limits would be reinstated.

The no action alternative would leave in place the current freezer longline Pacific cod sideboard created under the crab rationalization program in the Western GOA and Central GOA and further narrowed under Amendment 83. **Alternative 2 would remove only the non-AFA crab hook-and-line CP sideboard limit for Pacific cod in both Western GOA and Central GOA. All other non-AFA crab sideboard limits for GOA Pacific cod would remain in effect, and other GOA sideboard limits applicable to the freezer longline sector would remain in effect.** This alternative would require a change to the Bering Sea and Aleutian Islands King and Tanner crab FMP and the regulations supporting GOA Pacific cod sideboards created under the crab rationalization program.

The option under Alternative 2 would permanently remove GOA hook-and-line CP Pacific cod sideboard limits for the affected FLL vessels and LLP licenses when all GOA FLL endorsed LLP holders reach an agreement to remove these sideboard limits and notify NMFS of this agreement. The agreement notification must be completed within 3 years of implementation of the rule. The language in the option was modified by including vessel along with FFP for purposes of clarity. The regulations state that the sideboarded is attached to the vessel and the LLP license that originated on the qualified vessel, but NMFS applied the sideboard to the FFP since these permits are permanently assigned to vessel and must be on board the vessel when the vessel is harvesting groundfish. Adding the sideboard language to the FFP was essentially done as a tool for ease of enforcement during boardings.

The Council also included a suboption that would suspend the sideboard limits rather than permanently remove these limits. If in the future not all FLL GOA endorsed LLP license holders agree on the removal of the GOA Pacific cod sideboard limits, the sideboard limits would be reinstated.

Potential Effects of the Alternatives

Alternative 1: No Action

Under this alternative, six freezer longline vessels and five hook-and-line catcher/processor licenses will continue to be restricted by GOA Pacific cod sideboards. National Oceanic and Atmospheric Administration (NOAA) Fisheries implemented inshore and offshore sideboard limits on GOA Pacific cod simultaneously with the implementation of the crab rationalization program. As part of the GOA Pacific cod sectors splits (Amendment 83) implemented in 2012, these sideboard limits were modified from inshore and offshore limits share by all gears to an operator and gear sideboard limit. This modification limited the six sideboarded FLL vessels to their historic catch of GOA Pacific cod during the 1996 through 2000 period using hook-and-line gear. Since the participation of the sideboarded FLL vessels using hook-and-line gear in the GOA Pacific cod fishery was very limited during the years used to calculate the sideboard (1996 through 2000), NOAA Fisheries has to-date maintained that the revised sideboard are insufficient to support a sideboard fishery, thus eliminating these vessels from the GOA Pacific cod fishery using hook-and-line gear.

Prior to the 2012 season, five of the six sideboarded vessels capitalized on the aggregate GOA Pacific cod sideboard limits to increase their catch of GOA Pacific cod fishery using hook-and-line gear relative to their modest fishing effort using this same gear during the 1996 through 2000 period. Since the hook-and-line CP sideboards were set based on the historical catches of these vessels using hook-and-line gear during 1996 through 2000, additional catches by these vessels arose from increasing their harvests relative to sideboarded vessels in other sectors (such as trawl catcher processors and pot catcher processors).

Given that sideboard freezer longline vessels will in all likelihood be precluded from using hook-and-line gear in the GOA Pacific cod fishery, these vessels could shift fishing effort in other fisheries to make up for lost GOA Pacific cod revenue. However, the ability for these sideboard vessels to recoup lost GOA hook-and-line Pacific cod revenue in other GOA and Bering Sea and Aleutian Islands (BSAI) fisheries is limited. In the GOA Pacific cod pot CP fishery for 2012 and 2013, the sideboard limit was deemed insufficient for a direct fishery, so NMFS closed the fishery for the entire year. In the BSAI Pacific cod fishery, the cooperative members determine their allocations based on their historical BSAI Pacific cod fishing activity and the cooperative calculation is fixed. Cooperative members assert that no potential exists for renegotiation in the future to compensate for loss of revenues to sideboard vessels in the GOA Pacific cod fishery.¹ Fishing opportunities other than Pacific cod appear limited for the sideboarded vessels. Likely, the only opportunity would be BS and AI Greenland turbot, but freezer longline vessels assert that they have difficulty generating profits in that fishery (pers. Comm., Kenny Down, BSAI Freezer Longline Conservation Cooperative (FLCC) January, 2013).

From the perspective of the non-sideboarded cooperative member vessels and non-cooperative, non-sideboarded vessels, the hook-and-line CP sideboard limit for those sideboarded FLL vessels provides more opportunities for these other freezer longline vessels to expand their fishing effort in the GOA Pacific cod fishery. For the non-sideboarded cooperative vessels, any additional GOA Pacific cod catch as is relatively modest compared to their BSAI Pacific cod catch. In addition, to the extent that the

¹ It is unclear whether the cooperative could choose to recognize the history of these sideboarded vessels in the GOA, regardless of whether the sideboard is lifted. Under such an arrangement, the sideboarded vessel could trade the cooperative recognized GOA Pacific cod history with non-sideboarded cooperative vessels active in the GOA for additional harvests in the Bering Sea. Sideboarded vessels would be precluded from fishing in the GOA, but would realize additional harvests in the Bering Sea. Given that the cooperative has demonstrated the ability to negotiate the distribution of its members' catches in the Bering Sea and GOA Pacific cod fisheries without Council involvement, a modified agreement might be reached to provide the sideboarded vessels with additional access to Bering Sea Pacific cod, while other cooperative vessels direct additional effort to the GOA Pacific cod fishery.

cooperative has defined the available catch in the GOA Pacific cod fishery for its members, the additional harvests available may be limited. For non-cooperative freezer longline vessels, this increased opportunity in the GOA Pacific cod fishery could be significant assuming continued coordination in the GOA amongst FLCC members.

Overall, if the current GOA Pacific cod sideboard limit for hook-and-line CPs is maintained, six freezer longline vessels and five licenses restricted by this GOA Pacific cod sideboard limit will no longer be allowed to participate in the GOA Pacific cod fishery using hook-and-line gear. If recent GOA Pacific cod fishing is an indication of future lost revenue, the GOA Pacific cod sideboard restrictions could result in an approximate three percent loss of annual revenue for these vessels, based on releasable data. The additional fishing opportunities in the GOA Pacific cod will likely have little impact on other cooperative vessels not restricted by sideboard limits, but could be significant for non-cooperative freezer longline vessels if they increase their fishing effort assuming continued coordination in the GOA amongst FLCC members.

Alternative 2: Remove GOA Sideboards

The Council defined GOA Pacific cod sideboards as a part of the crab rationalization program to limit the ability of vessels receiving crab allocations from using the security of those allocations to increase their GOA Pacific cod harvests above historical levels. Under crab rationalization, vessel owners have the flexibility to fish for snow crab whenever they want or lease their crab individual fishing quota (IFQ) and not fish at all. This increases the incentive for vessel owners to augment effort in the GOA groundfish fisheries. The Council recognized such a fishing behavior change could negatively affect other participants in those fisheries, for example participants that target GOA Pacific cod with hook-and-line gear.

In the years after the sideboards were implemented, sideboarded vessel that benefited from crab rationalization have changed their fishing behavior by increasing their effort in the GOA Pacific cod fishery. This increase was possible because the sideboarded vessels may have leased their crab quota thereby freeing up potential fishing for the GOA Pacific cod fishery. In addition, GOA Pacific cod were implemented at the inshore/offshore level and sideboarded vessels operating with other gear did not maintain their harvests at historical levels. With the recent implementation of sector specific GOA Pacific cod allocations (and the division of sideboard limits by gear and operation type) sideboard freezer longline vessels are limited to the share of the GOA Pacific cod fishery using hook-and-line and pot gear harvested in the sideboard defining years.

Impacts to Sideboarded Vessels

There are six freezer longline vessels and five hook-and-line catcher/processor licenses that are limited by GOA Pacific cod sideboards from crab rationalization. Four of the six sideboarded vessels have been active in the BSAI snow crab fishery since 1996. Since implementation of the GOA Pacific cod sideboards in 2005, only two of the sideboarded vessels have participated in the BSAI snow crab fishery, although five of the six vessels still retain their crab endorsed LLP license. Of those two sideboarded vessels participating in the BSAI snow crab since 2005, only one vessel has been active in the GOA Pacific cod fishery during this period.

Five sideboarded freezer longline vessels were active in the GOA Pacific cod fishery from 1996 through 2012. During this fifteen year period, the number of sideboarded freezer longline vessels active in the GOA Pacific cod fishery on an annual basis has ranged from a zero vessels in 1996 and 2012 to high of five in 2001, 2005, 2010, and 2011. All six of the GOA Pacific cod sideboarded vessels participated in the BSAI Pacific cod fishery since 1999. One sideboarded vessel was not active in the GOA Pacific cod fishery since it lacked a LLP license with a GOA area endorsement. Nearly all of catch activity is from hook-and-line gear since pot gear is not used by these vessels to any great extent.

The majority of catch of the GOA sideboarded freezer longline vessels over the past fifteen years was BSAI Pacific cod. GOA Pacific cod catch and first wholesale revenue for the sideboard freezer longline vessels was relatively modest. GOA Pacific cod catch relative to total Pacific cod catch in both GOA and BSAI was on average 3% during the 1996 through 2011 period. Relative to GOA Pacific cod TAC, catch of GOA Pacific cod was on average less than one percent during the fifteen year period. First wholesale revenue for the GOA Pacific cod fishery was on average 3.5% relative to the total first wholesale revenue during this same period. In aggregate over the 15 years, no vessels had greater than 8% of the total revenue come from the GOA Pacific cod fishery. On few occasions, a vessel would generate more than 10% of their total revenue from GOA Pacific cod for that year.

Removing the GOA Pacific cod sideboard limits for the freezer longline vessels would allow these vessels to expand their effort in the GOA Pacific cod fishery. The cooperative agreement may constrain the harvests of sideboarded vessels to some extent, but not to the extent of the current sideboards. More likely, any cooperative imposed limit would constrain their harvest to levels observed during the 2001 through 2011 period. The cooperative could also permit the sideboarded vessels to increase their fishing effort in the GOA Pacific cod fishery beyond their 2001 through 2011 period. Not all six sideboarded vessels participated in the GOA Pacific cod fishery every year, but these vessels have consistently participated in the BSAI Pacific cod fishery. Their consistent and significant participation in the BSAI Pacific cod fishery relative to the GOA Pacific cod fishery is reflected in that their GOA Pacific cod catch was on average only 3% of their total catch of BSAI and GOA Pacific cod. In other words, despite having the ability to lease some or all of their BSAI Pacific cod to expand their effort in the GOA Pacific cod fishery, these vessels have continued to focus the majority of their effort in the BSAI Pacific cod fishery. This pattern has likely arisen from the profitability of the BSAI Pacific cod fishery relative to both the GOA Pacific cod fishery plus the potential revenue received from leasing BSAI Pacific cod.

In the future, if the cooperative no longer coordinates their activities in the GOA Pacific cod fishery, the incentive to “race for fish” increases as more freezer longline vessels chase a fixed allocation of GOA Pacific cod. In an environment with no cooperative coordination, the absence of sideboards would allow these once restricted vessels to expand their effort in the GOA Pacific cod fishery, and thereby potentially impacting other freezer longline vessels participating in the GOA fishery. In addition, a “race for fish” environment could shorten the seasons relative to the no action alternative. A truncated fishing season could impact other freezer longline vessels participating in the fishery by reducing profits from the fishery.

In June 2012, the Council took final action on Amendment 99 that would adjust the maximum length to accommodate larger replacement vessels. Amendment 99 increases the maximum length overall (MLOA) on LLP licenses endorsed to catch and process Pacific cod with hook-and-line gear in the BSAI, including all members of the FLCC. The Council recommended that NMFS increase the MLOA specified on eligible LLP licenses, to accommodate replacement vessels up to 220 feet (67 meters) length overall (LOA). Amendment 99 also amends the FMP to allow vessels in this sector to exceed length, tonnage, and power limits established under the AFA. There are currently 36 LLP licenses eligible to catch and process Pacific cod with hook-and-line gear in the BSAI and only 33 unique vessels that actively participated. Seventy-five percent of the eligible licenses also had endorsements to use hook-and-line gear to target Pacific cod in the GOA. Although Amendment 99 intended to relieve many of the capacity limits established by the AFA and the LLP, Amendment 99 was not intended to increase the fishing effort of CPs using hook-and-line in the BSAI or GOA. At the time of final action, the Council anticipated that management constraints such as sector allocations in the BSAI and GOA and sideboards would limit the overall capitalization of this subsector and the potential for the subsector to disadvantage other sectors.

However, with the advantage of cooperative fishing amongst the BSAI freezer longliners, combined with larger, purpose-built replacement vessels, the BSAI-endorsed LLP license holders that are restricted by GOA Pacific cod sideboards could consolidate BSAI harvests within the cooperative, and use their

increased processing capacity to garner a greater proportion of the GOA Pacific cod sector allocation, relative to their historical catch. These vessels are also less sensitive to weather conditions, which can limit opportunities for smaller vessels (such as the GOA-only endorsed freezer longline vessels). This has the potential to negatively impact the three GOA-only freezer longline vessels. Note, however, that vessels that fish in the BSAI are all larger than those that are only GOA-endorsed, and some of them substantially so. The cooperative has the ability to preempt fishing opportunities by the exclusively GOA-endorsed vessels, as the GOA Pacific cod catcher/processor sector allocation is relatively small, compared to the number of vessels that are endorsed to participate in the sector. However, the combination of sideboard removal and the ability to increase the length of the vessel may nonetheless negatively impact other freezer longline vessels active in the GOA Pacific cod fishery.

Impacts to non-sideboarded cooperative member vessels

Under Alternative 2, it is likely some of the FLL vessels currently sideboarded in the GOA Pacific cod fishery would likely enter this fishery, which could increase competition for a fully utilized sector allocation and negatively impact non-sideboarded BSAI cooperative member vessels. The number of non-sideboarded BSAI cooperative vessels active in the GOA Pacific cod fishery has ranged from a low of nine in 2011 to a high of 19 in 2003.

Currently, the BSAI cooperative coordinates the fishing activity of its member vessels in the GOA Pacific cod fishery, including the five sideboarded freezer longline vessels. Coordination of its cooperative member vessel activities in the GOA Pacific cod fishery protects cooperative vessels that are not sideboarded subject to the terms of the agreement. The agreement also reduces the incentive for a “race for fish” within the freezer longline sector if the sideboards were removed, but only to the extent that the agreement constrains the currently sideboard vessels. If the currently sideboarded vessels are not constrained, non-sideboarded cooperative member vessels could suffer either a loss of harvests or be compelled to race to maintain their current share of the harvests in the GOA Pacific cod fishery.

Despite the advantages of cooperative coordination in the GOA Pacific cod fishery to member vessels, there is the possibility that the members could choose to no longer coordinate their activities in the GOA fishery. The loss of cooperative coordination could result in a “race for fish” amongst freezer longline vessels. Absent sideboard limits, non-sideboard member vessels could be negatively affected as vessels currently sideboarded could increase their share of the catch without limit.

Impacts to non-sideboarded non-member vessels

The number of non-member freezer longline vessels that have participated in the GOA Pacific cod fishery has ranged from zero prior to 2004 to a high of three vessels in 2008, 2009, and 2010. Non-members vessels also participated in the halibut IFQ program in the GOA and BSAI.

Although cooperative coordination can maintain opportunities for non-member vessels, coordination of fishing among cooperative members could also be used to reduce opportunities for vessels that are not in the cooperative. These efforts to preclude opportunities for non-member vessels may arise whether sideboards are removed or not. With sideboards removed, sideboarded vessels could expand their effort in the GOA Pacific cod fishery, directly affecting fishing opportunities for non-member vessels. With the sideboards in place, the cooperative could coordinate fishing to increase their catches in the GOA Pacific cod fisheries. The cooperative’s ability to preclude fishing opportunities of non-members is increased by the removal of sideboards, as the sideboarded vessels that have shown an interest in increasing their efforts in the GOA Pacific cod fishery in recent years have additional fishing opportunities with the sideboards removed.

Shifting fishing effort by the sideboarded vessels from the BSAI Pacific cod fishery to the GOA Pacific cod fishery due to reduced total allowable catch (TAC) in the BSAI could negatively impact non-member FLL vessels active in the GOA Pacific cod fishery. Vessels that are not cooperative members are more

vulnerable to increases in GOA Pacific cod fishing effort by sideboarded vessels since these vessels have no agreement with the sideboard vessels. Cooperative coordination provides members the ability to coordinate their effort in the BSAI and GOA Pacific cod fisheries so as to reduce the harm to any member vessels from reduce TACs in one or both areas.

Finally, removing the GOA Pacific cod sideboards combined with Amendment 99, which increases the maximum length overall (MLOA) specified on the LLP licenses, could enable sideboard restricted FLL vessels negatively affect the three non-member FLL vessels active in the GOA Pacific cod fishery. Amendment 99 could increase the incentive for the eligible six FLCC vessels to increase the length of their vessels and disadvantage other participants in the fishery. Larger vessels can incorporate larger freezer holds thus allowing a vessel to stay at sea for longer periods, while smaller vessels generally require more trips to travel to and from fishing grounds to offload product. Fewer trips could increase vessel efficiency by reducing fuel consumption and minimize transit time, which would allow vessel owners to minimize the time required to harvest their allocation. With this larger vessel advantage combined with cooperative fishing, BSAI-endorsed LLP license holders could consolidate BSAI harvests within the cooperative, and use their increased processing capacity to harvest a greater proportion of the GOA Pacific cod sector allocation, relative to their 2001 through 2011 historical catch. This has the potential to negatively impact the three non-member GOA Pacific cod vessels.

Option and suboption

Sideboard negotiations

Negotiating the terms of the GOA Pacific cod hook-and-line CP sideboards will likely involve FLCC members operating as one voice, and the non-member vessel owners representing their individual interests. Currently there are 30 GOA FLL endorsed LLP holders. Of those 30 LLP holders, 28 are members of the FLCC. Six of these FLCC GOA LLP holders are sideboard restricted in the Pacific cod fishery. The remaining two GOA FLL endorsed LLP holders are not members of FLCC.

The negotiation leverage between the two groups varies, in part, on whether the sideboards are permanently removed or temporarily suspended. In both cases, the negotiation leverage tends to be held by the two owners who are not members of the vessel cooperative. However, permanently removing sideboards would likely shift negotiation leverage from these non-member vessel owners to FLCC member vessel owners. The degree to which FLCC members want the sideboards removed is obviously a factor in the negotiating an agreement. If removal of the GOA Pacific cod sideboards is a lesser priority for the FLCC, then the potential negotiation leverage held by either of the two non-member vessel owners is substantially diminished. If follows immediately that the reverse is likely true.

As noted above, any negotiating leverage that exists, *ex ante*, appears likely to shift from non-member vessel owners, to FLCC vessel owners, once unanimous agreement is reached and sideboards are permanently removed. Because a “one-time only” decision to agree to remove sideboards carries a high level of uncertainty as to the future prospects for the non-member vessel operators in the GOA Pacific cod fishery, attainment of unanimity could be very difficult to negotiate and achieve.

Alternatively, agreeing to suspend GOA Pacific cod hook-and-line CP sideboards subject to the prospect of a future reversal, should the fishery develop in a way that disadvantageous any signatory to the agreement to suspend the sideboards, alleviates most of the uncertainty. This approach also lowers the transaction costs of negotiating concurrence, and increases the probability of achieving unanimity of the parties to the negotiation. Furthermore, recognizing that, any future date, on the action of one operator, sideboards could be reinstated in the following year, and beyond, which should provide a substantial economic incentive to maintain a copasetic operating environment within the GOA FLL sector.

Relative to a permanent removal of sideboards, this approach would maintain the potentiality of negotiation leverage on behalf of those that are not, under status quo, restricted by GOA Pacific cod hook-and-line CP sideboards. This would include the two non-member vessels, but it also could include FLCC vessels that are not restricted by these sideboards. If in the future, the loss of FLCC coordination in the GOA Pacific cod hook-and-line CP fishery results, the non-sideboard FLCC vessels would also likely have some negotiation leverage with the sideboarded FLCC vessels in both BSAI and GOA Pacific cod fisheries.

Implementation

Alternative 2 would remove freezer longline non-AFA crab GOA Pacific cod sideboards. As noted in Section 1.4.4, sideboarded vessels are identified by endorsements placed on their FFP and /or LLP. Currently NMFS establishes the sideboard limits by gear and operational type, as specified under Amendment 83, through the harvest specification process and notice and comment rulemaking. Office of Law Enforcement (OLE) then enforces the sideboard allocation harvests during the fishing year. Although the complete removal of the sideboards language from the FFP and the LLP would simplify the catch accounting of sideboard allocations, there would likely be impacts on other GOA Pacific cod fisheries. Should NMFS remove the subject-to- sideboard endorsement from an FFP and LLP, sideboarded FLL vessels endorsed to catch and process Pacific cod with other gear types (i.e. pot gear) would not be subject to the sideboard limits and could compete with historic participants for that sector's TAC allocation.

Another option would be for NMFS to only remove the hook-and-line non-AFA Crab sideboard requirement from the regulations authorizing the harvest specifications. In this situation NMFS would not promulgate regulations to modify or remove the sideboard language from the FFP or LLP licenses and sideboarded vessels would remain subject to all other sideboard restrictions applicable to the harvest of Pacific cod in the GOA. Such a regulatory change would not be immediately effective and would instead be implemented during the next TAC setting and harvest specifications cycle. This would require a regulatory change to the harvest specifications process.

The option under Alternative 2 would modify the removal of the sideboards by requiring participants to notify NMFS that an agreement to remove the sideboards has been reached prior to removing the sideboards. To implement this option, NMFS would promulgate regulations to establish that the non-AFA crab sideboards would remain in effect unless NMFS receives notification from all required participants to permanently remove the sideboards from the harvest specifications, as noted above. The second part of the option would establish a 3-year deadline for participants to provide the necessary notification to NMFS that an agreement has been reached. **It is likely a request for sideboard removal approaching the 3-year deadline would trigger a new or supplemental impact analysis.** The dynamic nature of these fisheries may alter the impacts of sideboard removal such that the implementation of a measure in subsequent years may no longer meet the purpose and need for this action. **A more immediate deadline that coincides with the annual harvest specifications process would be more likely to be implemented without further impact analysis.**

The suboption under Alternative 2 would suspend rather than permanently remove the sideboards. NMFS notes that inseason management authority to open and close fisheries is structured to ensure that TAC and sideboard allocations established under the harvest specification process are not exceeded. Revisions to the final harvest specifications are difficult to accomplish in a timely manner because such a revision requires notice and comment rulemaking. Thus, any action to suspend or reinstate sideboards could not be implemented inseason and would need to be implemented annually through the harvest specifications process. NMFS has implemented such annual provisions, for example, under the incentive plan agreements under Amendment 91 to the BSAI FMP. To implement the suboption, NMFS would need to

annually receive notice from participants that an agreement to remove sideboards has been reached. If such notice is given to NMFS and the agreement is approved by NMFS, like the regulations implementing Amendment 91, prior to the publication of the proposed harvest specifications (September deadline), NMFS could suspend the sideboards for the upcoming fishing year. NMFS would modify regulations to ensure that the sideboard allocations would be established annually for the hook-and-line sector unless the notice of agreement is received and approved by NMFS; therefore, no notice is needed to reinstate the sideboards should an agreement not be reached in any given year. **Implementation of the suboption would likely increase the administrative burden beyond that of Alternative 2 or the option.**

1.0 REGULATORY IMPACT REVIEW

1.1 Introduction

The purpose of the proposed action is to remove Gulf of Alaska (GOA) sideboard limits for Pacific cod for the freezer longline (FLL) vessels² restricted by these limitations. These sideboard limits were established by the crab rationalization program in 2005. With the proper area, operation and gear endorsements on the License Limitation Program (LLP) license named on the vessel, removing the sideboards for the FLL vessels allows these vessels to participate in the GOA Pacific cod fishery for the hook-and line CP sector and the pot CP sector.

This proposed action has no significant effect individually or cumulatively on the quality of the human environment (as defined by NAO 216-6). As defined in Sections 5.05b and 6.03a3(b)(1) of NAO 216-6, the proposed action would remove sideboard limits for the six freezer longline vessels restricted by this limit. The only effects of this action would be potential redistribution of harvests of the GOA Pacific cod freezer longline sector allocation among vessels in the sector. As such, it is categorically excluded from the need to prepare an Environmental Assessment.

1.1.1 What is a Regulatory Impact Review?

This Regulatory Impact Review (RIR) is required under Presidential Executive Order (E.O.) 12866 (58 FR 51735, September 30, 1993). The requirements for all regulatory actions specified in E.O. 12866 are summarized in the following statement for the order:

In deciding whether and how to regulate, agencies should assess all costs and benefits of available regulatory alternatives, including the alternative of not regulating. Costs and benefits shall be understood to include both quantifiable measures (to the fullest extent that these can be usefully estimated) and qualitative measures of costs and benefits that are difficult to quantify, but 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.

EO 12866 further 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.

² Freezer longline vessels are also described as hook-and-line catcher processors.

1.1.2 Statutory authority for this action

NMFS manages the U.S. groundfish fisheries in the portion of its exclusive economic zone within the GOA according to the Fishery Management Plan (FMP) for Bering Sea and Aleutian Islands King and Tanner Crabs. This FMP was prepared by the Council under the authority of the Magnuson-Stevens Fishery Conservation and Management Act. Regulations governing fishing by U.S. vessels in accordance with the FMP appear at subpart H of 50 CFR part 600 and 50 CFR part 679.

1.1.3 Historical background on non-AFA crab sideboards

The king and Tanner crab fisheries in the economic exclusive zone (EEZ) of the BSAI are managed under the Fishery Management Plan for the Bering Sea/Aleutian Islands King and Tanner Crabs (Crab FMP). Amendments 18 and 19 of the Crab FMP implemented the BSAI Crab Rationalization Program (Crab Program). The Crab Program allocates BSAI crab resources among harvesters, processors, and coastal communities.

Under the Crab Program, only recipients of initial allocation in the BS *C. opilio* fishery are subject to sideboard limits. GOA groundfish fishery sideboards apply to Crab Program vessels that (1) are not authorized to conduct directed fishing for pollock under the American Fisheries Act of 1998 (Public Law 105-227, Title II of Division C); (2) fished snow crab from 1996 through 2000; and (3) fished using any LLP groundfish license derived from these “non-AFA crab” vessels. The purpose of the sideboard limits in the Crab Program is to prevent vessels that traditionally participated in the BS snow crab fisheries from using the flexibility of the program to increase their level of participation in the GOA groundfish fisheries, primarily the GOA Pacific cod fishery. The sideboards are intended to restrict these vessels to their historic harvests in all GOA groundfish fisheries (except the IFQ sablefish fishery, which is subject to program harvest limits).

Historically, the BS snow crab fishing and GOA groundfish fisheries operated concurrently from January through March, meaning that crab vessel owners had to decide whether to fish for BS snow crab or GOA groundfish fishery but could not participate fully in both fisheries. Under the Crab Program, vessel owners have the flexibility to fish for snow crab whenever they want or to lease their crab IFQ and not fish at all. This increases the incentive for vessels owners to augment effort in the GOA Pacific cod fishery.

Under the GOA Pacific cod sector allocations (Amendment 83), the Council recommended sideboard allocations to non-AFA crab vessels that would supersede the inshore/offshore sideboards established under the AFA and Crab Program. Instead, the Council recommended operational and gear-specific non-AFA crab sideboard limits based on vessel participation in the GOA Pacific cod fishery prior to the implementation of the Crab Program. Prior to taking final action in December 2009, the Council considered and rejected combining the GOA inshore and offshore non-AFA crab sideboards into a single Western GOA sideboard limit and a single Central GOA sideboard limit. Although this combination would simplify the catch accounting of sideboard limits, the Council declined to recommend a combination of the inshore and offshore sideboard limits, noting the likelihood that such a combined limit is likely to result in increased competition and decrease stability in the fishery (NMFS 2011). The Council and NMFS noted at the time that several CPs increased effort in the offshore sideboard fishery in recent years and concluded that combining the inshore and offshore sideboard limits into a single amount could result in one gear or operation type preempting the others in a race for the sideboards. Such a derby style fishery is not consistent with the purpose and need for Amendment 83.

Therefore, the Council’s motion specified that NMFS recalculate the non-AFA crab vessel sideboard limit as separate catcher vessel (CV) and CP sideboards for each gear type. Moreover, the Council recommended that the participation years used to recalculate the sideboard limit remain 1996 through

2000, and do not take into account recent participation. The recalculated sideboard ratios are shown in Table 1-11. In 2012, NMFS determined that the sideboard limits for the freezer longline sector were insufficient to support a directed fishery, so the fishery was closed for the entire year. At final action, the Council and NMFS noted that many of the sideboard ratios are only a small fraction of the respective area TACs, and are not likely to support a directed fishery. In fact, the sideboard ratios were not likely to provide enough TAC to support directed fisheries for Pacific cod for CPs in aggregate, let alone for the hook-and-line CP vessels, in these regulatory areas.

During its October 2011 meeting, the Council received public comment requesting that the Council and NMFS reconsider the Amendment 83 non-AFA crab sideboard provisions. Representatives of FLLs subject to the sideboard limits asserted that the application of Pacific cod sideboard limits could constrain their ability to use longline gear in the sideboard fishery. These representatives suggested that the sideboard limit were not properly analyzed and would result in substantial economic impacts for the hook-and-line CP sector that were not contemplated by the Council at final action and received little or no public comment. Moreover they stated that the set of years used to determine historical catch (1996 through 2000) were arbitrary and would result in five licensed and endorsed hook-and-line CP vessels not being able to participate in the Pacific cod fishery in the GOA. Instead, the industry representatives suggested that NMFS should establish non-AFA crab vessel sideboards as separate CP and CV sideboards, not by gear type.

In response, the Council noted that the non-AFA crab sideboard ratios were included in the analysis for Amendment 83 and were considered by the Council at final action. Moreover, NMFS and the Council noted that the proposed regulations would not exclude individual vessels, only gear types. Each vessel currently restricted by non-AFA crab sideboard limits can continue to participate in the Western and Central GOA Pacific cod fishery at historic rate; however, each vessel must use the gear and operational type attributed to that catch history (i.e., for non-AFA crab sideboards, 1996 through 2000). After considering testimony during the October 2011 meeting, the Council did not recommend rescinding or otherwise revisiting the sideboard restrictions, LLP endorsements or restrictions, nor did the Council recommend changing how the sideboard ratios are calculated as part of the regulations implementing Amendment 83.

The Council did recommend that staff draft a discussion paper on the impact of GOA non-AFA crab sideboards on CP vessels using hook-and-line gear to target GOA Pacific cod. The Council requested the discussion paper include alternative methods to address the non-AFA crab sideboard restrictions, including the impacts of removing these sideboard restrictions for the FLL fleet in recognition of the recent cooperative operations. After reviewing the discussion paper at the June 2012 meeting, the Council developed a problem statement and alternatives and tasked staff to prepare an initial analysis of a proposed action to remove the sideboard limits.

In February 2013, the Council reviewed an initial review analysis. After reviewing the analysis, the Council released the document for public review. The Council also added a new option under Alternative 2. The new option would remove GOA Pacific cod sideboard limits for the affected freezer longline vessels and licenses when all GOA freezer longline endorsed license holders reach an agreement to remove these sideboards limits.

1.2 Council's problem statement

The purpose of this action is to remove GOA Pacific cod sideboard limits for the freezer longline vessels restricted by these sideboard limits. These sideboard limits were established by the crab rationalization program in 2005. These sideboard limits were calculated using GOA Pacific cod catch history from 1996

to 2000. The sideboard limits were aggregated across all gear types at the inshore and offshore level. Of the 82 vessels that are restricted by GOA Pacific cod sideboard limits, six were FLL vessels.

With GOA Pacific cod sideboards aggregated across all gear types, the sideboard limits provided an opportunity for sideboard restricted vessels to participate in the GOA Pacific cod fishery even if the vessel had limited history in the fishery in the past. During the 2005 to 2011 period, most of the six FLL sideboard restricted vessels participated in the GOA Pacific cod sideboard fishery. Collectively, the FLL vessels that participated in the GOA Pacific cod during the 2005 to 2011, harvested a greater share of TAC annually relative to their catch history in this fishery during the 1996 to 2000 period.

In 2012, as part of the GOA Pacific cod sector split (Amendment 83), the Pacific cod sideboard limits were disaggregated to create gear type and operation type limits. Since the six restricted FLL vessels had limited GOA Pacific cod history, the hook-and-line CP and pot CP sideboard limits were very small. In 2012 and 2013, NMFS determined that the sideboard limits were insufficient to support a direct fishery, so the fishery was closed for the entire year, thus eliminating these six sideboarded FLL vessels from the GOA Pacific cod fishery. To allow these six FLL vessels to once again participate in the GOA Pacific cod fishery, in June 2012, the Council proposed to remove the sideboard limits for these six FLL vessels. The following problem statement was provided:

The narrowing of the sideboard limit under Amendment 83 from a non-gear sideboard to a sector specific sideboard, significantly reduced non-AFA crab Gulf of Alaska Pacific cod sideboards for sideboarded freezer longline vessels active in the Gulf of Alaska Pacific cod fishery prior to the Pacific cod sector split. A recalculation of the Pacific cod sideboards resulted in the loss of fishing opportunities, future revenues, and an ability to participate in the Gulf of Alaska cooperative fishing efforts.

Under Amendment 83, the freezer longline sector has a direct allocation of Pacific cod, and due to the harvesting capacity available to participate in the Gulf of Alaska, the freezer longline sector must establish cooperative harvest control measures in order for NMFS to make the sector TAC available for directed fishing. Therefore, the need for catcher processor hook-and-line GOA Pacific cod sideboards to limit the catch of these vessels may no longer exist.

Removal of the non-AFA crab GOA Pacific cod sideboards for freezer longliners would restore to the sideboarded vessels the ability to participate in the GOA Pacific cod fishery. Removing sideboard limits for the freezer longline vessels, however, may adversely impact GOA only freezer longline vessels, and to the extent practicable, there is a need to minimize the impact.

1.3 Alternatives

In June 2012, the Council proposed an action alternative to remove the GOA Pacific cod sideboard limits for the FLL vessels. In February 2013, the Council added a new option under Alternative 2 to permanently remove GOA Pacific cod sideboard limits when all GOA FLL vessels agree to the removal of the limits. The Council also included a suboption that would suspend rather than permanently remove the sideboard limits.

Provided below are the alternatives and options along with a description of the proposed action.

Alternative 1: No action

Alternative 2: Remove freezer longline non-AFA crab GOA Pacific cod sideboards

Option: Permanently remove sideboard limits on the affected LLPs and vessel/FFPs when all GOA FLL endorsed LLP holders notify the NMFS of an agreement to remove the sideboards. The LLP holders would have 3 years from the effective date of the rule to provide notification to NMFS.

Suboption: Sideboard limits would be suspended rather than permanently removed. If in the future, not all FLL GOA endorsed LLP license holders agree to the removal of the GOA Pacific cod FLL sideboard limits, these sideboard limits would be reinstated.

The no action alternative would leave in place the current freezer longline Pacific cod sideboard created under the crab rationalization program in the Western GOA and Central GOA and further narrowed under Amendment 83. **Alternative 2 would remove only the non-AFA crab hook-and-line CP sideboard limit for Pacific cod in both Western GOA and Central GOA. All other non-AFA crab sideboard limits for GOA Pacific cod would remain in effect, and other GOA sideboard limits applicable to the freezer longline sector would remain in effect.** This alternative would require a change to the Bering Sea and Aleutian Islands King and Tanner crab FMP and the regulations supporting GOA Pacific cod sideboards created under the crab rationalization program.

The option under Alternative 2 would permanently remove the GOA Pacific cod hook-and-line CP sideboard limits for the affected FLL vessels and LLP licenses when all GOA FLL endorsed LLP holders reach an agreement to remove these sideboard limits and notify NMFS of this agreement. The agreement notification must be completed within 3 years of implementation of the rule. The language in the option was modified by including vessel along with FFP for purposes of clarity. The regulations state that the sideboarded is attached to the vessel and the LLP license that originated on the qualified vessel, but NMFS applied the sideboard to the FFP since these permits are permanently assigned to vessel and must be on board the vessel when the vessel is harvesting groundfish. Adding the sideboard language to the FFP was essentially done as a tool for ease of enforcement during boardings.

The Council also included a suboption that would suspend the sideboard limits rather than permanently remove these limits. If in the future not all FLL GOA endorsed LLP license holders agree on the removal of the GOA Pacific cod sideboard limits, the sideboard limits would be reinstated.

1.4 Background

1.4.1 Description of the Pacific cod fishery

The GOA Pacific cod resource is targeted by operators using multiple gear types, principally pot, trawl, and hook-and-line. Smaller amounts of Pacific cod are taken by other sectors, including catcher vessels using jig gear. Pacific cod is the second most dominant species in the commercial groundfish catch in the GOA, accounting for about 84,800 metric tons (mt) or 34% of the total 2011 commercial groundfish catch (NMFS, 2012). About 28% of the total commercial Pacific cod catch off Alaska is harvested in the GOA, with the remaining 72% harvested in the BSAI (NMFS, 2012).

In the GOA, trawl landings of Pacific cod have been substantially lower than the peak of 60,000 mt in 1990 and 1991. Harvests by hook-and-line during the same period have fluctuated between 6,000 mt and 15,000 mt per year. Vessels using pot and jig gear began to make significant landings in the early 1990s. Pot and jig landings increased substantially when the State waters Pacific cod fishery, which only allows the use of pot and jig gear, was initiated in 1997. Total catch of Pacific cod peaked in 1999, at 81,785 mt, but declined to 47,996 mt in 2005. Since 2005, total catch of Pacific cod has increased substantially. In

2010, the total catch of GOA Pacific cod was 76,361 mt. Table 1-1 provides GOA Pacific cod by gear from 1996 through 2012.

Table 1-1 Total catch (including discards) of Pacific cod catch by gear types in the federal and state managed fisheries in the GOA (Western, Central, and Eastern GOA combined), and total allowable catch (TAC) in the BSAI and GOA from 1996 through 2012

Year	GOA Federal Catch				Total Federal catch	Federal TAC		GOA State Catch		Total Catch
	Trawl	Longline	Pot	Jig		BSAI	GOA	Pot	Other	
1996	45,989	10,070	11,952	53	68,064	270,000	65,000	3,690	801	72,556
1997	48,406	10,658	8,759	17	67,840	270,000	69,115	10,870	3,054	81,764
1998	41,452	9,669	10,383	16	61,520	210,000	66,060	10,829	5,317	77,666
1999	37,167	11,980	18,718	56	67,921	177,000	67,835	14,723	3,772	86,423
2000	25,442	11,501	17,274	40	54,257	193,000	58,715	10,462	5,144	69,872
2001	24,382	9,825	7,171	151	41,530	188,000	52,110	9,054	5,279	55,867
2002	19,810	14,627	7,694	176	42,307	200,000	44,230	10,690	5,878	58,875
2003	18,885	9,470	12,675	161	41,191	207,500	40,540	8,132	3,486	52,809
2004	17,593	10,327	14,889	345	43,154	215,500	48,033	10,874	2,878	56,905
2005	14,549	5,731	14,752	203	35,235	206,000	44,433	10,020	2,741	47,996
2006	13,131	10,229	14,495	118	37,973	194,000	52,264	9,648	690	48,311
2007	14,795	11,501	13,523	39	39,858	170,720	52,264	11,904 (total)		51,760
2008	20,101	12,017	11,313	62	43,493	170,720	50,269	13,396 (total)		56,890
2009	13,984	13,848	11,576	194	39,602	176,540	41,807	12,690 (total)		52,293
2010	21,791	16,423	20,114	426	58,754	168,780	59,563	17,608 (total)		76,361
2011	16,364	16,214	29,228	721	62,527	227,950	73,719	22,198 (total)		84,125
2012	20,182	14,366	21,248	723	56,519	261,000	60,600	21,447 (total)		77,330

Source: Fish tickets for 1996 through 2002, and catch accounting database for 2003 through 2012 federal catch, and ADF&G (state waters catch)

Table originates from FLL GOA Pcod Sideboard Tables file

Fishing effort for Pacific cod is widely distributed along the shelf edge in the GOA. Trawl effort is also located near Chirikof, Cape Barnabus, Cape Chiniak, and Marmot Flats. The hook-and-line fishery primarily occurs at depths of 25 fathoms to 140 fathoms, over gravel, cobble, mud, sand, and rocky bottoms.

1.4.2 Management of the GOA Pacific cod fishery

This section describes current management of the GOA Pacific cod fishery, and highlights important regulatory changes in the management of the GOA. Three separate area TACs are specified for GOA Pacific cod: Western GOA, Central GOA, and Eastern GOA. Final 2012 harvest specifications apportioned 32% of the GOA catch to the Western GOA (21,024 mt), 65% to the Central GOA (42,705 mt), and 3% to the Eastern GOA (1,971 mt). GOA Pacific cod was apportioned by inshore and offshore components prior to 2012. Inshore generally indicates catcher vessel prosecution (with provision for limited amounts of onboard processing) and offshore indicates catcher processor prosecution. Starting in 2012, Western and Central GOA Pacific cod TAC is apportioned amongst gear and operation types (50 C.F.R. §679.20(a)(12)(i)). Table 1-2 provides the apportionment and catch for the different gear and operation types for 2012. The TACs are apportioned seasonally, with 60% of the TACs allocated to the A season and 40% to the B season. The A and B seasons were implemented starting in 2001 due to Steller sea lion protection measures. The fishery is prosecuted as a limited access derby style, with the season closure timed to coincide with full harvest of the available seasonal TAC. The A season begins on January 1 for fixed-gear vessels, and on January 20 for trawl vessels. The A season ends on June 10, unless the season is closed earlier due to the TAC being fully harvested. The B season begins on

September 1 for all gear types, and ends November 1 for trawl vessels and December 31 for non-trawl vessels.

Table 1-2 Final 2012 Pacific cod allocation, seasonal apportionments, and catch of Pacific cod TAC for the Western GOA and Central GOA by sector

Regulatory area and sector	Annual allocation (mt)	A season			B season		
		Sector % of annual non-jig TAC	Seasonal allowances (mt)	Catch (mt)	Sector % of annual non-jig TAC	Seasonal allowances (mt)	Catch (mt)
Western GOA							
Jig (1.5% of TAC)	315	N/A	189	117	N/A	126	204
Hook-and-line CV	290	0.7	145	129	0.7	145	67
Hook-and-line CP	4,100	10.9	2,257	2,029	8.9	1,843	1,054
Trawl CV	7,952	27.7	5,736	5,752	10.7	2,216	558
Trawl CP	497	0.9	186	400	1.5	311	165
All pot CV and pot CP	7,869	19.8	4,100	4,225	18.2	3,769	3,648
Total	21,024	60	12,614	12,652	40	8,410	5,696
Central GOA							
Jig (1.0% of TAC)	427	N/A	256	274	N/A	171	129
Hook-and-line <50 CV	6,174	9	3,938	4,448	5	2,235	1,838
Hook-and-line ≥50 CV	2,835	6	2,372	2,828	1	464	177
Hook-and-line CP	2,158	4	1,736	1,482	1	422	1,489
Trawl CV	17,581	21	8,936	9,714	20	8,645	2,809
Trawl CP	1,775	2	847	160	2	928	624
All pot CV and pot CP	11,755	18	7,538	7,820	10	4,217	5,469
Total	42,705	60	25,623	26,726	40	17,082	12,356
Source: 2012 final specifications, Table 5							
Table originates from FLL GOA Pcod Sideboard Tables file							

Any unused seasonal apportionment of a particular sector is reallocated to the next seasonal allowance for that sector. Near the end of the year, NMFS considers whether one or more sectors will be unable to use its remaining GOA cod allocation. Federal regulations outline a system for reallocating quota that is projected to remain unused by a particular sector near the end of the year. Any reallocation by the NMFS would first be to the CV sectors followed by the combined CV and CP pot sector. Finally, any remaining reallocation would be reallocated to all other CP sectors, taking into account the capability of these sectors to harvest the reallocation.

Halibut PSC allowances are currently apportioned separately to the GOA trawl and hook-and-line sectors, according to the guidelines outlined in 50 CFR 679.21(d). Halibut PSC allowances are not apportioned by management subarea within the GOA. The 2012 and 2013 PSC allowance for the GOA Pacific cod trawl and hook-and-line fisheries are shown in Table 1-3. The pot and jig sectors are exempt from halibut PSC limits. The GOA halibut PSC mortality allowance is 2,000 mt for the trawl sector and 300 mt for the hook-and-line sector (include 10 mt set aside for the Demersal shelf rockfish fishery). Table 1-4 provides the apportionment and usage of the “other hook-and-line fisheries” annual halibut PSC allowance between the CV and CP sectors.

The hook-and-line halibut PSC allowance is divided into three seasons: January 1 to June 10 (the A season for Pacific cod), June 10 to September 1, and September 1 to December 31 (the B season for Pacific cod). The trawl allowance is divided not only seasonally, but also by complex. The seasons are January 20 to April 1, April 1 to July 1, July 1 to September 1, and September to October 1. Of the 290 mt of halibut PSC allowance for the hook-and-line sectors, 117 mt is apportioned to the FLL sector. Halibut PSC limits can determine season closures dates for the hook-and-line sector. Inseason managers monitor halibut PSC in the Pacific cod fisheries and close the directed fisheries if halibut PSC limits are reached. After such a closure, the directed fisheries are typically reopened when the next seasonal

apportionment of halibut PSC becomes available. Unused seasonal halibut PSC apportionments are rolled over to the following season.

Table 1-3 Halibut prohibited species catch seasonal allowances in the GOA, 2012-2013

Trawl		Hook-and-line			
Dates	Amount (mt)	Other than Demersal Shelf Rockfish		Demersal Shelf Rockfish	
		Dates	Amount (mt)	Dates	Amount
Jan 20–Apr 1	550 (27.5%)	Jan 1–Jun 10	250 (86%)	Jan 1–Dec 31	10 (100%)
Apr 1–July 1	400 (20%)	Jun 10–Sep 1	5 (2%)		
July 1–Sep 1	600 (30%)	Sep 1–Dec 31	35 (12%)		
Sep 1–Oct 1	150 (7.5%)				
Oct 1–Dec 31	300 (15%)				
Total	2000		290		10

Source: NMFS 2012-2013 harvest specifications for the groundfish fisheries in the GOA.

Table 1-4 Apportionments and usage of the “other hook-and-line fisheries” annual halibut PSC allowance between the hook-and-line gear catcher vessel and catcher processor sectors

Other than DSR allowance (mt)	Hook-and-line sector	Percent of annual amount	Sector annual amount (mt)	Season	Seasonal percentage	Sector seasonal amount (mt)	Actual usage (mt)
290	Catcher Vessel	59.7	173	Jan 1 - Jun 10	86	149	70
				Jun 10 - Sep 1	2	3	0
				Sep 1 - Dec 31	12	21	79
	Catcher processor	40.3	117	Jan 1 - Jun 10	86	101	27
				Jun 10 - Sep 1	2	2	0
				Sep 1 - Dec 31	12	14	29

Table originates from FLL GOA Pcod Sideboard Tables file

Inseason managers monitor catch in the fishery, timing the closure of a directed fishery to allow full harvest of the TAC without overharvest. To meet that goal, the closure must be timed to leave only enough of the TAC to support incidental catch in other fisheries during the remainder of the season. Incidental catch occurring after a seasonal closure continues to accrue to the A season TAC until the A season ends. Any overage of the A season TAC taken between the A and the B season is deducted from the B season TAC. When the directed fishery is closed, incidental catch of that species is limited to a maximum retainable allowance (MRA). An MRA limits the amount of non-directed species catch that may be retained, to a percentage of directed species catch. For Pacific cod, the MRA with respect to most directed species is 20%. So, when the Pacific cod fishery is not open for directed fishing, a vessel may retain Pacific cod in an amount up to 20% of its catch of species that are open for directed fishing.³ Pacific cod are also an increased retention/improved utilization (IR/IU) species. All catch of IR/IU species must be retained when the fishery is open for directed fishing, and all catch up to the MRA must be retained when the fishery is closed to direct fishing.

Entry to the GOA Pacific cod fisheries in federal waters has been restricted under the License Limitation Program (LLP) since 2000. Prior to implementation of the LLP, a moratorium on new vessel entry to the groundfish fisheries was established in 1995. Several management measures have limited participation by certain sectors in the GOA. When the American Fisheries Act (AFA) was implemented in 1998, AFA named CPs were prohibited from fishing in the GOA. In addition, groundfish harvests by several other groups of vessels are sideboarded in the GOA, including AFA CVs (beginning in 2000), non-AFA crab vessels (beginning in 2006), and Amendment 80 CPs (beginning in 2008). The non-AFA GOA sideboards are described in more detail later in this chapter.

³ Pacific cod is also retained in the halibut and sablefish IFQ program. Vessels fishing IFQs are required to retain Pacific cod up to the MRA, except if Pacific cod is on PSC status and must be discarded.

The directed fisheries for Pacific cod in state waters (0 to 3 nautical miles) are open concurrently with the directed fisheries in federal waters (3 nautical miles to 200 nautical miles). These fisheries in state waters (referred to as the “parallel fisheries”) are prosecuted under virtually the same rules as the federal fisheries, with catch counted against the federal TAC.

1.4.3 Catch history in the GOA Pacific cod fisheries

Prior to sector apportionments in 2012, Western and Central Pacific cod TACs were apportioned between the inshore (90%) and offshore (10%) processing sectors. As shown in Table 1-5, in some years, portions of the Pacific cod TACs have been left unharvested, but during the most recent years, the GOA Pacific cod TACs have been fully harvested.

Table 1-6 shows GOA Pacific cod sector allocations (mt) and catch (mt) for 2012, the year the GOA Pacific cod sector allocations were implemented. One can see from the table, that the freezer longline sector did not harvest its full GOA Pacific cod allocation in 2012. In fact, 600 mt of Western GOA Pacific cod was reallocated to the pot sector in 2012.

Table 1-5 Total Pacific cod catch and percent of the TAC harvested by the inshore and offshore sectors in the Western and Central GOA, 2003 through 2011

Area	Year	Inshore			Offshore		
		TAC (mt)	Catch (mt)	Percent harvested	TAC (mt)	Catch (mt)	Percent harvested
Western GOA	2003	13,905	14,029	101	1,545	2,206	143
	2004	15,261	14,280	94	1,696	1,281	76
	2005	14,118	12,044	85	1,569	424	27
	2006	18,127	13,660	75	2,014	1,095	54
	2007	18,127	12,286	68	2,014	1,132	56
	2008	17,504	13,404	77	1,945	1,465	75
	2009	14,558	14,126	97	1,618	1,073	66
	2010	18,687	18,952	101	2,077	2,038	98
	2011	20,507	20,132	98	2,279	2,153	94
	Central GOA	2003	20,421	22,629	111	2,269	2,240
2004		24,404	25,594	105	2,712	1,931	71
2005		22,577	22,390	99	2,509	361	14
2006		25,565	22,062	86	2,840	1,402	49
2007		25,565	25,166	98	2,840	1,154	41
2008		25,583	26,691	104	2,837	1,837	65
2009		20,835	21,758	104	2,315	1,798	78
2010		33,104	33,226	100	3,678	3,642	99
2011		36,326	36,991	102	4,036	2,536	63

Source: NMFS catch accounting

Table originates from I_O_GOA_PCOD(01-08) excel file and FLL GOA Pcod sideboard tables excel file

Table 1-6 Total Pacific cod catch and percent of the TAC harvested by the sectors in the Western and Central GOA, 2012

Regulatory area and sector	Annual allocation (mt)	Catch (mt)	% of allocation
Western GOA			
Jig (1.5% of TAC)	315	321	102
Hook-and-line CV	290	196	68
Hook-and-line CP	4,100	3,083	75
Trawl CV	7,952	6,309	79
Trawl CP	497	565	114
All pot CV and pot CP	7,869	7,873	100
Total	21,024	18,347	87
Central GOA			
Jig (1.0% of TAC)	427	402	94
Hook-and-line <50 CV	6,174	6,286	102
Hook-and-line ≥50 CV	2,835	3,005	106
Hook-and-line CP	2,158	1,484	69
Trawl CV	17,581	12,523	71
Trawl CP	1,775	784	44
All pot CV and pot CP	11,755	13,289	113
Total	42,705	37,593	88
Source: 2012 Final Specifications, Table 5 and catch is from NMFS catch accounting			
Table originates from FLL GOA Pcod Sideboard Tables file			

As shown in Table 1-7, the A and B season TACs are not utilized equally. The A season TAC, which is harvested when Pacific cod are aggregated, is typically fully harvested. During recent years, A season catches have met or exceeded A season TACs in both the Western and Central GOA. Incidental catch between the A and B seasons is substantial, particularly by the inshore sector in the Central GOA. During recent years, B season TACs have not been fully harvested. During some years, the trawl and hook-and-line B seasons have ended before the TAC is fully harvested, due to halibut PSC limits being attained. Table 1-8 provides 2102 seasonal allocations and catch by season and area for GOA Pacific cod 2012.

Table 1-7 Total Pacific cod catch during the A and B seasons by the inshore and offshore sectors in the Western and Central GOA, 2003 through 2011

Western GOA												
Year	Inshore						Offshore					
	A season			B season			A season			B season		
	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested
2003	8,343	10,057	121	5,562	3,972	71	927	2,040	220	618	165	27
2004	9,157	10,536	115	6,104	3,744	61	1,017	625	61	679	656	97
2005	8,471	10,293	122	5,647	1,750	31	941	123	13	628	300	48
2006	10,876	12,309	113	7,251	1,351	19	1,208	666	55	806	429	53
2007	10,876	10,836	100	7,251	1,450	20	1,208	643	53	806	489	61
2008	10,502	10,526	100	7,002	2,878	41	1,167	1,190	102	778	275	35
2009	8,735	9,365	107	5,823	4,761	82	971	545	56	647	528	82
2010	11,212	12,025	107	7,475	6,928	93	1,246	1,077	86	831	962	116
2011	12,304	13,043	106	8,203	7,089	86	1,367	1,093	80	911	1,059	116

Central GOA												
Year	Inshore						Offshore					
	A season			B season			A season			B season		
	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested	TAC	Catch	Percent harvested
2003	12,253	15,714	128	8,168	6,915	85	1,361	1,453	107	908	788	87
2004	14,642	15,613	107	9,762	9,981	102	1,627	1,347	83	1,085	584	54
2005	13,546	12,686	94	9,031	9,704	107	1,505	91	6	1,004	270	27
2006	15,339	15,895	104	10,226	6,167	60	1,704	25	1	1,136	1,377	121
2007	15,339	15,243	99	10,226	9,922	97	1,704	43	3	1,136	1,111	98
2008	15,350	15,436	101	10,233	11,255	110	1,702	1,724	101	1,135	113	10
2009	12,501	14,254	114	8,334	7,504	90	1,389	1,322	95	926	477	51
2010	19,862	22,297	112	13,242	10,929	83	2,207	2,260	102	1,471	1,382	94
2011	21,795	20,226	93	14,530	16,766	115	2,422	1,076	44	1,614	1,459	90

Source: NMFS catch accounting
 Note: Unharvested TAC from the A season was rolled over to the B season, so the total annual TAC was not exceeded.
 Table originate from I_O_GOA_PCOD_Season(01-08) excel file and FLL GOA Pcod Sideboard Tables excel file.

Table 1-8 Seasonal GOA Pacific cod sector allocation and total catch by sectors in the Western and Central GOA, 2012

Regulatory area and sector	A Season			B Season		
	Seasonal allowance (mt)	Catch (mt)	% of allowance	Seasonal allowance (mt)	Catch (mt)	% of allowance
Western GOA						
Jig (1.5% of TAC)	189	117	62	126	204	162
Hook-and-line CV	145	129	89	154	67	44
Hook-and-line CP	2,257	2,029	90	1,843	1,054	57
Trawl CV	5,736	5,752	100	2,216	558	25
Trawl CP	186	400	215	211	165	78
All pot CV and pot CP	4,100	4,225	103	3,769	3,648	97
Total	12,614	12,652	100	8,410	5,696	68
Central GOA						
Jig (1.0% of TAC)	256	274	107	171	129	75
Hook-and-line <50 CV	3,938	4,448	113	2,235	1,838	82
Hook-and-line ≥50 CV	2,372	2,828	119	464	177	38
Hook-and-line CP	1,736	1,482	85	422	1,489	353
Trawl CV	8,936	9,714	109	8,645	2,809	32
Trawl CP	847	160	19	928	624	67
All pot CV and pot CP	7,538	7,820	104	4,217	5,469	130
Total	25,623	26,726	104	17,082	12,356	72

Source: 2012 Final Specifications, Table 5 and catch is from NMFS catch accounting
 Table originates from FLL GOA Pcod Sideboard Tables file

Short season lengths are another indication that the GOA Pacific cod fishery is fully utilized. In recent years, the A season for the Central GOA inshore Pacific cod fishery has closed approximately one month after the trawl gear opening on January 20, because the TAC has been fully harvested (see Table 1-9). For the Western inshore fishery, the A season, in general, closes mid-February. The offshore fishery tends to close later in the season compared to the inshore fishery. During the B season, the inshore fishery in both Western and Central GOA has closed short of the December 31 regulatory closure on several occasions. In the offshore fishery, the season tends to remain open for the entire regulatory period. In 2012, the first season with Pacific cod sector allocations, the Pacific cod fishery for the freezer longline sector closed on 10 June for the A season and December 31 for the B season.

Table 1-9 Pacific cod A and B season closures for the hook-and-line sector in the Western and Central GOA, 2003 through 2011

Area	Year	A season				B Season			
		Inshore		Offshore		Inshore		Offshore	
		Date	Reason	Date	Reason	Date	Reason	Date	Reason
Western GOA	2003	17-Feb	TAC	20-Mar	TAC	25-Sep	TAC	not opened	TAC
	2004	24-Feb	TAC	8-Mar	TAC	2-Oct	HAL	2-Oct	HAL
	2005	24-Feb	TAC	22-Feb	TAC	31-Dec	REG	31-Dec	REG
	2006	2-Mar	TAC	19-Feb	TAC	31-Dec	REG	31-Dec	REG
	2007	8-Mar	TAC	14-Feb	TAC	31-Dec	REG	31-Dec	REG
	2008	29-Feb	TAC	4-Mar	TAC	16-Oct	HAL	16-Oct	HAL
	2009	25-Feb	TAC	10-Jun	REG	31-Dec	REG	31-Dec	REG
	2010	19-Feb	TAC	3-Mar	TAC	13-Oct	TAC	16-Oct	TAC
	2011	16-Feb	TAC	10-Jun	REG	26-Oct	TAC	31-Dec	REG
Central GOA	2003	9-Feb	TAC	1-Feb	TAC	3-Sep	TAC	14-Oct	TAC
	2004	31-Jan	TAC	2-Feb	TAC	2-Oct	HAL	2-Oct	HAL
	2005	26-Jan	TAC	22-Feb	TAC	31-Dec	REG	31-Dec	REG
	2006	28-Feb	TAC	19-Feb	TAC	31-Dec	REG	31-Dec	REG
	2007	27-Feb	TAC	14-Feb	TAC	31-Dec	REG	31-Dec	REG
	2008	1-Mar	TAC	9-Mar	TAC	3-Oct	TAC	16-Oct	HAL
	2009	27-Jan	TAC	19-Feb	TAC	1-Oct	TAC	31-Dec	REG
	2010	31-Jan	TAC	24-Feb	TAC	13-Sep	TAC	16-Oct	TAC
	2011	29-Jan	TAC	10-Jun	REG	9-Oct	TAC	31-Dec	REG

Source: NMFS Alaska region season closures summary. HAL=halibut PSC closure. TAC=TAC reached. REG=regulations.

1.4.4 Management of the GOA Pacific cod sideboards from the crab rationalization program

Recognizing that rationalizing the BSAI crab fisheries could provide opportunities for fishermen to alter their crab fishing patterns and take greater advantage of other fisheries, the Council established GOA sideboard limits for vessels and LLP licenses that had Bering Sea snow crab history and generated crab quota shares. Sideboards are intended to limit the ability of vessels in rationalized fisheries from exceeding historic levels of participation in other fisheries, which otherwise might exacerbate a “race for fish.” Sideboards are collective catch limits that apply to all vessels in a particular sector. Vessels subject to a sideboard limit are allowed to fish up to that limit but may not exceed it. Sideboards do not guarantee a specific amount of TAC.

GOA groundfish fishery sideboard endorsements apply to crab rationalized vessels that (1) are not authorized to conduct directed fishing for pollock under the American Fisheries Act of 1998 (Public Law 105-227, Title II of Division C); (2) fished snow crab from 1996 through 2000; and (3) fish using any license limitation program (LLP) groundfish licenses derived from these “non-AFA crab” vessels, regardless of the gear type used by that vessel. Similarly, any vessel subsequently named on the LLP license is then permanently subject to the sideboard endorsement regardless of that vessels participation

during the crab rationalization program qualifying years or if is no longer named on the LLP. Vessels are permanently sideboarded if either their catch history qualified them under the crab rationalized program or if that vessel was named on a sideboarded LLP license acquired after crab rationalization was implemented. In addition, the GOA Pacific cod sideboard endorsement restrictions apply to any BSAI longline CP subsector LLP license earned in whole or part by the crab fishing history of the non-AFA crab vessels. The non-AFA crab sideboards endorsements are inseparable from the LLP license; therefore, when an LLP license is transferred, the sideboard endorsement is retained on the LLP license.

In order of effectively enforce the vessel sideboard limits, NMFS places a sideboard endorsement on a Federal Fishing Permit (FFP) of any vessel subject to GOA sideboards. The sideboard endorsement is general on the FFP and LLP; for example a sideboarded FFP states the vessel/FFP holder is “subject to GOA groundfish directed fisheries sideboard closures”. The purpose of putting the sideboards endorsements on the FFP is to assist with enforcement of the sideboards while fishing is occurring and to assist inseason management in determining how many vessels may be subject to those sideboards. An FFP must be on board the vessel when it is harvesting groundfish in federal waters; therefore, OLE can easily confirm that a vessel is sideboarded in the situation that the vessel is no longer named on an LLP that has a sideboard endorsement. NMFS Restricted Access Management division also keeps a list of vessels that are sideboarded in case the vessel owner or operators do not renew the FFP, or choose to not fish in federal waters.

The sideboarded endorsement on the FFP and LLP is not gear specific and applies generally to any gear type endorsed on the license. In addition to adding the subject-to-sideboard notation to LLP and FFP licenses, and because it is an allocation, NMFS implements sideboards through the harvest specification process. The sideboard harvest is specified as amounts, in metric tons, of fish. Sideboard allocations are established annually through the harvest specification process. Non-AFA crab sideboard allocations are calculated by adding up the catches of vessels subject to sideboards during 1996 through 2000 and dividing that by the catches of all vessels in that fishery to yield a sideboard ratio (e.g., 0.10 or 10% of the Western GOA pollock fishery). The sideboard allocation ratio is multiplied by the TAC for that year; the sideboard allocation is also divided into seasons. NMFS determines whether to open the sideboard fishery to directed fishing based on the sideboard allocation and the potential harvest rate of participating vessels. NMFS publishes proposed and final sideboard allocations in the *Federal Register* as part of the annual harvest specifications (See http://alaskafisheries.noaa.gov/sustainablefisheries/specs13_14 for the specific harvest specifications). Once these sideboard allocations are published, NMFS reviews the number of vessels that are subject to the sideboard allocation and compares that to the annual sideboard allocation harvest amount. If the annual sideboard allocation is too small for a fishery and the potential harvest rate of the sideboard vessels is high, NMFS may choose not to open directed fishing for a sideboard fishery. If NMFS determines that the sideboard limit would not be exceeded, a sideboard fishery may be opened.

Of the 227 non-AFA crab vessels that made a landing of Bering Sea snow crab during the 1996 to 2000 period, 82 vessels are allowed to target GOA Pacific cod, but are limited by GOA Pacific cod sideboards. Of those 82 non-AFA crab vessels restricted by GOA Pacific cod sideboard limits, six are freezer longline vessels. LLP licenses that originated on a qualified non-AFA crab vessel are also subject to the GOA Pacific cod sideboard limits. Of the 37 LLP licenses that are restricted by GOA Pacific cod sideboards, five are freezer longline licenses. Currently all five of these LLP licenses are on freezer longline vessels that are also restricted by Pacific cod sideboards. In cases where vessels are subject to one sideboard (e.g., GOA Pacific cod sideboard) and the LLP license used on that vessel is not, the more restrictive measure applies.

Prior to implementation of GOA Pacific cod sector allocations in 2012, NMFS managed the sideboard limit for Pacific cod by setting an inshore and offshore sideboard cap. The sideboard limits were calculated by adding up the catches of vessels subject to the sideboard limits during the 1996 through 2000 and dividing that by the catches of all vessels in the fishery to yield a sideboard ratio. The sideboard

ratio was multiplied by the TAC for that year; the sideboard limit was also divided into seasons. Those amounts were then made available to all vessels in the respective sector subject to the sideboard limit, on a seasonal basis, at the beginning of the year. All targeted or incidental catch of the sideboard species made by the non-AFA crab vessels subject to the sideboard was applied to the applicable sideboard limit. See Table 1-10 for the 2011 sideboard limits for Western and Central GOA Pacific cod.

As part of the GOA Pacific cod sector allocation in 2012, the Council recommended operation type and gear type sideboard limits based on participation in the GOA Pacific cod from 1996 through 2000. The recalculated sideboard ratios and annual limit for 2012 are provided in Table 1-11. Since 2012, with the exception of the pot CV sideboard limit, NMFS determined that the all other non-AFA crab sideboard limits for GOA Pacific cod were insufficient to support a directed fishery, so these fisheries were closed for the entire year.

Table 1-10 2011 non-AFA crab sideboard limits for Western and Central GOA Pacific cod

Season	Area/component	Ratio of 1996-2000 non-AFA crab vessel catch to 1996-2000 total harvest	2011 TAC (mt)	2011 non-AFA crab vessel sideboard limit (mt)
A season January 1 - June 10	Winshore	0.0902	13,877	1,252
	W offshore	0.2046	1,542	315
	C inshore	0.0383	24,583	942
	C offshore	0.2074	2,731	566
B season September 1 - December 31	Winshore	0.0902	9,252	835
	W offshore	0.2046	1,028	210
	C inshore	0.0383	16,389	628
	C offshore	0.2074	1,821	378

Source: Final specifications 2011

Table 1-11 2012 non-AFA crab sideboard limits for Western and Central GOA Pacific cod freezer longliner sector

Season	Area/Gear/Component	Ratio of 1996-2000 non-AFA crab vessel catch to 1996-2000 total harvest	2012 TAC (mt)	Final 2012 non-AFA crab vessel sideboard limit (mt)
A season January 1 - June 10	W Hook and line C/P	0.0018	12,614	23
	C Hook and line C/P	0.0012	25,623	31
B season June 10 - December 31	W Hook and line C/P	0.0018	8,410	15
	C Hook and line C/P	0.0012	17,082	20

Source: Final specifications 2012

1.5 Description of the freezer longline sector

The freezer longline sector currently consists of 36 vessels. As reported in Table 1-12, 33 of these vessels are members of the freezer longline conservation cooperative (FLCC), which was first incorporated in 2004. Six of the FLCC vessels are restricted by the GOA Pacific cod sideboards from the crab rationalization program. Of these 6 vessels, 3 have Central GOA Pacific cod endorsements and 4 have Western GOA Pacific cod endorsements. One of the restricted FLCC vessels has a Western GOA pot endorsement. Of the remaining FLCC vessels, 19 vessels are named on a LLP license endorsed for the Central GOA Pacific cod and 12 vessels are named on a LLP license endorsed for the Western GOA Pacific cod. The remaining 3 freezer longline vessels are not members of the FLCC and only have LLP licenses endorsed for the GOA: one vessel with a Central GOA Pacific cod endorsement and 2 vessels with a Western GOA Pacific cod endorsement.

Table 1-12 Freezer longline vessels and the number LLP licenses with Pacific cod area endorsements

FLL Vessel Groups (number of FLL vessels)	Number of Pcod area endorsements			
	BS	AI	CG	WG
Sideboarded Vessels (6)	6	6	3	4
Non-Sideboarded Cooperative vessels (27)	30	28	19	12
Non-sideboarded Non-Cooperative vessels (3)	0	0	1	2

Table originated from FLL_LL(01-10) file and FLL GOA Pcod sideboard Tables excel file

The freezer longline vessels range in length from 107’ to 180’ and use longline gear to target Pacific cod and other species in the BSAI and GOA. The primary groundfish species targeted by the freezer longline vessels are Pacific cod, sablefish, and Greenland turbot. In addition, longline vessels also may retain incidentally caught species, such as skates, rockfish, arrowtooth flounder, and pollock.

Most vessels in this sector were converted to this class from some other use, and were not necessarily fishing vessels before being converted. Only a small number of vessels have a long history in this class, and they tend to be smaller. The vessels that entered the class most recently tend, generally, to be larger, and were configured to specifically target Pacific cod in the BSAI. Larger vessels in this class can operate in the BSAI and GOA during most weather conditions.

Longline gear is set on the sea floor, with baited hooks, or gangions, attached. Each longline can be several miles in length, and have thousands of hooks. A longline vessel typically sets several lines for varying amounts of time. The lines are retrieved with hydraulic power over a roller, mounted on the side of the vessel. Fishing trips tend to range in length from 2 to 3 weeks.

Only 10 percent of the vessels bait hooks by hand; the others use an automatic baiting system. Vessels with an automatic baiter travel about 7 miles per hour when setting gear, which is roughly the speed at which the baiting machine can keep up. The amount of gear set depends on sea conditions and how long the operators want to fish before they pick up the gear. The length of set varies from 3 miles to 30 miles.

Vessels pick up gear more slowly than when they set it, with the pickup rate governed by how fast they can handle the catch. Fish hauled onboard are immediately shaken loose and placed into a trough. A crewmember known as a “bleeder” bleeds the fish as soon as possible. Fish are then headed and gutted by hand or by machine. Fish are sorted by size/weight, packed, and frozen. Product is offloaded to cold storage, in port, or onto a tramper at sea. The majority of the freezer longline product is marketed overseas, with price determining where product is sold.

With the implementation of the restructured observer program on January 1, 2013, all freezer longliners are required to have an observer onboard at all times. Prior to implementation of the new program, vessels less than 125 feet (38.1 m) LOA were required to have an observer on board for 30 percent of fishing days, by quarter. Vessels of 125 feet (38.1 m) LOA or larger were required to have an observer onboard 100 percent of the time.

Table 1-13 provides an annual vessel count and wholesale value of harvest in the BSAI and GOA hook-and-line and pot Pacific cod fisheries as well as total revenue of harvested BSAI crab for the six GOA Pacific cod sideboarded FLL vessels from 1996 to 2011. The table also includes annual total revenue for these six sideboarded vessels in all fisheries. As can be seen from the table, the vessels during the 1996 through 2000 period focused their effort primarily on the BSAI hook-and-line Pacific cod fishery and the crab fishery. Of the total revenue harvested by these vessels during this period, over 52% came from the BSAI hook-and-line fishery Pacific cod fishery and 22% was from the crab fishery. Very little GOA

hook-and-line Pacific cod revenue (2%) contributed towards the total revenue for these vessels during this 1996 through 2000 period.

During 2001 through 2004, these vessels continued to focus on the BSAI hook-and-line Pacific cod fishery and the crab fishery, while effort in the GOA hook-and-line Pacific cod fishery began to increase. All totaled during this period, 76% of the total revenue for the GOA Pacific cod sideboarded vessels was from the BSAI hook-and-line Pacific cod fishery, while slightly over 3% was from GOA hook-and-line Pacific cod fishery. The crab fishery contributed 10% towards total revenue.

In the years since the implementation of crab rationalization program (2005 through 2011), 72% of the total revenue was from the BSAI hook-and-line Pacific cod fishery, 3% was from the GOA hook-and-line Pacific cod fishery. The crab fishery accounted for 12% of total revenue. Finally, the table indicates that throughout the 1996 through 2011 period, few of vessels every utilized pot gear to harvest Pacific cod in either the BSAI or GOA.

Table 1-13 Annual vessel count and wholesale revenue from 1996 through 2011 for BSAI and GOA hook-and-line and pot Pacific cod, vessel count and total revenue for crab, and total count and total revenue of all fisheries (millions of \$) for FLL vessels restricted by GOA Pacific cod sideboards using hook-and-line gear

Year	BSAI HAL Pcod		BSAI Pot Pcod		GOA HAL Pcod		GOA Pot Pcod		Crab		Total	
	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Total Revenue (millions \$)**	Count	Total Revenue (millions \$)
<i>Years used to calculate the sideboard limit</i>												
1996	3	3.07	3	1.73	0	0.00	0	0.00	4	3.40	4	11.12
1997	5	3.71	1	*	1	*	0	0.00	4	2.67	5	8.64
1998	5	6.12	2	*	1	*	0	0.00	3	*	5	13.10
1999	6	11.08	2	*	3	0.26	2	*	4	5.90	6	22.01
2000	6	15.48	0	0.00	1	*	1	*	4	1.71	6	20.58
<i>Years leading up to implementation of crab rationalization program</i>												
2001	6	16.89	0	0.00	5	0.42	2	*	4	2.65	6	22.28
2002	6	12.93	0	0.00	3	0.61	0	0.00	4	1.89	6	17.87
2003	6	17.78	0	0.00	4	0.75	0	0.00	3	*	6	23.41
2004	6	19.16	1	*	3	0.45	0	0.00	3	*	6	24.86
<i>Years since implementation of crab rationalization program</i>												
2005	6	22.80	0	0.00	3	0.24	0	0.00	1	*	6	29.87
2006	6	22.73	1	*	2	*	0	0.00	1	*	6	33.41
2007	6	27.36	0	0.00	3	0.17	0	0.00	1	*	6	39.52
2008	6	33.34	0	0.00	3	1.25	1	*	2	*	6	44.97
2009	6	22.04	0	0.00	4	1.13	1	*	2	*	6	33.68
2010	6	24.34	1	*	4	1.15	0	0.00	1	*	6	29.68
2011	6	39.62	1	*	3	2.36	1	*	1	*	6	57.32
Source: ADFG fish tickets and catch accounting database												
Table originates from FLL GOA Pcod Sideboard Tables file and FLL_Div(04-17) file												
* denotes confidential data												
** denotes combined exvessel and w wholesale revenue												

Table 1-14 provides vessel counts and value of the catch in the BSAI and GOA hook-and-line and pot Pacific cod fisheries in addition to the crab and halibut fisheries from 1996 through 2011 for the cooperative vessels that are not restricted by GOA Pacific cod sideboards. As shown in the table, the primary fishery for this fleet was the BSAI hook-and-line Pacific cod fishery. During the 1996 to 2011 period, the BSAI hook-and-line Pacific cod fishery in aggregate contributed to 74% of the total revenue for non-sideboarded cooperative vessels. Other fisheries include the GOA hook-and-line Pacific cod fishery at 5%, and the halibut IFQ and crab fisheries, which were both less than 1% of total revenue. Very

few of these vessels have participated in the BSAI or GOA pot Pacific cod fisheries during the 1996 through the 2011 period.

Table 1-15 provides vessel counts and value of the catch in the BSAI and GOA hook-and-line and pot Pacific cod fisheries in addition to the crab and halibut fisheries from 1996 through 2011 for the non-cooperative vessels that are not restricted by GOA Pacific cod sideboards. Unlike the other two FLL groups, this group is composed of 3 vessels, so most of the value data was masked since it is confidential. From the limited the value data that can be provided, it is apparent that these vessels focus primarily on GOA hook-and-line Pacific cod and halibut IFQ. One vessel did participate in the BSAI and GOA pot Pacific cod fishery and crab fishery from 2002 through 2005.

Table 1-14 Annual vessel count and wholesale revenue from 1996 through 2011 for BSAI and GOA hook-and-line and pot Pacific cod, vessel count and total revenue for crab, vessel count and exvessel revenue for halibut IFQ, and total count and total revenue of all fisheries (millions of \$) for non-sideboard FLCC cooperative vessels

Year	BSAI HAL Pcod		BSAI Pot Pcod		GOA HAL Pcod		GOA Pot Pcod		Crab		Halibut IFQ		Total	
	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Total Revenue (millions \$)**	Count	Exvessel Revenue (millions \$)	Count	Total Revenue (millions \$)
<i>Years used to calculate the sideboard limit</i>														
1996	20	43.70	0	0.00	9	3.18	0	0.00	0	0.00	7	0.02	20	68.50
1997	21	49.93	1	0.09	9	2.76	0	0.00	1	0.48	7	0.23	21	78.98
1998	21	56.90	1	0.76	7	2.54	0	0.00	2	1.60	7	0.04	22	83.34
1999	22	71.50	5	0.46	13	5.68	3	1.21	1	0.83	10	0.64	23	93.73
2000	22	74.42	2	0.53	11	4.59	1	0.09	1	0.25	13	1.10	23	98.37
<i>Years leading up to implementation of crab rationalization program</i>														
2001	22	74.21	0	0.00	9	4.17	0	0.00	1	0.00	14	0.87	22	90.04
2002	24	62.33	0	0.00	13	7.58	0	0.00	0	0.00	11	1.26	24	85.56
2003	24	81.01	0	0.00	14	5.50	0	0.00	1	0.00	13	2.38	24	123.72
2004	25	84.35	0	0.00	10	4.51	0	0.00	0	0.36	13	1.86	25	116.24
<i>Years since implementation of crab rationalization program</i>														
2005	25	106.16	0	0.00	6	0.69	0	0.00	0	0.00	13	1.54	25	135.60
2006	26	119.64	0	0.00	13	4.69	0	0.00	0	0.00	12	1.44	26	151.09
2007	27	119.85	0	0.00	14	8.54	0	0.00	0	0.00	11	0.65	27	156.16
2008	27	137.42	2	1.96	12	8.75	0	0.00	0	0.00	10	0.30	27	177.59
2009	27	93.23	1	0.49	13	4.51	0	0.00	0	0.00	23	0.55	27	124.91
2010	27	102.94	1	0.36	13	9.65	0	0.00	0	0.00	26	0.34	27	137.21
2011	24	154.89	0	0.00	10	9.92	0	0.00	0	3.50	24	0.28	24	202.52
Source: ADFG fish tickets and catch accounting database														
Table originates from FLL GOA Pcod Sideboard Tables file and fil_div(04-17) file														
* denotes confidential data														

Table 1-15 Annual vessel count and wholesale revenue from 1996 through 2011 for BSAI and GOA hook-and-line and pot Pacific cod, vessel count and total revenue for crab, vessel count and exvessel revenue for halibut IFQ, and total count and total revenue of all fisheries (millions of \$) for non-sideboard non-cooperative FLL vessels

Year	BSAI HAL Pcod		BSAI Pot Pcod		GOA HAL Pcod		GOA Pot Pcod		Crab		Halibut IFQ		Total	
	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Wholesale value (millions \$)	Count	Total Revenue (millions \$)	Count	Exvessel Revenue (millions \$)	Count	Total Revenue (millions \$)
<i>Years used to calculate the sideboard limit</i>														
1996	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
1997	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
1998	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
1999	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2000	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Years leading up to implementation of crab rationalization program</i>														
2001	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2002	0	0.00	1	*	0	0.00	1	*	1	*	1	*	1	*
2003	0	0.00	1	*	0	0.00	1	*	1	*	0	0.00	1	*
2004	1	*	1	*	1	*	1	*	1	*	2	*	2	*
<i>Years since implementation of crab rationalization program</i>														
2005	1	*	1	*	1	*	1	*	0	0.00	1	*	2	*
2006	1	*	0	0.00	1	*	0	0.00	0	0.00	1	*	1	*
2007	0	0.00	0	0.00	1	*	1	*	0	0.00	1	*	2	*
2008	3	0.11	0	0.00	3	1.24	0	0.00	0	0.00	3	*	3	2.63
2009	1	*	0	0.00	3	1.50	0	0.00	0	0.00	1	*	3	2.62
2010	2	*	0	0.00	3	1.36	0	0.00	0	0.00	2	*	3	1.80
2011	1	*	0	0.00	2	*	0	0.00	0	0.00	2	*	2	*

Source: ADFG fish tickets and catch accounting database
Table originates from FLL GOA Pcod Sideboard Tables file and fl_div(04-17) file
* denotes confidential data

1.5.1 Freezer Longline Conservation Cooperative (FLCC)

The FLCC was incorporated on February 26, 2004. Since 2006, most of the holders of LLP licenses endorsed to target Pacific cod in the BS and AI with hook-and-line gear have been members of the freezer longline cooperative. In June 2010, the remaining LLP holders joined the cooperative. The cooperative apportions the sector’s share of the available Pacific cod TAC among its members to eliminate the race for fish that arises under limited access management. Each year an allocation of BSAI Pacific cod is made to the freezer longline catcher processor sector through the annual harvest specifications process. FLCC members subdivide the TAC with each receiving a share for harvest; shares are issued in proportion to historical BSAI Pacific cod fishing activity. FLCC members are free to exchange their shares among themselves, and to stack shares on individual vessels. Compliance with the agreement is monitored by SeaState, Inc., and the contract, signed by the members, imposes heavy financial penalties for non-compliance. Under its terms, dissolution of the cooperative requires the agreement of an 85 percent supermajority of LLP license holders.

In the GOA, the allocation of Pacific cod and apportionment of halibut PSC available to the longline catcher processor sector is at times too small to allow NMFS to open the fishery in the absence of some control on harvest by members of the sector. So, for several years, FLCC members have organized their GOA Pacific cod harvests, although not all participants in the GOA Pacific cod fishery are cooperative members. This coordination has resulted in sufficient commitments regarding Pacific cod harvests and halibut PSC avoidance to allow NMFS to open the fishery (NMFS 2011b). Over the longer term, allocations of the Western and Central GOA Pacific cod TACs to the GOA freezer longline sector, and provisions that limit entry to the directed GOA longline Pacific cod fishery, may provide additional opportunities for a GOA harvest cooperative to form.

1.5.2 Freezer longline fishing in the GOA Pacific cod fishery

Several member vessels in the freezer longline cooperative participate in the GOA Pacific cod fisheries. Table 1-17 shows the annual vessel count from 1996 through 2012, and Table 1-17 shows catch of GOA Pacific cod from 1996 through 2012. To provide catch and vessel count information for the different hook-and-line CP groups active in the GOA Pacific cod fishery, the vessels were grouped into three categories based on whether they are members of the FLCC and whether they are restricted by GOA Pacific cod sideboards. The groups are sideboarded cooperative vessels, non-sideboarded non-cooperative vessels, and non-sideboarded cooperative vessels. The vessel count and catch data were grouped into four distinct time periods to contrast changes in participation.

As seen from Table 1-17, during the 1996 through 2000 period, activity in the GOA Pacific cod fishery was from sideboarded cooperative vessels and non-sideboarded cooperative vessels. However, the catch of the sideboarded cooperative vessels was extremely limited. During the years leading up to the implementation of the crab rationalization program (2001 through 2004), the cooperative vessels continued to be active in the GOA Pacific cod fishery and one non-sideboarded non-cooperative vessel enter the fishery in 2004. Fishing activity by the sideboarded cooperative vessels increased during this time period.

During the years following implementation of the crab rationalization program, cooperative vessels continued to participate in the GOA Pacific cod fishery, and all three non-member vessels participated in the GOA Pacific cod fishery. During this period, the number of FLCC vessels active in the GOA Pacific cod fishery has ranged from a low of nine in 2005 to high of 17 in 2007, 2009, and 2010. Their associated GOA Pacific cod catch has ranged from a low of 732 mt in 2005 to a high of 7,369 mt in 2010. The number of non-member vessels active in the GOA Pacific cod fishery has ranged from one in 2005, 2006, and 2007 to a high of three vessels in 2008, 2009, and 2010. Given that the number of non-member vessels fell below three in several years, catch data could only be reported for 2008, 2009, and 2010 due to confidentiality limitations. For those years, 3 non-cooperative vessels were active in the GOA Pacific cod fishery and their catch ranged from 565 mt in 2008 to 1,156 mt in 2009. In 2012, the year GOA Pacific cod sector allocations were implemented, the sideboarded cooperative vessels could not fish in the GOA Pacific cod fishery with hook-and-line gear.

Table 1-18 provides the first wholesale revenue for GOA Pacific cod by the three freezer longline groups active in the GOA from 1996 through 2011.

Table 1-16 Vessel count by freezer longline vessel category in the GOA Pacific cod fishery by area from 1996 through 2012

Year	Sideboarded cooperative vessels		Non-sideboarded non-cooperative vessels		Non-sideboard cooperative vessels	
	CGOA	WGOA	CGOA	WGOA	CGOA	WGOA
<i>Years used to calculate the sideboard limit</i>						
1996	0	0	0	0	4	9
1997	0	1	0	0	1	9
1998	1	0	0	0	5	6
1999	1	2	0	0	6	12
2000	0	1	0	0	5	10
<i>Years leading up to implementation of crab rationalization program</i>						
2001	0	5	0	0	2	9
2002	0	3	0	0	7	10
2003	0	4	0	0	6	13
2004	0	3	1	0	4	9
<i>Years since implementation of crab rationalization program</i>						
2005	2	3	1	0	4	6
2006	2	1	1	1	6	11
2007	1	2	1	0	6	10
2008	3	1	1	2	7	8
2009	1	3	2	2	5	9
2010	2	3	1	3	6	9
2011	2	3	1	2	8	8
<i>Years since implementation of Pacific cod sector allocations</i>						
2012	0	0	1	2	4	5

Source: AKFIN report on January 11, 2013, from weekly production reports

Table originates from FLL_GOA(1-11) excel file and FLL GOA Pcod Sideboard Tables excel file

Table 1-17 Activity for sideboarded FLL cooperative vessels, non-sideboarded GOA non-cooperative vessels, and non-sideboarded cooperative FLL vessels in GOA Pacific cod from 1996 to 2012

Year	Sideboarded cooperative vessels		Non-sideboarded non-cooperative vessels		Non-sideboard cooperative vessels	
	Catch (mt)	Vessel count	Catch (mt)	Vessel count	Catch (mt)	Vessel count
<i>Years used to calculate the sideboard limit</i>						
1996	0	0	0	0	4,479	9
1997	*	1	0	0	3,505	9
1998	*	1	0	0	3,170	7
1999	205	3	0	0	4,428	13
2000	*	1	0	0	3,620	11
<i>Years leading up to implementation of crab rationalization program</i>						
2001	348	5	0	0	3,490	9
2002	583	3	0	0	7,235	13
2003	640	4	0	0	4,703	14
2004	375	3	*	1	3,750	10
<i>Years since implementation of crab rationalization program</i>						
2005	189	3	*	1	543	6
2006	*	2	*	1	2,770	13
2007	86	3	*	1	4,362	14
2008	542	3	555	3	3,807	12
2009	872	4	1,155	3	3,485	13
2010	786	4	941	3	6,583	13
2011	1,357	3	*	2	5,710	10
<i>Years since implementation of Pacific cod sector allocations</i>						
2012	0	0	*	2	2,714	7

Source: AKFIN report on January 11, 2013, from weekly production reports

* denotes confidential data

Table originates from FLL_GOA(1-11) excel file and FLL GOA Pcod Sideboard Tables excel file

Table 1-18 First wholesale revenue for sideboarded FLL cooperative vessels, non-sideboarded non-cooperative FLL vessels, and non-sideboarded cooperative FLL vessels in GOA Pacific cod from 1996 to 2012

Year	Sideboarded cooperative vessels		Non-sideboarded non-cooperative vessels		Non-sideboard cooperative vessels	
	First wholesale value (\$)	Vessel count	First wholesale value (\$)	Vessel count	First wholesale value (\$)	Vessel count
<i>Years used to calculate the sideboard limit</i>						
1996	0	0	0	0	3,180,057	9
1997	*	1	0	0	2,755,282	9
1998	*	1	0	0	2,536,743	7
1999	262,795	3	0	0	5,679,370	13
2000	*	1	0	0	4,585,658	11
<i>Years leading up to implementation of crab rationalization program</i>						
2001	415,849	5	0	0	4,173,717	9
2002	609,972	3	0	0	7,575,108	13
2003	747,596	4	0	0	5,495,713	14
2004	450,511	3	*	1	4,508,857	10
<i>Years since implementation of crab rationalization program</i>						
2005	241,062	3	*	1	693,355	6
2006	*	2	*	1	4,689,731	13
2007	166,910	3	*	1	8,544,335	14
2008	1,245,698	3	1,239,720	3	8,748,151	12
2009	1,128,240	4	1,498,337	3	4,506,614	13
2010	1,152,116	4	1,318,779	3	9,652,903	13
2011	2,357,437	3	*	2	9,920,218	10

Source: AKFIN report on January 16, 2013, from comprehensive blend catch accounting

* denotes confidential data

Table originates from FLL_WV(01-16) excel file and FLL GOA Pcod Sideboard Tables excel file

1.5.3 Markets

Pacific cod produced by the freezer longliners is ultimately sold in a wide variety of places like white tablecloth restaurants, fast food restaurants, food service operations in school and hospitals, and grocery stores, in the United States or in foreign countries. Pacific cod is sold in wide variety of product forms like fillets, sticks, portions, breaded or non-breaded, and salt cod.

The freezer longline vessels are primarily producing trays of frozen headed and gutted Pacific cod. This product is processed further, once it leaves the catcher processor. Additional processing may take place in the United States. However, much of the processing takes place overseas. Pacific cod processed in second countries may be exported to third countries for consumption. Pacific cod receiving secondary processing overseas may be re-exported to the United States, for consumption.

2.0 EXPECTED EFFECTS OF THE ALTERNATIVES

This section provides an analysis of two alternatives. Assessing the effects of the alternatives involves some degree of speculation. In general, the effects arise from the actions of individual participants in the fisheries, under the incentives created by different alternatives. Predicting these individual actions and their effects is constrained by incomplete information concerning the fisheries, including the absence of complete economic information and well-tested models that predict behavior under different institutional structures. In addition, exogenous factors, such as stock fluctuations, market dynamics, and macro condition in the global economy, will influence the response of the participants under each of the alternatives.

2.1 Alternative 1: No Action

Under this alternative, six freezer longline vessels and five hook-and-line catcher/processor licenses will continue to be restricted by GOA Pacific cod sideboards. NOAA Fisheries implemented inshore and offshore sideboard limits on GOA Pacific cod simultaneously with the implementation of the crab rationalization program. As part of the GOA Pacific cod sectors splits (Amendment 83) implemented in 2012, these sideboard limits were modified from inshore and offshore limits share by all gears to an operator and gear sideboard limit. This modification limited the six sideboarded FLL vessels to their historic catch of GOA Pacific cod during the 1996 through 2000 period using hook-and-line gear. Since the participation of the sideboarded FLL vessels using hook-and-line gear in the GOA Pacific cod fishery was very limited during the years used to calculate the sideboard (1996 through 2000), NOAA Fisheries has to-date maintained that the revised sideboard are insufficient to support a sideboard fishery, thus eliminating these vessels from the GOA Pacific cod fishery using hook-and-line gear.

Prior to the 2012 season, five of the six sideboarded vessels capitalized on the aggregate GOA Pacific cod sideboard limits to increase their catch of GOA Pacific cod fishery using hook-and-line gear relative to their modest fishing effort using this same gear during the 1996 through 2000 period (see Table 1-17). Since the hook-and-line CP sideboards were set based on the historical catches of these vessels using hook-and-line gear during 1996 through 2000, additional catches by these vessels arose from increasing their harvests relative to sideboarded vessels in other sectors (such as trawl catcher processors and pot catcher processors).

Given that sideboard freezer longline vessels will in all likelihood be precluded from using hook-and-line gear in the GOA Pacific cod fishery, these vessels could shift fishing effort in other fisheries to make up for lost GOA Pacific cod revenue. However, the ability for these sideboard vessels to recoup lost GOA hook-and-line Pacific cod revenue in other GOA and BSAI fisheries is limited. In the GOA Pacific cod pot CP fishery for 2012 and 2013, the sideboard limit was deemed insufficient for a direct fishery, so NMFS closed the fishery for the entire year. In the BSAI Pacific cod fishery, the cooperative members determine their allocations based on their historical BSAI Pacific cod fishing activity and the cooperative calculation is fixed. Cooperative members assert that no potential exists for renegotiation in the future to compensate for loss of revenues to sideboard vessels in the GOA Pacific cod fishery.⁴ Fishing

⁴ It is unclear whether the cooperative could choose to recognize the history of these sideboarded vessels in the GOA, regardless of whether the sideboard is lifted. Under such an arrangement, the sideboarded vessel could trade the cooperative recognized GOA Pacific cod history with non-sideboarded cooperative vessels active in the GOA for additional harvests in the Bering Sea. Sideboarded vessels would be precluded from fishing in the GOA, but would realize additional harvests in the Bering Sea. Given that the cooperative has demonstrated the ability to negotiate the distribution of its members' catches in the Bering Sea and GOA Pacific cod fisheries without Council involvement, a modified agreement might be reached to provide the sideboarded vessels with additional access to Bering Sea Pacific cod, while other cooperative vessels direct additional effort to the GOA Pacific cod fishery.

opportunities other than Pacific cod appear limited for the sideboarded vessels. Likely, the only opportunity would be BS and AI Greenland turbot, but freezer longline vessels assert that they have difficulty generating profits in that fishery (pers. Comm., Kenny Down, BSAI Freezer Longline Conservation Cooperative).

From the perspective of the non-sideboarded cooperative member vessels and non-cooperative, non-sideboarded vessels, the hook-and-line CP sideboard limit for those sideboarded FLL vessels provides more opportunities for these other freezer longline vessels to expand their fishing effort in the GOA Pacific cod fishery. For the non-sideboarded cooperative vessels, any additional GOA Pacific cod catch as is relatively modest compared to their BSAI Pacific cod catch. In addition, to the extent that the cooperative has defined the available catch in the GOA Pacific cod fishery for its members, the additional harvests available may be limited. For non-cooperative freezer longline vessels, this increased opportunity in the GOA Pacific cod fishery could be significant assuming continued coordination in the GOA amongst FLCC members.

Overall, if the current GOA Pacific cod sideboard limit for hook-and-line CPs is maintained, six freezer longline vessels and five licenses restricted by this GOA Pacific cod sideboard limit will no longer be allowed to participate in the GOA Pacific cod fishery using hook-and-line gear. If recent GOA Pacific cod fishing is an indication of future lost revenue, the GOA Pacific cod sideboard restrictions could result in an approximate three percent loss of annual revenue for these vessels, based on releasable data. The additional fishing opportunities in the GOA Pacific cod will likely have little impact on other cooperative vessels not restricted by sideboard limits, but could be significant for non-cooperative freezer longline vessels if they increase their fishing effort assuming continued coordination in the GOA amongst FLCC members.

2.2 Alternative 2: Remove GOA sideboards

The Council defined GOA Pacific cod sideboards as a part of the crab rationalization program to limit the ability of vessels receiving crab allocations from using the security of those allocations to increase their GOA Pacific cod harvests above historical levels. Under crab rationalization, vessel owners have the flexibility to fish for snow crab whenever they want or lease their crab IFQ and not fish at all. This increases the incentive for vessel owners to augment effort in the GOA groundfish fisheries. The Council recognized such a fishing behavior change could negatively affect other participants in those fisheries, for example participants that target GOA Pacific cod with hook-and-line gear.

In the years after the sideboards were implemented, sideboarded vessel that benefited from crab rationalization have changed fishing their behavior by increasing their effort in the GOA Pacific cod fishery. This increase was possible because the sideboarded vessels may have leased their crab quota thereby freeing up potential fishing for the GOA Pacific cod fishery. In addition, GOA Pacific cod were implemented at the inshore/offshore level and sideboarded vessels operating with other gear did not maintain their harvests at historical levels. With the recent implementation of sector specific GOA Pacific cod allocations (and the division of sideboard limits by gear and operation type) sideboard freezer longline vessels are limited to the share of the GOA Pacific cod fishery using hook-and-line and pot gear harvested in the sideboard defining years.

Impacts to Sideboarded Vessels

As indicated in Section 1.5.2, there are six freezer longline vessels and five hook-and-line catcher/processor licenses that are limited by GOA Pacific cod sideboards from crab rationalization. Table 2-1 shows that four of the six sideboarded vessels have been active in the BSAI snow crab fishery since 1996. Since implementation of the GOA Pacific cod sideboards in 2005, only two of the sideboarded vessels have participated in the BSAI snow crab fishery, although five of the six vessels still

retain their crab endorsed LLP license. Of those two sideboarded vessels participating in the BSAI snow crab since 2005, only one vessel has been active in the GOA Pacific cod fishery during this period.

Table 2-1 Vessel count and catch of BSAI snow crab (lbs.) for GOA sideboarded freezer longline vessels, 2001 through 2011

Year	Count	Catch (lbs.)
1996	4	2,077,188
1997	4	3,088,393
1998	3	*
1999	4	3,893,782
2000	4	792,653
2001	4	1,245,562
2002	4	816,617
2003	3	*
2004	3	*
2005	1	*
2006	1	*
2007	1	*
2008	2	*
2009	2	*
2010	1	*
2011	1	*

Source: AKFIN report on March 17, 2013, which is from ADFG fish tickets
Table originates from FLL GOA Pcod Sideboard Tables file and fl_div(04-17) file
* denotes confidential data

Table 2-2 shows that the five sideboarded freezer longline vessels were active in the GOA Pacific cod fishery from 1996 through 2012. During this fifteen year period, the number of sideboarded freezer longline vessels active in the GOA Pacific cod fishery on an annual basis has ranged from a zero vessels in 1996 and 2012 to high of five in 2001, 2005, 2010, and 2011. All six of the GOA Pacific cod sideboarded vessels participated in the BSAI Pacific cod fishery since 1999. One sideboarded vessel was not active in the GOA Pacific cod fishery since it lacked a LLP license with a GOA area endorsement. Nearly all of catch activity in Table 2-2 is from hook-and-line gear since pot gear is not used by these vessels to any great extent (see Section 1.5 for more details).

The majority of catch of the GOA sideboarded freezer longline vessels over the past fifteen years was BSAI Pacific cod. GOA Pacific cod catch and first wholesale revenue for the sideboard freezer longline vessels was relatively modest, varying little from year to year. As shown in Table 2-2, GOA Pacific cod catch relative to total Pacific cod catch in both GOA and BSAI was on average 3% during the 1996 through 2011 period. Relative to GOA Pacific cod TAC, catch of GOA Pacific cod was on average less than one percent during the fifteen year period. First wholesale revenue for the GOA Pacific cod fishery was on average 3.5% relative to the total first wholesale revenue during this same period. In aggregate over the 15 years, no vessels had greater than 8% of the total revenue come from the GOA Pacific cod fishery. On few occasions, a vessel would generate more than 10% of their total revenue from GOA Pacific cod for that year.

Removing the GOA Pacific cod sideboard limits for the freezer longline vessels would allow these vessels to expand their effort in the GOA Pacific cod fishery. The cooperative agreement may constrain the harvests of sideboarded vessels to some extent, but not to the extent of the current sideboards. More likely, any cooperative imposed limit would constrain their harvest to levels observed during the 2001 through 2011 period. The cooperative could also permit the sideboarded vessels to increase their fishing effort in the GOA Pacific cod fishery beyond their 2001 through 2011 period. As indicated in Table 2-2,

not all six sideboarded vessels participated in the GOA Pacific cod fishery every year, but these vessels have consistently participated in the BSAI Pacific cod fishery. Their consistent and significant participation in the BSAI Pacific cod fishery relative to the GOA Pacific cod fishery is reflected in that their GOA Pacific cod catch was on average only 3% of their total catch of BSAI and GOA Pacific cod. In other words, despite having the ability to lease some or all of their BSAI Pacific cod to expand their effort in the GOA Pacific cod fishery, these vessels have continued to focus the majority of their effort in the BSAI Pacific cod fishery. This pattern has likely arisen from the profitability of the BSAI Pacific cod fishery relative to both the GOA Pacific cod fishery plus the potential revenue received from leasing BSAI Pacific cod.

Table 2-2 TAC, catch (mt), first wholesale value (\$) and vessel count in the BSAI and GOA Pacific cod fisheries for the GOA sideboarded FLCC vessels along with percent of GOA Pacific cod catch and first wholesale revenue relative to total Pacific cod catch and first wholesale revenue, 1996 through 2012

Year	BSAI					GOA					% of GOA catch relative to total BSAI and GOA	% of GOA first wholesale revenue relative to total BSAI and GOA Pcod first
	TAC (mt)	Catch (mt)	% of TAC	First wholesale value (\$)	Vessel count	TAC (mt)	Catch (mt)	% of TAC	First wholesale value (\$)	Vessel count		
<i>Years used to calculate the sideboard limit</i>												
1996	270,000	4,204	1.56	3,070,686	3	65,000	0	0.00	0	0	0.00	0.00
1997	270,000	6,275	2.32	3,713,300	5	69,115	*	*	*	1	*	*
1998	210,000	6,945	3.31	6,116,733	5	66,060	*	*	*	1	*	*
1999	177,000	9,318	5.26	11,082,807	6	67,835	205	0.30	262,795	3	2.15	2.32
2000	193,000	12,687	6.57	15,480,877	6	58,715	*	*	*	1	*	*
<i>Years leading up to implementation of crab rationalization program</i>												
2001	188,000	14,990	7.97	16,893,798	6	52,110	348	0.67	415,849	5	2.27	2.40
2002	200,000	13,222	6.61	12,931,038	6	44,230	583	1.32	609,972	3	4.22	4.50
2003	207,500	15,331	7.39	17,776,261	6	40,540	640	1.58	747,596	4	4.01	4.04
2004	215,500	16,351	7.59	19,164,518	6	48,033	375	0.78	450,511	3	2.24	2.30
<i>Years since implementation of crab rationalization program</i>												
2005	206,000	16,424	7.97	22,795,546	6	44,433	189	0.42	241,062	5	1.14	1.05
2006	194,000	12,973	6.69	22,742,412	6	52,264	553	1.06	935,954	3	4.09	3.95
2007	170,720	13,413	7.86	27,538,941	6	52,264	85	0.16	166,910	3	0.63	0.60
2008	170,720	16,174	9.47	33,338,243	6	50,269	542	1.08	1,245,698	4	3.24	3.60
2009	176,540	17,631	9.99	22,052,567	6	41,807	872	2.09	1,128,240	4	4.71	4.87
2010	168,780	16,163	9.58	24,344,009	6	59,563	786	1.32	1,152,116	5	4.64	4.52
2011	227,950	23,558	10.33	39,624,329	6	73,719	1,357	1.84	2,357,437	5	5.45	5.62
<i>Years since implementation of Pacific cod sector allocations</i>												
2012	261,000	23,390	8.96	not yet released	6	60,600	0	0.00	0	0	0.00	0.00

Source: AKFIN report on January 16, 2013, which is from ADFG fish tickets

Table originates from FLL GOA Pcod Sideboard Tables file and FLL_WV(01-16) file

* denotes confidential data

In the future, if the cooperative no longer coordinates their activities in the GOA Pacific cod fishery, the incentive to “race for fish” increases as more freezer longline vessels chase a fixed allocation of GOA Pacific cod. In an environment with no cooperative coordination, the absence of sideboards would allow these once restricted vessels to expand their effort in the GOA Pacific cod fishery, and thereby potentially impacting other freezer longline vessels participating in the GOA fishery. In addition, a “race for fish” environment could shorten the seasons relative to the no action alternative. A truncated fishing season could impact other freezer longline vessels participating in the fishery by reducing profits from the fishery.

In June 2012, the Council took final action on Amendment 99 that would adjust the maximum length to accommodate larger replacement vessels. Amendment 99 increases the maximum length overall (MLOA) on LLP licenses endorsed to catch and process Pacific cod with hook-and-line gear in the BSAI, including all members of the FLCC. The Council recommended that NMFS increase the MLOA specified on eligible LLP licenses, to accommodate replacement vessels up to 220 feet (67 meters) length overall (LOA). Amendment 99 also amends the FMP to allow vessels in this sector to exceed length, tonnage,

and power limits established under the AFA. There are currently 36 LLP licenses eligible to catch and process Pacific cod with hook-and-line gear in the BSAI and only 33 unique vessels that actively participated. Seventy-five percent of the eligible licenses also had endorsements to use hook-and-line gear to target Pacific cod in the GOA. Although Amendment 99 intended to relieve many of the capacity limits established by the AFA and the LLP, Amendment 99 was not intended to increase the fishing effort of CPs using hook-and-line in the BSAI or GOA. At the time of final action, the Council anticipated that management constraints such as sector allocations in the BSAI and GOA and sideboards would limit the overall capitalization of this subsector and the potential for the subsector to disadvantage other sectors.

However, with the advantage of cooperative fishing amongst the BSAI freezer longliners, combined with larger, purpose-built replacement vessels, the BSAI-endorsed LLP license holders that are restricted by GOA Pacific cod sideboards could consolidate BSAI harvests within the cooperative, and use their increased processing capacity to garner a greater proportion of the GOA Pacific cod sector allocation, relative to their historical catch. These vessels are also less sensitive to weather conditions, which can limit opportunities for smaller vessels (such as the GOA-only endorsed freezer longline vessels). This has the potential to negatively impact the three GOA-only freezer longline vessels. Note, however, that vessels that fish in the BSAI are all larger than those that are only GOA-endorsed, and some of them substantially so. The cooperative has the ability to preempt fishing opportunities by the exclusively GOA-endorsed vessels, as the GOA Pacific cod catcher/processor sector allocation is relatively small, compared to the number of vessels that are endorsed to participate in the sector. However, the combination of sideboard removal and the ability to increase the length of the vessel may nonetheless negatively impact other freezer longline vessels active in the GOA Pacific cod fishery.

Impacts to non-sideboarded cooperative member vessels

Under Alternative 2, it is likely some of the FLL vessels currently sideboarded in the GOA Pacific cod fishery would likely enter this fishery, which could increase competition for a fully utilized sector allocation and negatively impact non-sideboarded BSAI cooperative member vessels. As seen in Table 2-3, the number of non-sideboarded BSAI cooperative vessels active in the GOA Pacific cod fishery has ranged from a low of nine in 2011 to a high of 19 in 2003.

Currently, the BSAI cooperative coordinates the fishing activity of its member vessels in the GOA Pacific cod fishery, including the five sideboarded freezer longline vessels. Coordination of its cooperative member vessel activities in the GOA Pacific cod fishery protects cooperative vessels that are not sideboarded subject to the terms of the agreement. The agreement also reduces the incentive for a “race for fish” within the freezer longline sector if the sideboards were removed, but only to the extent that the agreement constrains the currently sideboard vessels. If the currently sideboarded vessels are not constrained, non-sideboarded cooperative member vessels could suffer either a loss of harvests or be compelled to race to maintain their current share of the harvests in the GOA Pacific cod fishery.

Table 2-3 Catch (mt), first wholesale value (\$) and vessel count in the BSAI and GOA Pacific cod fisheries for the non-sideboarded FLCC vessels active in the GOA along with percent of GOA Pacific cod catch and first wholesale revenue relative to total Pacific cod catch and first wholesale revenue, 1996 through 2012

Year	BSAI					GOA					% of GOA catch relative to total BSAI and GOA Pcod catch	% of GOA first wholesale revenue relative to total BSAI and GOA Pcod first wholesale revenue
	TAC (mt)	Catch (mt)	% of TAC	First wholesale value (\$)	Vessel count	TAC (mt)	Catch (mt)	% of TAC	First wholesale value (\$)	Vessel count		
<i>Years used to calculate the sideboard limit</i>												
1996	270,000	59,818	22.15	43,697,370	20	65,000	4479.38	6.89	3,180,270	14	6.97	6.78
1997	270,000	84,368	31.25	49,925,359	21	69,115	3,505	5.07	2,755,282	10	3.99	5.23
1998	210,000	64,599	30.76	56,899,037	21	66,060	3,170	4.80	2,537,247	12	4.68	4.27
1999	177,000	60,114	33.96	71,503,014	22	67,835	4,428	6.53	5,680,216	20	6.86	7.36
2000	193,000	60,985	31.60	74,417,300	22	58,715	3,620	6.17	4,585,658	15	5.60	5.80
<i>Years leading up to implementation of crab rationalization program</i>												
2001	188,000	65,849	35.03	74,212,015	22	52,110	3,490	6.70	4,173,717	11	5.03	5.32
2002	200,000	63,732	31.87	62,330,375	24	44,230	7,235	16.36	7,575,108	17	10.19	10.84
2003	207,500	69,871	33.67	81,014,368	24	40,540	4,703	11.60	5,495,713	19	6.31	6.35
2004	215,500	71,964	33.39	84,348,026	25	48,033	3,750	7.81	4,508,857	13	4.95	5.07
<i>Years since implementation of crab rationalization program</i>												
2005	206,000	76,487	37.13	106,157,681	25	44,433	543	1.22	693,355	10	0.71	0.65
2006	194,000	68,658	35.39	120,363,817	26	52,264	2,770	5.30	4,689,731	17	3.88	3.75
2007	170,720	58,376	34.19	119,851,874	27	52,264	4,362	8.35	8,544,335	16	6.95	6.65
2008	170,720	66,668	39.05	137,421,272	27	50,269	3,807	7.57	8,748,151	15	5.40	5.98
2009	176,540	74,539	42.22	93,233,182	27	41,807	3,485	8.34	4,506,614	14	4.47	4.61
2010	168,780	68,377	40.51	102,987,648	27	59,563	6,583	11.05	9,652,903	15	8.78	8.57
2011	227,950	92,111	40.41	154,930,271	24	73,719	5,710	7.74	9,920,218	16	5.84	6.02
<i>Years since implementation of Pacific cod sector allocations</i>												
2012	261,000	104,737	40.13	not yet released	24	60,600	2,714	4.48	not yet released	9	2.53	not yet released

Source: AKFIN report on January 16, 2013, which is from ADFG fish tickets

Table originates from FLL GOAPcod Sideboard Tables file and FLL_WV(01-16) file

Despite the advantages of cooperative coordination in the GOA Pacific cod fishery to member vessels, there is the possibility that the members could choose to no longer coordinate their activities in the GOA fishery. The loss of cooperative coordination could result in a “race for fish” amongst freezer longline vessels. Absent sideboard limits, non-sideboard member vessels could be negatively affected as vessels currently sideboarded could increase their share of the catch without limit.

Impacts to non-sideboarded non-member vessels

As seen in Table 2-4, the number of non-member freezer longline vessels that have participated in the GOA Pacific cod fishery has ranged from zero prior to 2004 to a high of three vessels in 2008, 2009, and 2010. Non-members vessels also participated in the halibut IFQ program in the GOA and BSAI.

Table 2-4 Catch (mt), first wholesale value (\$) and vessel count in the GOA Pacific cod fisheries for the non-sideboarded, non-cooperative freezer longline vessels active in the GOA,1996 through 2012

Year	GOA catch (mt)	GOA first wholesale value (\$)	GOA Vessel count
<i>Years used to calculate the sideboard limit</i>			
1996	0	0	0
1997	0	0	0
1998	0	0	0
1999	0	0	0
2000	0	0	0
<i>Years leading up to implementation of crab rationalization program</i>			
2001	0	0	0
2002	0	0	0
2003	0	0	0
2004	*	*	1
<i>Years since implementation of crab rationalization program</i>			
2005	*	*	1
2006	*	*	2
2007	*	*	1
2008	555	1,239,720	3
2009	1,154	1,498,337	3
2010	915	1,318,779	3
2011	*	*	2
2012	*	data not yet released	2

Source: AKFIN report on January 16, 2013, from comprehensive blend catch accounting

* denotes confidential data

Table originates from FLL_WV(01-16) excel file and FLL GOA Pcod Sideboard Tables excel file

Although cooperative coordination can maintain opportunities for non-member vessels, coordination of fishing among cooperative members could also be used to reduce opportunities for vessels that are not in the cooperative. These efforts to preclude opportunities for non-member vessels may arise whether sideboards are removed or not. With sideboards removed, sideboarded vessels could expand their effort in the GOA Pacific cod fishery, directly affecting fishing opportunities for non-member vessels. With the sideboards in place, the cooperative could coordinate fishing to increase their catches in the GOA Pacific cod fisheries. The cooperative's ability to preclude fishing opportunities of non-members is increased by the removal of sideboards, as the sideboarded vessels that have shown an interest in increasing their efforts in the GOA Pacific cod fishery in recent years have additional fishing opportunities with the sideboards removed.

Shifting fishing effort by the sideboarded vessels from the BSAI Pacific cod fishery to the GOA Pacific cod fishery due to reduced TACs in the BSAI could negatively impact non-member FLL vessels active in the GOA Pacific cod fishery. Vessels that are not cooperative members are more vulnerable to increases in GOA Pacific cod fishing effort by sideboarded vessels since these vessels have no agreement with the sideboard vessels. Cooperative coordination provides members the ability to coordinate their effort in the BSAI and GOA Pacific cod fisheries so as to reduce the harm to any member vessels from reduce TACs in one or both areas.

Finally, removing the GOA Pacific cod sideboards combined with Amendment 99, which increases the maximum length overall (MLOA) specified on the LLP licenses, could enable sideboard restricted FLL

vessels negatively effect the three non-member FLL vessels active in the GOA Pacific cod fishery. Amendment 99 could increase the incentive for the eligible six FLCC vessels to increase the length of their vessels and disadvantage other participates in the fishery. Larger vessels can incorporate larger freezer holds thus allowing a vessel to stay at sea for longer periods, while smaller vessels generally require more trips to travel to and from fishing grounds to offload product. Fewer trips could increase vessel efficiency by reducing fuel consumption and minimize transit time, which would allow vessel owners to minimize the time required to harvest their allocation. With this larger vessel advantage combined with cooperative fishing, BSAI-endorsed LLP license holders could consolidate BSAI harvests within the cooperative, and use their increased processing capacity to harvest a greater proportion of the GOA Pacific cod sector allocation, relative to their 2001 through 2011 historical catch. This has the potential to negatively impact the three non-member GOA Pacific cod vessels.

2.2.1 Option and Suboption

In April 2013, the Council added a new option that would, if adopted, permanently remove the GOA Pacific cod hook-and-line sideboard limits for the affected FLL vessels and LLPs, at such time as all GOA FLL endorsed LLP holders agree to remove the sideboard limits. The agreement notification must be completed within 3 years of implementation of the rule. The Council also included a suboption that would suspend the sideboard limits, rather than permanently remove these limits. If, at some future time subsequent to the original unanimous agreement to remove the sideboards, any FLL GOA endorsed LLP license holder withdraws support to remove the GOA Pacific cod sideboard limits, those sideboard limits would be reinstated in the following year.

Sideboard negotiations

Negotiating the terms of the GOA Pacific cod hook-and-line CP sideboards will likely involve FLCC members operating as one voice, and the non-member vessel owners representing their individual interests. Currently there are 30 GOA FLL endorsed LLP holders. Of those 30 LLP holders, 28 are members of the FLCC. Six of these FLCC GOA LLP holders are sideboard restricted in the Pacific cod fishery. The remaining two GOA FLL endorsed LLP holders are not members of FLCC.

The negotiation leverage between the two groups varies, in part, on whether the sideboards are permanently removed or temporarily suspended. In both cases, the negotiation leverage tends to be held by the two owners who are not members of the vessel cooperative. However, permanently removing sideboards would likely shift negotiation leverage from these non-member vessel owners to FLCC member vessel owners. The degree to which FLCC members want the sideboards removed is obviously a factor in the negotiating an agreement. If removal of the GOA Pacific cod sideboards is a lesser priority for the FLCC, then the potential negotiation leverage held by either of the two non-member vessel owners is substantially diminished. If follows immediately that the reserve is likely true.

As noted above, any negotiating leverage that exists, *ex ante*, appears likely to shift from non-member vessel owners, to FLCC vessel owners, once unanimous agreement is reached and sideboards are permanently removed. Because a “one-time only” decision to agree to remove sideboards carries a high level of uncertainty as to the future prospects for the non-member vessel operators in the GOA Pacific cod fishery, attainment of unanimity could be very difficult to negotiate and achieve.

Alternatively, agreeing to suspend GOA Pacific cod hook-and-line CP sideboards subject to the prospect of a future reversal, should the fishery develop in a way that disadvantageous any signatory to the agreement to suspend the sideboards, alleviates most of the uncertainty. This approach also lowers the transaction costs of negotiating concurrence, and increases the probability of achieving unanimity of the parties to the negotiation. Furthermore, recognizing that, any future date, on the action of one operator,

sideboards could be reinstated in the following year, and beyond, which should provide a substantial economic incentive to maintain a copasetic operating environment within the GOA FLL sector.

Relative to a permanent removal of sideboards, this approach would maintain the potentiality of negotiation leverage on behalf of those that are not, under status quo, restricted by GOA Pacific cod hook-and-line CP sideboards. This would include the two non-member vessels, but it also could include FLCC vessels that are not restricted by these sideboards. If in the future, the loss of FLCC coordination in the GOA Pacific cod hook-and-line CP fishery results, the non-sideboard FLCC vessels would also likely have some negotiation leverage with the sideboarded FLCC vessels in both BSAI and GOA Pacific cod fisheries.

Implementation

Alternative 2 would remove freezer longline non-AFA crab GOA Pacific cod sideboards. As noted in Section 1.4.4, sideboarded vessels are identified by endorsements placed on their FFP and /or LLP. Currently NMFS establishes the sideboard limits by gear and operational type, as specified under Amendment 83, through the harvest specification process and notice and comment rulemaking. NMFS OLE then enforces the sideboard allocation harvests during the fishing year. Although the complete removal of the sideboards language from the FFP and the LLP would simplify the catch accounting of sideboard allocations, there would likely be impacts on other GOA Pacific cod fisheries. Should NMFS remove the subject-to- sideboard endorsement from an FFP and LLP, sideboarded FLL vessels endorsed to catch and process Pacific cod with other gear types (i.e. pot gear) would not be subject to the sideboard limits and could compete with historic participants for that sector's TAC allocation.

Another option would be for NMFS to only remove the hook-and-line non-AFA Crab sideboard requirement from the regulations authorizing the harvest specifications. In this situation NMFS would not promulgate regulations to modify or remove the sideboard language from the FFP or LLP licenses and sideboarded vessels would remain subject to all other sideboard restrictions applicable to the harvest of Pacific cod in the GOA. Such a regulatory change would not be immediately effective and would instead be implemented during the next TAC setting and harvest specifications cycle. This would require a regulatory change to the harvest specifications process.

The option under Alternative 2 would modify the removal of the sideboards by requiring participants to notify NMFS that an agreement to remove the sideboards has been reached prior to removing the sideboards. To implement this option, NMFS would promulgate regulations to establish that the non-AFA crab sideboards would remain in effect unless NMFS receives notification from all required participants to permanently remove the sideboards from the harvest specifications, as noted above. The second part of the option would establish a 3-year deadline for participants to provide the necessary notification to NMFS that an agreement has been reached. **It is likely a request for sideboard removal approaching the 3-year deadline would trigger a new or supplemental impact analysis.** The dynamic nature of these fisheries may alter the impacts of sideboard removal such that the implementation of a measure in subsequent years may no longer meet the purpose and need for this action. **A more immediate deadline that coincides with the annual harvest specifications process would be more likely to be implemented without further impact analysis.**

The suboption under Alternative 2 would suspend rather than permanently remove the sideboards. NMFS notes that inseason management authority to open and close fisheries is structured to ensure that TAC and sideboard allocations established under the harvest specification process are not exceeded. Revisions to the final harvest specifications are difficult to accomplish in a timely manner because such a revision requires notice and comment rulemaking. Thus, any action to suspend or reinstate sideboards could not be implemented inseason and would need to be implemented annually through the harvest specifications

process. NMFS has implemented such annual provisions, for example, under the incentive plan agreements under Amendment 91 to the BSAI FMP. To implement the suboption, NMFS would need to annually receive notice from participants that an agreement to remove sideboards has been reached. If such notice is given to NMFS and the agreement is approved by NMFS, like the regulations implementing Amendment 91, prior to the publication of the proposed harvest specifications (September deadline), NMFS could suspend the sideboards for the upcoming fishing year. NMFS would modify regulations to ensure that the sideboard allocations would be established annually for the hook-and-line sector unless the notice of agreement is received and approved by NMFS; therefore, no notice is needed to reinstate the sideboards should an agreement not be reached in any given year. Implementation of the suboption would likely increase the administrative burden beyond that of Alternative 2 or the option.

2.3 Potential Effects on Net Benefits to the Nation

Other than some general observations of the possible effects of the proposed action on net National benefits, any quantitative cost/benefit analysis is not possible. Cost data for the six GOA sideboarded vessels are not currently available. For this reason, a quantitative cost/benefit examination of the alternatives or comparative net benefits conclusions concerning the alternatives is not possible.

Under the no action alternative, the six freezer longline vessels and five hook-and-line catcher/processor licenses will continue to be restricted by GOA Pacific cod sideboards. Maintaining these sideboard restrictions for the six FLL vessels does have the potential to reduce gains in efficiency if the BSAI FLCC cannot utilize these sideboarded vessels in that fishery. It is possible that some of these six vessels are more efficient at harvesting GOA Pacific cod compared with other FLCC vessels. However, the no action alternative does likely reduce the chance of a future “race for fish” in the GOA Pacific cod fishery if the FLCC no longer coordinates its activities in that fishery.

Under the proposed action, the six freezer longline vessels that are restricted by GOA Pacific cod sideboards would be free to participate in the GOA Pacific cod fishery. If the BSAI freezer longline cooperative continues to coordinate its fishing activities in the GOA Pacific cod, there is some potential efficiency advantage if these six vessels harvest GOA Pacific cod are more efficient than other cooperative vessels participating in this fishery. There is also more potential for a “race for fish” within the freezer longline sector under this alternative. A “race for fish” does impose economic costs that erode efficiency gains (e.g., changes in fuel consumption or vessel modifications designed specifically as a result of the “race for fish”). Taking into consideration these potential changes to the fishery from the proposed action, the overall net benefit to the Nation from the proposed action are likely limited. However, net benefits to the Nation are likely greater if GOA FLL endorsed LLP holders all agree to remove the sideboards as is proposed in the option and suboption the Council added in April 2013. Under that option and suboption, there is the potential that the FLCC vessels and non-member vessels will reach a cooperative agreement in exchange for removing the sideboard limits. Reaching a cooperative agreement between the FLCC vessels and non-member vessels would likely reduce the potential for a “race for fish”, which could increase the net benefits to the Nation.

3.0 CONSISTENCY WITH APPLICABLE LAW AND POLICY

This section evaluates this action against the Regulatory Flexibility Act, National Standards and Fishery Impact Statement requirements in the Magnuson-Stevens Act, and Section 303(a)(9) – Fisheries Impact Statement.

3.1 Initial Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA), first enacted in 1980, and codified at 5 U.S.C. 600–611, 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 impacts on small entities as a group distinct from other entities and on the consideration of alternatives that may minimize the impacts, while still achieving the stated objective of the action. When an agency publishes a proposed rule, it must either, (1) “certify” that the action will not have a significant adverse effect on a substantial number of small entities, and support such a certification declaration with a “factual basis,” demonstrating this outcome, or (2) if such a certification cannot be supported by a factual basis, prepare and make available for public review an Initial Regulatory Flexibility Analysis (IRFA) that describes the impact of the proposed rule on small entities.

Based upon a preliminary evaluation of the proposed alternatives, it appears that “certification” would not be appropriate. Therefore, this IRFA has been prepared. Analytical requirements for the IRFA are described below in more detail.

The IRFA must contain:

1. A description of the reasons why action by the agency is being considered;
2. A succinct statement of the objectives of, and the legal basis for, the proposed rule;
3. 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);
4. 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;
5. An identification, to the extent practicable, of all relevant federal rules that may duplicate, overlap, or conflict with the proposed rule;
6. A description of any significant alternatives to the proposed rule that accomplish the stated objectives of the Magnuson-Stevens Act and any other applicable statutes, and that would minimize any significant adverse 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:

- a. The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities;
- b. The clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities;
- c. The use of performance rather than design standards;
- d. An exemption from coverage of the rule, or any part thereof, for such small entities.

The “universe” of entities to be considered in an IRFA generally includes only those small entities that can reasonably be expected to be directly regulated by the proposed action. If the effects of the rule fall primarily on a distinct segment of the industry, or portion thereof (e.g., user group, gear type, geographic area), that segment would be considered the universe for purposes of this analysis.

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

3.1.1 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) and small government jurisdictions.

Small businesses: Section 601(3) of the RFA defines a “small business” as having the same meaning as a “small business concern,” which is defined under section 3 of the Small Business Act. A “small business” or “small business concern” includes any firm that is independently owned and operated and not dominate in its field of operation. The U.S. Small Business Administration (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 form 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. A business “involved in fish 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 receipts not in excess of \$4.0 million for all its affiliated operations worldwide. A seafood processor is a small business if it is independently owned and operated, not dominant in its field of operation (including its affiliates) and employs 500 or fewer persons, on a full-time, part-time, temporary, or other basis, at all its affiliated operations worldwide. A business involved in both the harvesting and processing of seafood products is a small business if it meets the \$4.0 million criterion for fish harvesting operations. 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 control 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 nonprofit 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.

3.1.2 Reason for Considering the Proposed Action

The purpose of this action is to remove GOA Pacific cod sideboard limits for the freezer longline vessels restricted by these sideboard limits. These sideboard limits were established by the crab rationalization program in 2005. These sideboard limits were calculated using GOA Pacific cod catch history from 1996 to 2000. The sideboard limits were aggregated across all gear types at the inshore and offshore level. Of the 82 vessels that are restricted by GOA Pacific cod sideboard limits, six were FLL vessels.

With GOA Pacific cod sideboards aggregated across all gear types, the sideboard limits provided an opportunity for sideboard restricted vessels to participate in the GOA Pacific cod fishery even if the vessel had limited history in the fishery in the past. During the 2005 to 2011 period, most of the six FLL sideboard restricted vessels participated in the GOA Pacific cod sideboard fishery. Collectively, the FLL vessels that participated in the GOA Pacific cod during the 2005 to 2011, harvested a greater share of TAC annually relative to their catch history in this fishery during the 1996 to 2000 period.

In 2012, as part of the GOA Pacific cod sector split (Amendment 83), the Pacific cod sideboard limits were disaggregated to create gear type and operation type limits. Since the six restricted FLL vessels had limited GOA Pacific cod history, the hook-and-line CP and pot CP sideboard limits were very small. In 2012 and 2013, NMFS determined that the sideboard limits were insufficient to support a direct fishery, so the fishery was closed for the entire year, thus eliminating these six sideboarded FLL vessels from the GOA Pacific cod fishery. To allow these six FLL vessels to once again participate in the GOA Pacific cod fishery, in June 2012, the Council proposed to remove the sideboard limits for these six FLL vessels. The following problem statement was provided:

The narrowing of the sideboard limit under Amendment 83 from a non-gear sideboard to a sector specific sideboard, significantly reduced non-AFA crab Gulf of Alaska Pacific cod sideboards for sideboarded freezer longline vessels active in the Gulf of Alaska Pacific cod fishery prior to the Pacific cod sector split. A recalculation of the Pacific cod sideboards resulted in the loss of fishing opportunities, future revenues, and an ability to participate in the Gulf of Alaska cooperative fishing efforts.

Under Amendment 83, the freezer longline sector has a direct allocation of Pacific cod, and due to the harvesting capacity available to participate in the Gulf of Alaska, the freezer longline sector must establish cooperative harvest control measures in order for NMFS to make the sector TAC available for directed fishing. Therefore, the need for catcher processor hook-and-line GOA Pacific cod sideboards to limit the catch of these vessels may no longer exist.

Removal of the non-AFA crab GOA Pacific cod sideboards for freezer longliners would restore to the sideboarded vessels the ability to participate in the GOA Pacific cod fishery. Removing sideboard limits for the freezer longline vessels, however, may adversely impact GOA only freezer longline vessels, and to the extent practicable, there is a need to minimize the impact.

3.1.3 Objectives of, and the Legal Basis for, the Proposed Rule

The objective of the proposed action is to remove the GOA Pacific cod sideboards for the freezer longline vessels that are restricted by these limits. This objective is encompassed by authorities contained in the Magnuson-Stevens Act. Under the Magnuson-Stevens Act, the United States has exclusive management authority over all living marine resources found within the EEZ. The management of marine fishery resources is vested in the Secretary of Commerce, with advice from the Regional Fishery Management Councils. The GOA Pacific cod sideboards created under the crab rationalization program are managed under the FMP for Bering Sea and Aleutian Islands King and Tanner crabs.

Statutory authority for measures designed to consider efficiency in the use of fishery resources is specifically addressed in Section 301 of the Magnuson-Stevens Act. That section establishes National Standard 5, which directs the Councils to “consider efficiency in the utilization of fishery resources; except that no such measure shall have economic allocations as its sole purpose.”

The Magnuson-Stevens Act is the legal umbrella under which the GOA Pacific cod sideboards are managed. In the Alaska region, the Council is responsible for preparing management plans for marine fishery resources requiring conservation and management. NMFS, under the U.S. Department of Commerce, is charged with carrying out the federal mandates with regard to marine fish, once they are approved by the Secretary of Commerce. NMFS Alaska Regional Office reviews the management actions recommended by the Council.

3.1.4 Number and Description of Small Entities Regulated by the Proposed Action

The RFA requires a consideration of affiliations between entities for the purpose of assessing if an entity is small. There is not a strict one-to-one correlation between vessels and entities; many persons and firms are known to have ownership interests in more than one vessel, and many of these vessels with different ownership, are otherwise affiliated with each other.

The entities directly regulated by this action are those catcher processors operating in the EEZ of the BSAI and GOA, using longline gear. Earnings from all Alaskan fisheries for 2011 were matched with the freezer longline vessels that are restricted by GOA Pacific cod sideboards. Of the six vessels directly regulated by this action, none are small entities. All six of these vessels are members of the BSAI Freezer Longline Conservation Cooperative and, as such, are not considered small entities for the purpose of the RFA.

3.1.5 Recordkeeping and Reporting Requirements

Recordkeeping and reporting requirements are not expected to change as a result of the proposed action. The action under consideration requires no additional reporting, recordkeeping, or other compliance requirements that differ from the status quo.

3.1.6 An Identification, to the Extent Practicable, of all Relevant Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rule

No relevant federal rules were identified as duplicating, overlapping, or conflicting with the proposed action under consideration herein.

3.1.7 Description of Significant Alternatives

Upon final action, this section will be updated to discuss the Council's preferred alternative.

3.2 National Standards

Below are the ten National Standards as contained in the Magnuson-Stevens Act, and a brief discussion of the consistency of the proposed alternatives with each of those National Standards, as applicable.

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

None of the alternatives considered in this action would affect overfishing of groundfish in the BSAI or GOA since the action will continue to be managed under the current harvest specifications process. The alternatives would also not affect, on a continuing basis, the ability to achieve the optimum yield from each groundfish fishery for the same reasons.

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

This analysis is based on the most current, comprehensive data available, recognizing that some information (such as operating costs) is unavailable.

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.

The BSAI and GOA groundfish TACs are established on an annual basis during the harvest specifications process. NMFS conducts the stock assessments for these species and makes allowable biological catch recommendations to the Council. The Council sets the TAC for these species based on the most recent stock assessment and survey information. These BSAI and GOA stocks will continue to be managed as a single stock under the alternatives in this analysis.

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 treats all vessel owners the same regardless of residency. The proposed alternatives would be implemented without discrimination among participants and are intended to promote conservation of the groundfish resources in the BSAI and GOA.

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.

This action will improve efficiency in utilization of the fishery resource. The action does not allocate shares, but simply removes GOA Pacific cod sideboards for freezer longline vessels thereby allowing these vessels to participate in the sector's GOA Pacific cod fishery.

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 BSAI and GOA in future years. The harvest would be managed to and limited by the TACs for each species, regardless of the proposed action considered in this amendment.

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

Since this proposed action would remove GOA Pacific cod sideboards for those freezer longline vessels restricted by this limitation, this action would not impose additional costs for compliance, and does not duplicate any other management action.

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.

Since the freezer longline fleet does not have a large impact on coastal communities, this action is not expected to have an adverse effect on communities or affect community sustainability.

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.

Since the proposed action would only remove GOA Pacific cod sideboards for those freezer longline vessels restricted by this limitation, this action is not expected to impact bycatch.

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

The alternatives proposed in this action are not expected to affect safety of human life at sea.

3.3 Section 303(a)(9) – Fisheries Impact Statement

Section 303(a)(9) of the Magnuson-Stevens Act requires that any management measure submitted by the Council take into account potential impacts on the participants in the fisheries, as well as participants in adjacent fisheries. The impacts on participants in the freezer longline groundfish fisheries in the BSAI and GOA have been discussed in previous sections of this document (see Chapter 2). The proposed action is not anticipated to have effects on participants in other fisheries.

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